

# **GUIDELINES**

## **Southern Tier Region Community Revitalization Re-Investment Fund**

### **Southern Tier Region Economic Development Corporation**

**SOUTHERN TIER REGION COMMUNITY REVIALIZATION  
RE-INVESTMENT FUND  
TABLE OF CONTENTS**

**Section 1: Purpose and Program Description**

**Section 2: Applicant and Project Eligibility**

**Section 3: Funding Priorities and Structure**

**Section 4: Evaluation Criteria**

**Section 5: Application and Approval Process**

**Section 6: Application Checklist**

**Section 7: Definitions**

**Section 8: Terms and Conditions**

**Section 9: Compliance with Other Applicable Laws**

## **SECTION 1. PURPOSE AND PROGRAM DESCRIPTION**

### **Purpose**

There is substantial demand for downtown and neighborhood commercial center revitalization initiatives throughout the entire Southern Tier Region that would help meet the growing demand for urban apartments and commercial development, while stimulating the local economy. There are many municipalities, community and economic development organizations, and developers prepared to move forward with significant financial investment if they can secure the needed gap financing that allows many projects to become reality.

The Southern Tier Region Community Revitalization Re-Investment Fund will fund projects that utilize a collaborative approach to provide improved and diverse downtowns, mixed use options, and commercial and retail opportunities linked to discrete neighborhood centers.

### **Goal**

The goal is to use both state and federal public investments as “gap financing” for specific downtown and community neighborhood commercial center revitalization projects that have a financing strategy and can demonstrate the greatest potential to leverage public funds and non-profit resources, attract and sustain both short-term and long-term private capital, and catalyze further development.

Revitalization projects will create quality commercial space for commercial development and entrepreneurial enterprises and additional mixed use options, while building on existing infrastructure with upgrades and new construction in keeping with the downtown and neighborhood commercial center character.

### **Program Description**

The Southern Tier Region Community Re-Investment Fund will provide “gap-financing” for redevelopment of key commercial buildings, infill on new buildings, and development of the Southern Tier Region’s downtowns, rural populations centers, and neighborhood commercial centers. The Community Revitalization Re-Investment Program will allow each community to identify its own priorities and structure projects to support unique local needs in targeted areas.

Funding will be in the form of low-interest loans. Each applicant for a loan will be evaluated on a case-by-case basis to assess the request for loan funding. Careful and individual consideration will be given to each application and the final funding award will be based on project feasibility, measurable impact, project readiness, and leveraging of funds.

### **Leveraging Resources and Economic Impact**

#### Leveraging Resources

- The Maximum project award is \$250,000 or 50% of the total project cost, whichever is less.
- All projects require no less than fifty percent of the award amount in matching contributions.
- Owner equity must be at least ten percent of the total project cost.
- The interest rate on a loan will be 75% of the Prime lending rate at the time of STREDC Commitment
- Term of loan: fixed interest rate with maximum of 15-year term

Projects must demonstrate that resources are leveraged. Priority will be given to project that demonstrates the greatest leverage of investment. For example:

- Local, state and federal funding (NY Main Street, CDBG, HOME, New Markets Tax Credits, etc.)
- Private investment- philanthropic, corporate and individual

### Impact

Projects are expected to demonstrate clear and quantifiable impact such as:

- Creates quality commercial space for business development and entrepreneurial enterprises.
- Creates mixed use developments.
- Enhances tax base
- Implements plans for redevelopment of Brownfield Opportunity Areas.
- Supports recruitment and retention of a talent based workforce.
- Builds on the existing infrastructure by upgrading or replacing out-moded styles with new construction designed to meet changing needs and blend into the downtown and neighborhood commercial center character.
- Recaptures the value of neighborhoods that have underused or deteriorated public assets.
- Supports renewable energy strategies.
- Supports NYS and local smart-growth principles.
- Supports NYS Contractor and Supplier Diversity Program Goals.

## **SECTION 2. APPLICANT AND PROJECT ELIGIBILITY**

### **Applicant Eligibility**

Eligible applicants include property owners, real estate developers, business owners redeveloping property in downtown areas in town centers, villages, cities in Broome, Chemung, Chenango, Delaware, Schuyler, Steuben, Tioga, or Tompkins Counties. Applicants must obtain a letter of support from the municipality within which the project is to be located.

### **Ineligible Project Activities**

The following are **not** definable projects, and will not be considered for project funding.

- Building and property acquisition is not an eligible for a Community Revitalization Re-Investment Program loan, but may be part of the total project cost and therefore used as a matching cost.
- Working Capital
- Rehabilitation of municipal buildings and properties for municipal reuse
- Demolition that is not a component of the proposed project. Demolition is a component of the overall project that will result in a commercial/retail revitalization project.

### **Definable Project**

Individual properties may be bundled into a definable “project.” The project may include the rehabilitation, reconstruction and new construction of a building or group of buildings that furthers the goals of revitalizing a downtown or neighborhood commercial center, and encourages commercial investment.

To constitute a coherent and cohesive project, a group of properties will be selected because their reconstruction, rehabilitation, or new construction are inter-related and will collectively advance a strategic objective of an

economic development, a local revitalization or an urban development plan. A site map must be included for each project clearly identifying all targeted properties.

Projects should be architecturally consistent with nearby and adjacent properties or in a manner consistent with an economic development, local revitalization or an urban development plan.

The applicant and/or developer entity must demonstrate that it has current or pending ownership of the properties involved in the definable project. If the property is not owned by the applicant or developer entity at the time of application, a copy of a legal binding document in the form of a contract for sale, purchase agreement or option must be included in the application materials.

The Southern Tier Region Community Revitalization Re-Investment Fund is not intended to be the primary source of funding for downtown and/or neighborhood commercial center revitalization. Project funding is intended to offset the high redevelopment costs of urban construction or rebuilding of severely impacted commercial/retail properties and to fill funding gaps preventing projects from advancing. Projects will be required to be self-sustaining and supported by private sector investment. All projects require no less than ten percent of the total amount in owner equity.

## SECTION 3. FUNDING PRIORTIES AND STRUCTURE

### Funding Priorities

Strong emphasis will be placed on project feasibility and readiness. This includes demonstrating the following.

- Project Feasibility through a market feasibility, business plan with detailed pro forma, etc.
- Project Readiness through documentation of conformance with local planning and zoning, federal and state permits secured, etc.
- Project financing has been secured, with letters of commitment on financing.
- Project is ready to start within 3 months of a Community Revitalization Re-Investment Fund award.

### Funding Structure

***All projects require no less than fifty percent of the project amount in matching contributions. Owner equity must be at least ten percent of the total project cost.*** The matching contribution must be in the form of cash, equity in property involved in the project, and other sources of funding from federal, state (other than Community Revitalization Re-Investment funds) and local government sources, and funds from private contributions. Match amounts must be “firmly committed” and will support the proposed project. “Firmly Committed” means there must be a signed, written agreement with terms and conditions from each funding source. If the cash match includes bank financing, then original signature written commitments from all financing institutions must be included in the application packet. ***A letter of interest does not constitute a firm commitment for financing or property acquisition.*** The written commitment may be contingent upon an applicant receiving a Community Revitalization Re-Investment award.

***A personal guarantee by each proprietor, partner or stockholder with 20% or more ownership of the business concern, and if different, of each owner with 20% of more ownership of alter ego is required.*** Both a Personal History Statement and a Personal Financial Statement must be completed and submitted at the time of application by each person as it applies. Each personal financial statement must be current within 90 days. The funding award will be in the form of a low-interest loan, with the interest rate being a minimum of 1%. The loan will be administered by the Southern Tier Region Economic Development Corporation (STREDC).

Within ten (10) calendar days of a project award notification, STREDC will inform the applicant/developer entity in writing of the terms and conditions of the loan. The developer entity will have fifteen (15) calendar days to inform STREDC that it declines the award or is prepared to move forward with the project. STREDC will then contact the developer entity to secure any additional information required to prepare the loan documents.

Funds will be made available from STREDC upon successful completion of the project. The developer must provide invoices and proof of payment on for eligible expenses incurred during the project. Expenses must equal or be greater than the approved project budget. Funds will be held by STREDC and distributed to the developer entity upon approval of STREDC.

\*The Southern Tier Regional Economic Development Corporation reserves the right to modify the above conditions\*

**Eligible Project Costs**

The following costs are eligible for a Community Revitalization Re-Investment Fund.

- Demolition; only if demolition is a component of construction or rehabilitation
- New construction
- Building rehabilitation
- Infrastructure and site preparation needs related to the project including, but not limited to excavation, grading, environmental clean-up, water, sewer, sidewalks and parking
- Reasonable soft costs related to the project including professional service/consultant, engineering, inspections, fees, insurance, environmental assessment, legal costs and closing costs

**Ineligible Costs for Reimbursement**

The following costs are not eligible project costs, but may be considered in the total project cost. If land or building costs are included as equity, the current assessed value must be stated in the application form.

- Property acquisition
- Building acquisition
- Expenditures incurred prior to the application due date
- Physical work on a project prior to completion of appropriate SEQRA review.

Expenditures incurred prior to the application due date are not eligible for reimbursement by Community Revitalization Re-Investment Funds

**SECTION 4. EVALUATION CRITERIA**

The Southern Tier Regional Economic Development Corporation will evaluate and rank applications using the following criteria.

<b>Points</b>	<b>Criteria</b>
Up to 30	Leverage Other Resources such as Brownfield Redevelopment, and funds from Local, Private, State and Federal sources
Up to 25	Program Goals and Impact
Up to 35	Project Readiness/Feasibility
Up to 10	Support of Minority & Women Business Enterprises

## SECTION 5. APPLICATION AND APPROVAL PROCESS

### Applicant Process

**All applicants must contact their respective county economic development agency prior to application.**

Applications will be submitted to the Southern Tier Region Economic Development Corporation (STREDC) and reviewed for completeness, applicant and funding eligibility, qualifications and credit worthiness of the development team, project and financial feasibility, owner equity and commitments for matching funds. All inquiries and questions should be directed to the Southern Tier Region Economic Development Corporation at (607) 962-3021.

### Applicant Action

The applicant's legal governing body must provide written support for the project stating that the proposed project is consistent with the entity's strategic plan and/or the respective municipality's local revitalization or urban development plan; that the proposed financing is appropriate for the specific project; that the project facilitates effective and efficient use of existing and future public resources so as to promote both economic development and preservation of community resources; and the project develops and enhances infrastructure and/or other facilities in a manner that will attract, create and sustain employment opportunities where applicable.

### Certification

The application must be certified by the lead official of the applicant entity that it is complete, true and accurate.

### Submission Deadline

Applicants will be accepted on a rolling basis. Project consideration will be based on the availability of program funds.

### Application Package

All items of the Application Checklist must be included. **Incomplete applications will not be considered.** The Southern Tier Region Economic Development Corporation, at its sole discretion, reserves the right to accept minor amendments and additions to this application.

Note that a personal financial statement must be completed and submitted at the time of application by each proprietor, partner or stockholder with 20% or more ownership of the business concern, and if different, of each owner with 20% or more ownership of alter ego is required. Attachment B. contains a Personal History and Personal Financial Statement form.

The Application package consists of:

- 1 hard copy.
- All materials must be on 8.5x11 paper.
- Assemble documents in a 3-ring binder no thicker than 2 inches and include all forms, enclosures and attachments. The binder with original signature and Application Fee should be labeled "Original".
- Place the applicant's name on the cover and the spine of the binder.
- When possible, an additional electronic copy of the application with attachments should also be provided.

Applicants will submit all documents listed of the Application Checklist to:

**Southern Tier Region Economic Development Corporation  
c/o REDEC/RRC  
8 Denison Parkway E.  
2<sup>nd</sup> Floor Suite 305  
Corning, NY 14830**

#### Application Fee

A non-refundable check payable to Southern Tier Region Economic Development Corporation in the amount of \$250 must be included with the application, and should be placed in an envelope marked "Application Fee" and placed in the front of the binder labeled "Original"

#### **Loan Administration**

Upon final approvals, the project award recipient will enter into an agreement with the Southern Tier Region Economic Development Corporation (STREDC). The loan will be closed and administered by STREDC. A loan commitment fee of 1% (maximum of \$2,500) will be paid by the borrower at the time of loan commitment. The borrower also will be responsible for all loan closing costs.

## **SECTION 6. DEFINITIONS**

NEIGHBORHOOD COMMERCIAL CENTER shall mean a cluster of small commercial and mixed use buildings in a distinct neighborhood district.

HISTORIC AND/OR CULTURAL PLACE OR PROPERTY shall mean any building, structure, district, area, site or object, including an underground and underwater site, which is of significance in the history, architecture, archeology or culture of the state, community or nation.

MATCH shall mean cash, the assessed value of property(s) involved in the defined project and other sources of funding from federal, state (other than Community Revitalization Re-Instatement Funds) and local government sources, and funds from private contributions. Match amounts must be "firmly committed" and will support the proposed Community Revitalization Re-Instatement project. "Firmly Committed" shall mean there must be a signed, written agreement with terms and conditions from each funding source. If the cash match includes bank financing, then the written commitment from all financing institutions must be included. A letter of interest does not constitute a firm commitment. The written agreement may be contingent upon applicant receiving a Community Revitalization Re-Instatement award.

MUNICIPALITY shall mean a municipal subdivision that is a city, town or village.

PROJECT shall mean the demolition, rehabilitation, reconstruction and new construction of a building or group of buildings that furthers the goal of revitalizing an urban downtown center or neighborhood commercial center, and encourages commercial investment. The constitute a coherent and cohesive project, a group of properties shall be selected because their reconstruction, rehabilitation or demolition are inter-related and will collectively advance a strategic objective of the local revitalization or urban development plan.

PROJECT TYPE shall mean the following:

- DEMOLITION shall mean to completely tear down or raze a building.

- REHABILITATION shall mean structural repairs, mechanical systems repair or replacement, repairs related to deferred maintenance, emergency repairs, energy efficiency upgrades, accessibility improvements, mitigation of lead-based hazards, and other repairs that result in a significant improvement to the property, provided however, that to the extent possible, such rehabilitation shall be architecturally consistent with nearby and adjacent properties, or done in the manner consistent with a local revitalization or urban development plan.
- RECONSTRUCTION shall mean the construction of a new building, which is similar in architectural style, size and purpose to a previously existing building at such location, provided however, that to the extent possible that such reconstruction is architecturally consistent with nearby and adjacent properties, or in a manner consistent with a local revitalization or urban development plan.

SITE CONTROL shall mean (i) ownership by the applicant or (ii) written consent from the ownership entity and, if different, the entity that has legal control of the site consenting to the application for Community Revitalization Re-Investment funding and, if awarded, agreeing to use Community Revitalization Re-Investment Funds as outlines in the application. If the property is not owned by the applicant or developer entity at the time of application, the applicant must have legal binding document in the form of a contract for sale or option.

SOFT COSTS shall mean reasonable costs related to those items in a project that are necessary to prepare and complete the non-construction needs of the project. Soft costs include such items as architecture, design, engineering, permits, inspections, consultants, environmental studies, and regulatory demands needing approval before construction begins. Soft costs do not include construction, telecommunications, furnishings, fixed equipment, and expenditures for any other permanent components of the project.

## SECTION 7. TERMS AND CONDITIONS

A Fund award recipient must provide a matching contribution of no less than sixty percent of the Southern Tier Region Community Revitalization Re-Investment Fund amount. Such matching contribution may be cash, qualified loans, equity in project property(s), or funds from federal, state (other than Community Revitalization Re-Investment Funds) and local government sources and funds from private contributions. Match amounts must be “firmly committed” to support the proposed Southern Tier Community Revitalization Re-Investment Fund project. “Firmly Committed” shall mean there must be a signed, written agreement from each funding source.

If the cash match includes bank financing, then a written commitment from all financing institutions must be included with the application. **A letter interest does not constitute a firm commitment.** The written agreement maybe contingent upon an applicant receiving a Community Revitalization Re-Investment Fund award.

**All projects require no less than ten percent of the total project amount in owner equity.** In addition, applicants will be required to disclose proposed tax abatements to be applied to the proposed project.

A personal guarantee by each proprietor, partner or stockholder with 20% or more ownership of the business concern, and if different, of each owner with 20% or more ownership of alter ego is required. A personal financial statement and a personal history statement must be completed and submitted at the time of application by each person at it applies. Each personal financial statement must be current within 90 days. Attachment B. contains a Personal History and Personal Financial Statement Form.

Applicants will be required to disclose proposed tax abatements to be applied to the proposed project.

Each application for a loan will be evaluated on a case-by-case basis to assess the request for funding. Careful and individual consideration will be given to each application, and the final funding award will be based on project feasibility, measurable impact, project readiness, leveraging of funds including owner equity, support of local

development strategies and availability of funds in the Southern Tier Community Revitalization Re-Investment Fund

The Southern Tier Regional Economic Development Corporation reserves the right to offer project awards to sponsors in different amounts under different terms than requested. STREDC reserves the right to review and reconsider project and property selections in the event of material changes in the project plans or circumstances.

It is expected the project will proceed in the time frame set forth by the applicant. If the implementation of a project fails to proceed as planned and is delayed for a significant period of time and there is, in the exclusive judgment of STREDC, doubt as to its viability, STREDC reserves the right to cancel its funding commitment to such project.

## **SECTION 8. COMPLIANCE WITH OTHER APPLICABLE LAWS**

All procurement and project development activity associated with the Southern Tier Community Revitalization Re-Investment Fund must be in conformance with applicable Federal, State and local laws.