

BOROUGH OF POTTSTOWN



DOWNTOWN BUSINESS INCENTIVE GRANT PROGRAM



FEBRUARY 2012
PROGRAM MANUAL

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I. PROGRAM DESCRIPTION & PURPOSE

The contents of this manual describe the program policies and administrative procedures that govern the *Borough of Pottstown Downtown Business Incentive Program*.

The purpose of the Downtown Business Incentive Program is to attract customers and investors to the downtown business district as we create a positive, revitalized, and professional image for our community.

The Borough of Pottstown has established a Downtown Business Incentive Program that recognizes the benefits and economic impact of new investment that will contribute to the health and stability of the Borough and in furtherance of various adopted strategic plans and studies. The program is a tool designed to encourage capital investment and reinvestment in the downtown business district.

The Borough of Pottstown has received Montgomery County Community Revitalization Program funding to provide existing and/or emerging businesses grant funding for capital improvements necessary for business creation or expansion into a vacant building or lot in the downtown business district. In general, the Pottstown Borough Administration staff will serve as the primary intake of all applicants seeking assistance from the Downtown Business Incentive Program.

A. GOALS

- Build on existing efforts of the Pottstown Downtown Improvement District Authority, (PDIDA), and Pottstown Area Industrial Development, Inc., (PAID), to expand the marketability of downtown Pottstown.
- Establish public-private partnerships between property owners, developers, business owners, realtors, and government officials to improve the cooperation needed to catalyze further sustainable economic development.
- Promote assets of downtown Pottstown as key opportunity sites, to further improve the economic well being of the district and Borough through increased employment opportunities, an improved tax base, and better utilization of properties.
- Increase the number of owner occupied properties in the downtown business district.

II. PROGRAM ELIGIBILITY

Applications may be submitted by the sole proprietor or Chief Executive Officer of any business wishing to establish a new operation or expand an existing operation in the Pottstown Downtown Improvement District of the Borough of Pottstown. Applications will also be accepted by property owners partnering with a potential business tenant. Applications must include detailed information regarding the partnerships between property owners and potential business tenants. Original signatures must be provided affirming the understanding of all eligibility requirements, criteria, and conditions of the program, and notarized. All partners engaging in the project must be listed with contact information.

To determine if a property is in the downtown business district, please see **Appendix A**.

The Borough of Pottstown will accept applications from for profit, business enterprises that provide or will provide: *retail, commercial, service industry, tourism, research and development, technology, cultural arts activities, and associated businesses*.

Applicants must utilize or expand into existing *vacant buildings or lots* within the downtown business district. The Borough of Pottstown will determine the eligibility of all applicants on a case-by-case basis.

A. CRITERIA

To be eligible for funding, the proposed project must meet all of the following minimum requirements:

- The applicant must leverage a minimum of 20% of total grant request as local match. The combination of design or architectural fees, financial loans, and secured cash funding, are all acceptable forms of required local match applicable towards the total project cost.
- At least (1) full-time permanent position must be created for every \$50,000 of program funds requested. Applicant must demonstrate the project will create permanent employment opportunities. A full - time equivalent, or (FTE), including (2) part time employees working 20 hours a week, would count as (1) full - time position.
- The applicant must provide a comprehensive business plan with application submission. The business plan must demonstrate that the proposed project is viable, sustainable, and include short term and long term plans and strategies for economic growth.
- The applicant may not have any outstanding local taxes, liens, or unmet codes violations.

- The applicant must comply with all applicable local codes and ordinances.
- Projects shall be completed within 12 months from the date of grant approval.
- Applications must include capital projects only. Grant funding may not be used for acquisition of the property, soft costs, or design fees related to the project.
- Projects must be located in a vacant building and/or lot in the downtown business district, at the time of the application submission.
- Project must be consistent with the mission and goals of the Borough of Pottstown's Strategic Economic Development Plan, (2008), and Urban Land Institute Study, (2009). Copies of these documents are available on the Borough's website at www.pottstown.org.
- Grants will be issued as a forgivable loan, and a municipal lien filed for the grant amount on the subject property.
- Applicant must list all existing and anticipated liens on the proposed property. The Borough reserves the right to review each applicant's financial capacity in determining the award of funding.
- In the event the property is no longer occupied by the business the loan must be repaid. Settlement documents will further describe the recapture provisions and actions resulting in the grant termination, and acceleration of payment on the remaining balance of a grant loan to the Borough of Pottstown.

Terms of the lien process include:

8 years at 0% interest = Grants up to \$50,000, (1/8 of the lien forgiven per year)

10 years at 0% interest = Grants up to \$100,000, (1/10 of the lien forgiven per year)

12 years at 0% interest = Grants up to \$150,000, (1/12 of the lien forgiven per year)

14 years at 0% interest = Grants up to \$200,000, (1/14 of the lien forgiven per year)

B. ELIGIBLE ACTIVITIES

Program grants shall be available to eligible applicants for the following activities:

- The site preparation and construction or reconstruction of buildings.
- Clearance/ demolition, or rehabilitation of buildings.
- Permanent capital upgrades, fixed equipment, and signage.

Examples of eligible activities: the installation or upgrade of windows, doors, roofing, plumbing, electrical, mechanical, HVAC systems, flooring, ceilings, fixed equipment, interior and exterior signage, related permanent improvements.

Examples of non-eligible activities: the installation or upgrade of carpets, garages, fences, driveways, sidewalks, appliances, removable equipment, and other non-permanent improvements.

III. PROGRAM PROCEDURES

A prospective applicant may contact Erica Weekley at 610-970-6515 or eweekley@pottstown.org, for general information and technical assistance regarding the Downtown Business Incentive Program. Information can also be found on the Borough's website, www.pottstown.org, under Economic Development.

Applications will be made available online, as well as in Borough Hall offices, (3rd Floor), 100 East High Street, Pottstown, PA 19464.

A. PROGRAM STEP - BY - STEP

STEP 1 - APPLICATION

- 1.) Obtain and complete grant application.
- 2.) Determine eligibility. *The applicant may be the property owner, prospective tenant, or both. The tenant can apply with an appropriate agreement by the property owner, providing the applicant release form and signatures. **It is very important that the applicant determine whether or not the project is initially eligible, as the full application requires a complete and comprehensive proposal.***
- 3.) Determine funding request. *Applicant may apply for a minimum of \$15,000 and a maximum of \$200,000 per project.*

4.) Verify local match. *Applicants are required to provide 20% of total grant request as local match. For example, if the applicant applies for \$40,000, the total local match is \$8,000. A total of \$48,000 in expenses would need to be submitted along with source documentation for a reimbursement of \$40,000.*

5.) Include narrative regarding the status of the business, along with comprehensive business plan.

6.) Include (3) comparable cost estimates per capital project, preliminary design and/or plans with the application.

7.) Submit completed application to Attn: Erica Weekley, Borough Administration, 3rd Floor, 100 East High Street, Pottstown, PA 19464.

STEP 2 - PROJECT REVIEW AND EVALUATION

1.) Applications will be reviewed internally by Borough staff to determine eligibility and completeness. Staff will be in contact if there are any missing application elements. If the application is ineligible, it will be returned to the applicant.

2.) Once staff determines a project is eligible, the proposal will be evaluated by the Borough's Economic Development Subcommittee.

3.) Upon having a favorable recommendation of the Borough's Economic Development Subcommittee, the application will be forwarded to the Pottstown Area Industrial Development, Inc. (PAID) Grants and Funding Committee.

4.) Comments from both committees will be forwarded to the Borough Manager and staff for final consideration and determination of grant award.

STEP 3 - AFTER GRANT APPROVAL

1.) If applicant is chosen for approval, a Settlement meeting will be scheduled to discuss all processes, procedures, and a forgivable lien issued.

2.) Settlement documents are forwarded to the Borough Solicitor, for filing with Montgomery County. A copy is retained by the Borough of Pottstown and applicant.

3.) At Settlement, a Notice to Proceed will be issued to the grantee, and all costs incurred after this date would be eligible for reimbursement.

4.) Along with the Notice to Proceed, staff will provide procedures informing grantees of their requirements to seek all needed permits and approvals with the Codes

Department. Permit fees are not subject to reimbursement under the grant and are the responsibility of the grantee.

- 5.) Applicant completes approved capital improvements. Only those capital improvements approved at the date of Settlement will be subject to reimbursement.
- 6.) Upon completion of capital improvements, the grantee will submit a Request for Reimbursement to the Borough for review and approval. A Request for Reimbursement should include all cost documentation such as cancelled check images, copies of invoices, contracts, as well a cover letter indicating progress to date.
- 7.) Borough staff will review the Request for Reimbursement for compliance. Upon approval, payment will be processed with the Borough Finance Department. A check will be issued to both the property owner and the contractor(s).
- 8.) Borough staff will create a Request for Reimbursement and forward to Montgomery County for invoice processing, compliance, and project closeout.

IV. APPLICATION

CONTACT INFORMATION

Name of contact person for project: _____

Mailing address: _____

Email address: _____

Phone #: _____ Cell phone #: _____

Applicant is the Owner/Tenant/Other, (Specify) _____

BUSINESS INFORMATION

Name: _____

Business description: _____

Please circle:

INDIVIDUAL CORPORATION PARTNERSHIP LLC

If partnership, list names of all partners. If corporation or LLC, list all shareholders, officers, members, and managers.

Is this a new business? _____

If no, how long have you been active? _____

Are you relocating from another location? _____

If yes, what is the current address? _____

BUILDING INFORMATION

Street address for which grant is being sought: _____

Owner's name, mailing address, and phone #, if different from the applicant:

Building size, (total square feet), age, & description: _____

Retail space, (total square feet):

Current estimated market value of property: _____

Provide brief history of building use: _____

PROPOSED USE OF FUNDS

PLEASE CHECK ALL THAT APPLY:

ESTIMATED COST

- | | |
|--|---------|
| <input type="checkbox"/> Upgrading/retrofitting mechanical systems | \$_____ |
| <input type="checkbox"/> Demolition work | \$_____ |
| <input type="checkbox"/> Space reconfiguration | \$_____ |
| <input type="checkbox"/> Installation of permanent fixtures | \$_____ |
| <input type="checkbox"/> Flooring | \$_____ |
| <input type="checkbox"/> Preservation of elements appropriate
to the design of the interior | \$_____ |
| <input type="checkbox"/> Window and/or door repair | \$_____ |
| <input type="checkbox"/> Interior or exterior signage | \$_____ |
| <input type="checkbox"/> Other | \$_____ |

Total Estimated Cost: \$_____

Local Match (20%): \$_____

Grant Amount Requested: \$_____

List all sources and amounts of local match funding:

ADDITIONAL SUPPORTING DOCUMENTATION

Applicant must provide the following attachments along with application submission:

- A. Project narrative: Briefly describe history of business, scope of work, and project partners.
- B. Business plan: Provide plan that shows proposed development with construction budget, schedules of sources and uses of funds, expected market demand and supply, prior experience, amount of working capital, alignment in meeting Borough strategic plans and studies, (#) of jobs created, and any related information. For existing businesses, provide financial statements for the prior fiscal year or calendar year of operation.
- C. Cost estimates: Provide (3) comparable cost estimates or quotes per project.
- D. Copy of deed for subject property.
- E. Copy of lease agreement, if applicable.
- F. Project design plans, renderings, or photos.

STATEMENT OF UNDERSTANDING

The applicant, (undersigned) agrees to comply with the guidelines and procedures of the Borough of Pottstown Downtown Business Incentive Program.

_____ *Signature of Applicant* _____ *Date*

Print Name: _____

If applicant is not the property owner, please have the following statement completed and signed below:

I certify that I, the owner of the property at _____, do authorize the applicant to apply for a matching grant under the Borough of Pottstown Downtown Business Incentive Program.

_____ *Signature of Owner* _____ *Date*

Print Name: _____

_____ **Space Below For This Acknowledgement** _____

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF MONTGOMERY

On this, the _____ day of _____, before me, the undersigned officer, personally appeared _____, known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument and acknowledge that he/she/they executed the same for the purposes herein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public
My Commission Expires:

RETURN APPLICATION TO:

*Erica Weekley, Grants Asst., Administration, 3rd Floor, Borough Hall
100 East High Street, Pottstown, PA 19464*

Phone: 610-970-6515

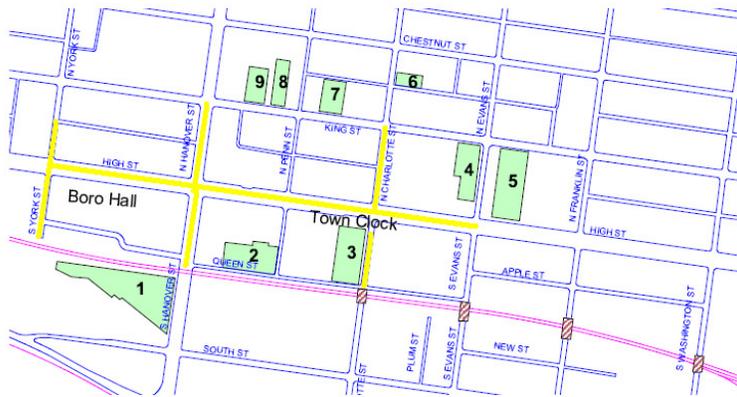
Email: ewekley@pottstown.org

Date application received: _____

Date application reviewed: _____

APPENDIX A

BOROUGH OF POTTSTOWN DOWNTOWN BUSINESS DISTRICT



KEY

Public Parking Lots

- 1 - Reading Lot
- 2 - Penn St. Lot
- 3 - Shop & Park Lot
- 4 - Evans St. Lot
- 5 - Lessig Lot
- 6 - Baptist Lot
- 7 - Borough Hall Lot
- 8 - Trinity Lot
- 9 - Trinity Lot

 Business District

