



STRENGTHENING NEIGHBORHOODS

## **Invest DSM Commercial Grant Program Policies & Procedures Adopted December 10, 2020**

### **MISSION, PURPOSE, AND GOALS**

**Invest DSM Mission:** Invest DSM provides holistic and innovative solutions that strengthen neighborhoods.

**Program Purpose:** The purpose of the Commercial Grant Program (“Program”) is to provide financial incentives to encourage existing or new commercial property owners within the Special Investment Districts to invest in properties in order to improve the appearance, marketability, functionality, and desirability of the commercial area.

**Program Goal:** Create healthy, thriving, and diverse “destination” business districts that contribute to neighborhood desirability by investing in key projects that achieve the following:

- Improve commercial property conditions.
- Improve exterior appearance.
- Improve exterior continuity within commercial district.
- Attract new business types that contribute to residential desirability.
- Address blighted properties.
- Make a visual impact in the commercial district.
- Address code compliance and deferred maintenance concerns.
- Exceed the minimum adopted standards.
- Build commercial district confidence and cohesion.

### **FUNDING TYPE**

Invest DSM will provide a 1:1 matching grant for 50% of eligible project costs, up to a maximum grant amount of either \$10,000 or \$50,000, based on the project category (see table on next page). The remaining funds must be secured by the property owner. Projects needing more than \$50,000 may want to first seek assistance through the City of Des Moines Neighborhood Commercial Revitalization Program.

Note:

- Funding will not be provided for any work completed before the project has been approved.
- Payment will be issued at completion of the project(s) or at agreed upon milestones.
- Projects will be considered on a rolling basis throughout the year based on funding availability.

### **PROGRAM ELIGIBILITY**

- Project must be located within the Special Investment Districts’ boundaries, unless expressly approved by the Invest DSM Board of Directors.
- Applications must be submitted or signed by the property owner.
- All municipal and county dues, fees and taxes must be current.
- At least some portion of the Property must be commercially zoned.
- Mixed use buildings/projects may be considered as long as part of the Property is commercially zoned.
- The types of projects that Invest DSM will consider for this Program are listed in the table on the following page.

	<b>Eligible project costs are defined as hard &amp; soft costs related to the following:</b>	<b>Maximum Match Amount</b>
Category 1	Pre-development & Design Costs <ul style="list-style-type: none"> <li>• Design assistance (architectural, etc.)</li> <li>• Project feasibility studies</li> <li>• Interior design assistance</li> <li>• Window display design assistance</li> </ul>	50% up to \$10,000
Category 2	Building & Site Upgrades <ul style="list-style-type: none"> <li>• Façade</li> <li>• Signage and awnings</li> <li>• Roof replacement or repair</li> <li>• Windows replacement or repair</li> <li>• Exterior Doorway/Door replacement or repair</li> <li>• HVAC upgrades</li> <li>• Major systems replacement/code compliance upgrades – plumbing, electrical, grease interceptor, fire sprinkler system/fire suppression systems, ADA compliance</li> <li>• Public Art (i.e. murals, etc.)</li> <li>• Addition of outdoor patio seating for restaurants</li> <li>• Energy efficiency upgrades – installation of solar, wind, etc.</li> <li>• Site improvements (i.e. concrete work, landscaping, street trees, etc.)</li> <li>• Parking lot improvements (restriping, overlay, adding spaces, screening, etc.)</li> </ul>	50% up to \$50,000

Note: Property owners who have received funding under Category 1 may apply for Category 1 funding for a different project on the same property once every three years. Property owners who have received funding under Category 1 may also apply for funding under Category 2 on the same property at any time. Property owners who have received funding under Category 2 may apply for a different project on the same property once every three years. Property owners who own multiple properties may receive funding on more than one property, subject to the availability of funds and at the discretion of Invest DSM.

**USE OF OTHER SUBSIDY**

Invest DSM acknowledges that larger projects may need to layer funds from multiple sources in order to make the project financially viable. Applicants must disclose all sources of funds, including other subsidy. Subsidy is defined as state or federal tax credits, local incentives such as TIF, Tax Abatement, Neighborhood Commercial Revitalization Grant funds, or other similar sources of funds. Invest DSM will take into consideration the total amount of subsidy when making funding decisions and may adjust its funding accordingly. Generally, the total amount of subsidy may not exceed 50% of the total project costs unless a special exception is granted by the Invest DSM Board of Directors. Special exceptions may be granted if substantial assistance is necessary to make the project viable and the project is of strategic importance to advance plan goals for the Special Investment District.

**PROJECT REVIEW AND APPROVAL**

- Project must meet at least one or more of the outlined goals.
- Applicant must document availability of funds to complete the total project, including adequate matching funds.

- If the business is a new business, the business owner must submit a business plan. Invest DSM staff may refer the business owner to the Small Business Administration Center for Business Development Assistance.
- Project should submit documentation of developer or contractor experience with similar projects.
- Projects will be reviewed as they are submitted for feasibility, financial readiness, and impact on the commercial district.

## **PROJECT APPLICATION PROCESS**

Subject to availability of funds, applications for the Invest DSM Commercial Grant Program will be accepted and reviewed throughout each fiscal year.

1. **Consultation**: The applicant is encouraged to meet with Invest DSM staff as early as possible to discuss proposed projects and develop project specifics prior to submitting a formal application. This helps ensure that all teams understand the programmatic design and financing information.

Applicant should have the following information available for the consultation:

- Details on the existing condition of the property and its ownership
  - A preliminary Sources and Uses Statement that includes:
    - Acquisition cost (if applicable)
    - A preliminary scope of work and construction budget
    - An estimate of the funding request of Invest DSM
  - Any health and safety concerns and code violation status
  - Notes from the Pre-Application Meeting with the City of Des Moines, if available
2. **Determination**: After the initial consultation(s), Invest DSM staff will make a preliminary determination as to whether the project meets program requirements and is eligible for funding. A preliminary letter of eligibility or denial will be issued.
  3. **Application**: If the project meets program requirements, the applicant will need to submit a formal application. Applications will be reviewed for completeness and eligibility. If additional information is required, the applicant shall be provided with notice to submit additional information. Applications will be considered based on funding availability and alignment with program goals.

Request the application form for the Invest DSM Commercial Grant Program from Invest DSM by emailing [Applications@InvestDSM.org](mailto:Applications@InvestDSM.org) or calling 515-221-8410. Application and additional information is also available online at [www.InvestDSM.org](http://www.InvestDSM.org).

## **INVEST DSM DESIGN & CONSTRUCTION STANDARDS**

Invest DSM strives to invest in projects that exceed minimum design standards and code requirements. Invest DSM has developed a set of design and construction standards to act as guidelines for all projects as applicable to the work being completed on the project. These standards include material and design requirements and should be reviewed and incorporated into project specifications. *Please see Invest DSM Design & Construction Standards for details.*

## **PROJECT COMPLETION TIMELINE**

Project must be completed within nine (9) months of signing the grant agreement or other time period as agreed to with Invest DSM staff.

## **OWNER EQUITY**

The Applicant is required to contribute at least 10% of their own equity into the project.

## **CONTINGENCY REQUIREMENT**

Every project is required to have at least a 10% contingency built into the budget.

## **REPORTING REQUIREMENTS**

All grant recipients must submit a final report to Invest DSM within 30 days of project completion, using the Final Report Form. Information required in the final report will be specified in the Grant Agreement.

## **CHANGE ORDER PROCESS**

All changes to the project—material, financial or otherwise must be approved by Invest DSM prior to work being done. Change Order requests may be granted on a limited basis. Financial change orders that add cost to the project will first be drawn from the contingency and then may be shared between the Developer and Invest DSM at Invest DSM's discretion.

Invest DSM staff is authorized to approve a change order request up to 25% of the change order amount or \$10,000, whichever is less, without needing the approval of the Board of Directors. Change orders above that amount must be approved by the Board of Directors.

To request a change order, a Change Order Request Form must be filled out and approved by Invest DSM prior to any work being performed.

## **DRAW REQUEST PROCESS**

Depending on the size of the project, Invest DSM funds may be disbursed in either a single or in multiple payments, as agreed to in the funding agreement. When multiple disbursements are required, periodic draw requests may be completed as materials are purchased and work is completed.

To receive a draw, a draw request form must be completed and relevant receipts submitted. Invest DSM Staff will review the request, inspect work completed, verify any City permits and inspections are in place, and approve or deny the request before processing payment. Payments will be issued within ten (10) business days of approval.

- Up to 50% of Invest DSM funds may be advanced at the start of the project.
- At least 15% of Invest DSM's funding contribution will be held until the project is complete, a lien waiver has been signed and submitted from the general contractor validating that all sub-contractors have been paid in full for all work done on the project, and a certificate of occupancy has been issued.

**LIEN**

For Category 2 Building & Site Upgrade Projects where Invest DSM's grant amount is greater than \$5,000, Invest DSM will record a lien on the property until construction has been completed, the final draw payment has been issued, and the final grant report is received. A lien is not required when no Invest DSM funds will be paid out until the project is completed.

**APPEALS**

Appeals of a project application decision must be in writing and mailed to Invest DSM within 10 days of the date of the decision(s), identifying the applicant, proposed project, basis/reasons for appeal, and any other information deemed relevant by the appellant. Appeals will be reviewed and considered by the Executive Director. The Executive Director's written decision to uphold, reverse, or modify the applicable decision(s) shall be Invest DSM's final decision.

**PHOTOS / MEDIA RELEASE / PUBLICITY**

Invest DSM shall receive a media and publicity release and waiver from the applicant to use before and after photos of the project and other details related to the project for use in marketing materials. Digital photos preferred, submitted via email to [Applications@InvestDSM.org](mailto:Applications@InvestDSM.org).