

**KANSAS MAIN STREET
INCENTIVES WITHOUT WALLS
FUNDING PROGRAM**

State of Kansas

Local Main Street Program Administrative Guidelines



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INCENTIVES WITHOUT WALLS ADMINISTRATIVE GUIDELINES

History of IWW - Established in 1995 the intent of the program is to:

- Create or stimulate private investment in downtown.
- Create employment opportunities.
- Save existing jobs.
- Develop or strengthen new or existing businesses.
- Provide products and services to a community.
- Acquire, rehabilitate or preserve properties.
- Create a stronger tax base.

Available funds: Pending finalization of budget by the legislature, IWW funding is typically around \$200,000. \$50,000 is reserved for the open round. The remaining funds are available in two competitive rounds, the first round in early August, second round in early February. Any funds not awarded or left unclaimed for more than 90 days following the first round will be pooled and disbursed with the second round. (Paper work not done, project not started). Any funds not disbursed may be used at the end of the fiscal year for targeted special projects.

Regular Rounds

- Funding available pending approved legislative budget. Once awarded, projects must be started in 90 days and completed in one calendar year.

Open Round

- Funding set aside, pending approved legislative budget. To qualify for the open round, a project must be one that cannot wait for the regular round without loss of opportunity. The project must be started in 30 days and completed in one calendar year. Kansas Main Street reserves the right to hold over an open round application for the next competitive round.

Eligibility

- ❖ Only active designated Kansas Main Street programs in good standing (full compliance with annual Memorandum of Agreement) will be eligible.
- ❖ Application must come through the local program, be written by the local program and be approved by the board of directors before submission to the Department of Commerce.

If the local IWW Revolving Loan fund exceeds \$40,000, you must use that first. **All Incentives Without Walls Local Revolving Loan applications must be approved by the Department of Commerce before funds are disbursed.**

LOCAL PROGRAM RESPONSIBILITIES

Who writes the application?: The local Main Street program applies on behalf of the business – this is a benefit of working with the local Main Street program. The application must be written by the local program, not the applicant. Typically the Main Street director is the person responsible for writing the application – though in some cases a member of the board or committee has taken on this task. Whoever writes the application must have received IWW training. Applicants must be aware of the guidelines in advance of applying for the funds. It is recommended the applicant be “interviewed” using information from the application to gather initial answers for the narrative portion. *The applicant* will provide all bids, architectural drawings (if needed) and business plan (if needed). *The local main street program* will gather the current photo of the project site, footprint map of the designated district highlighting the project, market analysis or strategic plan to support the application, and the letter of support from the mayor or city manager. The original application and all attachments, plus one complete photocopy, is required.

The IWW application must be reviewed by the design committee if there are design elements to be sure the Kansas Main Street Design Guidelines copyright 2004 are being followed, and make a recommendation to the board. It is recommended that local programs establish a committee to review the business plan and applicant credit rating to ensure you are making a good loan. The board can take on this task if desired. The board of directors will review all applications to ensure they meet the long-term goals of the organization and make a recommendation to the State for approval by completing the resolution page. Remember, the application still must be reviewed by Kansas Main Street for final approval – *even for local revolving funds*. Kansas Main Street - Kansas Department of Commerce will have the final decision of funding a submitted project or projects. Projects must be completed as proposed. Reporting documents on the progress and outcome of the project will be required and will be provided to the local program upon receipt of funds. An on-site review of each open project will be part of the local Main Street program’s annual review. All programs are expected to be good stewards of the IWW funds awarded to them.

- ❖ Local program is responsible to assure that projects are started and completed in a timely manner. If for some reason the project is not started or completed within the allotted time frame, the local Main Street program is responsible for returning the full amount of the IWW funds to Kansas Main Street – Kansas Department of Commerce. There is a project amendment form to assist with a one-time 6 month extension due to construction problems. Budget amendments can be made on the project amendment form as well.
- ❖ Responsible for submitting required reporting documentation by the deadlines given by Kansas Main Street - Kansas Department of Commerce.
- ❖ Responsible for disbursing the funds to local businesses or projects (based on receipts given to you) – that means making sure the private match is met.

- ❖ If private investment is less than estimated in the application or if the project is not completed, the remaining funds shall be returned to Kansas Main Street – Kansas Department of Commerce.
- ❖ Perform due diligence in the collection of loan installment payments - at a minimum, a promissory note and personal guarantee for the loan. Policies and procedures to collect payments and delinquent accounts are the responsibility of the board of directors. A copy of those policies and procedures will be required with the Memorandum of Agreement.
- ❖ IWW funds, including loan repayment funds, must be in a separate account and used ONLY for the purpose of IWW. All IWW applications, including Local Revolving Loan applications must be reviewed and approved by Kansas Main Street before funds are dispersed.
- ❖ Notify all recipients that records are subject to review by the state and legislative post audit and are also subject to open records laws. *The local business and local Main Street program must give access pursuant to K.S.A. 46-1200 et. seq. to any records, documents, or other information, confidential or otherwise, regarding or relating to the execution and/or performance of the specific local projects.*
- ❖ In the event that the local Main Street program should cease to exist or elect to not continue business, the program shall return all funds on hand that are a result of repayment of loans made to third parties received from IWW to Kansas Main Street – Kansas Department of Commerce. The local program would also be required to assign any and all rights in any loans between the local program and the third parties with funds received from IWW to Kansas Main Street – Kansas Department of Commerce.

IWW PROJECT NARRATIVE

Narrative questions are to be answered in a complete, concise and easily substantiated manner.

- ❖ *Project description:* Provide an overall description of the project. What is the scope?
- ❖ *Magnitude of the need:* Present your case for funding. What is the need for this project to be completed?
- ❖ *The project proposed impacts (solves) the problem:* The problem should have been stated in the project description. Now is your opportunity to promote the impact this project will have, not only on that building, but on your district.
- ❖ *The project proposed has long-term impact on the downtown district:* Will it improve your district's economic health and vitality? Will it provide a viable business base?
- ❖ *Has potential to have long-term impact on the tax base:* How will this project impact your tax base?
- ❖ *Relationship to and consistency with current downtown plan:* Can you relate this project and its potential impact to your downtown plan?

- ❖ *Job creation or retention:* Will this project create new jobs or retain current jobs? If so, how and how many? Do not include jobs created by construction or renovation work.
- ❖ *Creates or retains a viable business:* Will the project result in a maintainable business in your downtown district?

MAJOR PROJECTS:

Eligible use of funds:

- ✓ **The acquisition or rehabilitation of properties in connection with private reinvestment in a designated downtown area.**
- ✓ **Any project that can be shown to lead directly to private investment, job creation or retention, establishing or expanding viable businesses, or creating a stronger tax base.**

Ineligible Use of Funds:

- Public improvements and public or private infrastructure.
- Projects that have already been started or completed.
- Projects that do not meet the minimum private investment match.
- Landscaping projects on public or private property, including paving, plants, trees, fencing, etc.
- Any project that does not lead to private investment, job creation or retention, establishing capable businesses or creating a stronger tax base, or for the acquisition or rehabilitation of properties.
- Any training expenditure, salaries or wages for existing or newly created jobs
- Any licensing, insurance, taxes or other expenses considered to be a cost of doing business.
- Any project outside the boundaries of a designated downtown district.
- Any project that does not meet Main Street design criteria as outlined in the Kansas Main Street Design Manual.
- Any first-floor housing development in any commercial building or other rehabilitation of a commercial building with the intent of a first-floor housing development project.
- Any project that could/would be completed without the assistance of IWW funds.

If you have any questions about the eligibility of a project, seek technical assistance from the state staff a minimum of 15 days prior to submission of application.

Match requirements:

- Minimum cash match of 3:1 (\$3.00 of private investment to \$1.00 of state investment). ***Non-cash or in-kind match is not allowable.*** *Non-cash match includes the value of sweat equity (labor provided by the recipient or their immediate or expanded family, friends or employees at no cost) regardless of whether that person performs such a service as a legally operating business. Non-cash match includes the value of gifts of equipment or materials used during any part of the project. In-kind match includes the value of any labor, materials or equipment provided at no cost to the IWW recipient.*

- All applications will be competitive.
- Additional consideration is given to applicants providing more than the minimum match requirement.

Minimum request - \$1,500 (total project budget: \$6,000).

Maximum request - \$20,000 (total project budget: \$80,000 or more).

No local program can receive more than \$20,000 in awards per round. Local programs may submit multiple projects in a round, but the total requested may not exceed the \$20,000 cap. If submitting multiple projects in a round, local programs should prioritize for action local projects ensuring that those projects identified will be viable and have long-term impact on the downtown district. Prioritize for action indicates the degree to which it is both necessary and possible to do something now. Pay attention to the magnitude of need, the degree of difficulty in addressing the need, logical sequencing of projects and the cost and availability of financial resources to address the need. Since applications are competitive, there is no guarantee that the cap will be met. Actual project awards may be less than the requested amount.

Projects with special historical significance that are capital intensive and may require a multi-year or phased-in approach may be considered for additional awards based on first award performance and demonstrated continued need. No more than three awards can be awarded to a single multi-phased project. Match money may only be used once on any project, if additional awards are sought – all new match money must be provided. The Kansas Department of Commerce has the final decision on funding any project.

- Building acquisition is an allowable use of IWW funds. Building sales contracts must be signed within 90 days of the approval of project.
- Purchase price of buildings may be used as match for renovation/restoration projects on the said building, if application is made within 90 days of closing. Project will have one year to complete.
- The local Main Street program must provide IWW funds as no-interest loans. Loan repayments set up a Local Revolving IWW Loan fund for the Main Street program. Programs must retain 10% of the grant award until the project is completed and all receipts have been received – then the final payment may be released.
- Loan repayment term may not exceed seven years – but may be less. Programs should consider a minimum loan payment amount instead of automatically giving seven years payback on all loans. Example - \$5,000 project spread out over seven years is only \$59.53/month. Think about your loan terms: how long do you want to track loans, send in reports, or have your funds tied up?
- Funds may be GRANTED ONLY for the purpose of preservation of a historic commercial building (buildings that are 50 or more years old). *Preservation means: to keep safe, as from injury or peril – meaning if work is not done, the building will be in*

jeopardy of demolition. Also/or: If work is not immediately done, the building is a threat to public safety. Building purchase costs are not considered preservation funding.

- All projects must be completed as submitted. If problems arise during construction contact Kansas Main Street. An on-site evaluation of each open project will be part of the local program's year-end evaluation.
- Reporting documents on the progress and outcome of the project is required and will be provided to local Main Street program upon receipt of funds.

SMALL PROJECT LOANS

Funds for the small project loans are part of the overall IWW funding and are available only during the two competitive rounds (August and February). These funds count towards the \$20,000 maximum for any round. No local program can receive more than two small project loans in a single grant round.

Match requirements:

- Minimum cash match of 1:1 (\$1.00 of private investment to \$1.00 of state investment).
- All applications will be competitive.

Eligible use of funds:

- ✓ **Appropriate paint/fix up projects on the front façade, back or sides of downtown commercial buildings based on the Kansas Main Street design guidelines copyright 2004.**
- ✓ **Paint/fix up or design, production and installation of appropriate signage based on the Kansas Main Street design guidelines copyright 2004.**
- ✓ **Appropriate installation or repair of awnings on front facades. Awnings must meet the Kansas Main Street design guidelines copyright 2004.**

Minimum request - \$500 (total project budget: \$1,000).

Maximum request - \$1,500 (total project budget: \$3,000).

- The local Main Street program must provide the small project IWW funds as no-interest loans ONLY. Loan repayments set up a Local Revolving IWW Loan program for the Main Street program.
- Loan repayment term may not exceed 24 months for small project loans.
- All projects must be completed as submitted. If problems arise during construction, contact Kansas Main Street. An on-site evaluation of each open project will be part of the local program's year-end evaluation.
- Reporting documents on the progress and outcome of the project is required and will be provided to local Main Street program upon receipt of funds.

LOCAL REVOLVING LOAN FUND

All IWW loan repayments become a local revolving loan fund for downtown projects. *Local Revolving Loan Funds must be kept separate from your regular budget.* IWW funds cannot be used for local budget needs nor borrowed from for any purpose.

Stewardship of funds: Programs are expected to be good stewards of the funds bestowed upon them. Due diligence in the application process and the collection of loan payments is required. Programs must, at the minimum, require a personal guarantee and promissory note of all loan recipients.

All Local Revolving Loan projects must be submitted to Kansas Main Street – Kansas Department of Commerce for approval and must meet all other IWW funding requirements - same application; same guidelines. The advantage is the availability of the funds when needed, not waiting on rounds nor competing with other cities for funds.

Local Revolving Loan funds can be brought back to the State if they are not being used (sitting idle or exceed \$40,000). If the local Main Street program should cease to exist, all IWW funds on hand, whether from regular and open rounds, revolving loans or special projects, must be returned to the State. Any open loans must be assigned to the State for collection.

SELECTION CRITERIA

All projects must set forth:

1. Projects to be conducted.
2. Why the project is needed.
3. Estimated amount to be invested in the project.
4. Plans for implementation of the project.
5. Jobs created or retained (jobs created by construction or renovation do not count).
6. All applicable attachments.
7. Relationship to, and consistency with, the current downtown plan.
8. Proposed budget – with supporting documentation.
9. Photocopies of bids/estimates used to determine budget.

APPLICATION AND APPROVAL PROCESS

PLEASE READ ALL INSTRUCTIONS CAREFULLY

All proposed projects must be submitted on the FY2010 application form provided by Kansas Main Street - Kansas Department of Commerce during the application period. **Application deadline is August 7, 2009**, for the first round; and **February 12, 2010**, for the second round. Announcement of awards will occur approximately one month following the deadline.

Application forms will be e-mailed to local program directors; forms should be saved and used to submit applications. Completed applications may be mailed or hand delivered. Hand delivery must be made during office hours (8:00 a.m. to 5:00 p.m.) no later than the deadline date. Applications are welcome in advance of the deadline date, and will be held until the round.

Open round and Local Revolving Loan applications may be submitted at any time. Kansas Main Street – Kansas Department of Commerce has 30 days to review and announce IWW awards.

- **IF APPLICATION IS MAILED, IT MUST BE POSTMARKED ON OR BEFORE AUGUST 7, 2009, FOR FIRST ROUND; AND FEBRUARY 12, 2010, FOR SECOND ROUND.**
- **FAXED, E-MAILED OR HANDWRITTEN APPLICATIONS WILL NOT BE ACCEPTED.**
- **LATE OR INCOMPLETE APPLICATIONS WILL NOT BE ACCEPTED.**
- **THE ORIGINAL COPY MUST HAVE ORIGINAL SIGNATURES.**

A COMPLETE APPLICATION CONSISTS OF THE ORIGINAL WITH ORIGINAL ATTACHMENTS AND ONE COPY OF THE APPLICATION FORM WITH ATTACHMENTS.

NOTE:

All attachments, including letters of support, business plans, architectural drawings and copies of downtown plans or other applicable information must be submitted with the application, not under a separate cover.

Under no circumstances will a project be reviewed or approved if the required documentation does not accompany the proposal. In the interest of fairness to all applicants, all instructions will be rigidly enforced. Any applications not adhering to these instructions will be considered incomplete and will not be accepted. If you have a question regarding these instructions, please seek technical assistance from the Kansas Main Street staff prior to submitting the application. The contents of the application can be reproduced as needed. *Due to limited filing space, please do not use three-ring binders or large folders as covers.*