



# N7Rehab

Through N7Rehab, NSURB provides grants to foster voluntary rehabilitation of eligible commercial properties for the elimination of blight in the North 7th Avenue Corridor. Assistance is available for construction activities such as 1) demolition, 2) facade/site improvements (including but not limited to façade enhancements, signage, and landscaping) and 3) streetscape enhancements for existing age obsolescent developments in the North 7th Urban Renewal District. Technical Assistance funding is also available for professional services such as site planning, engineering and surveying.

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## North 7th URBAN RENEWAL DISTRICT North 7<sup>th</sup> Commercial Rehabilitation Incentive Programs (N7Rehab)

### INTRODUCTION

The Bozeman City Commission has authorized the North 7th Urban Renewal Board (NSURB) to implement and administer the N7Rehab in the North 7th Urban Renewal District. Through N7Rehab, the NSURB may award grants for the rehabilitation of commercial properties. These grants are dispersed at the completion of all improvements associated with the project.

Applications for N7Rehab grants in the North 7<sup>th</sup> Urban Renewal District are subject to program eligibility criteria and project guidelines listed below. In addition, project applications will be accepted and processed in the order in which they are received and approved based on the availability of funds for the program.

### PROGRAM OBJECTIVES

The primary objective of the N7Rehab is to provide a program to encourage voluntary repair and rehabilitation of commercial property within the North 7th Urban Renewal District (hereinafter referred to as the “District”) in accordance with the provisions of the Montana Urban Renewal Law (7-15-4209 and 7-15-4288, M.C.A.). Additional objectives are to:

- Encourage private investment in commercial property in the District through the use of public incentives;
- Expand the property tax base in the District through private investment in income producing properties;
- Stimulate economic and business development within the District; and
- Reduce blighting influences in the District

The grants are awarded at the discretion of the NSURB based upon review of the Applicant's compliance with program objectives, eligibility requirements, and eligible construction activities.

N7Rehab offers assistance to property owners in the District in the rehabilitation of their property and tenant businesses with a lease period equal to 5 or more years. The program provides grants for costs used for eligible improvements in the District.

## ELIGIBILITY REQUIREMENTS FOR CONSTRUCTION ACTIVITIES

The following eligibility requirements have been established to accomplish N7Rehab objectives in the repair, maintenance or renovation of the exterior of buildings and deteriorated sites. Application forms are obtained from the Bozeman Department of Planning and Community Development, and must be completed in their entirety before the project will be considered. **See page six for information on Technical Assistance Grants.**

1. The project property must be located within the North 7<sup>th</sup> Avenue Tax Increment Finance (TIF) District. A detailed map of the district can be found at [www.bozeman.net](http://www.bozeman.net)
2. Maximum grant award is set every fiscal year. For FY2011 the maximum award is \$50,000 or 15% of the total project cost, whichever is less. If seeking a grant solely for demolition, the grant award may total up to 50 percent of the eligible demolition costs or \$25,000, whichever is less.
3. All projects must be reviewed by the NSURB, and the award amount is at the discretion of the NSURB.
4. This is a reimbursement program for ELIGIBLE CONSTRUCTION ACTIVITIES (*See Eligible Construction activities and Applicant and NSURB Responsibilities below*).
5. All building and site improvements must be completed within one year of approval. Extensions may be granted by NSURB. Funds will not be disbursed until a Certificate of Completion is issued by NSURB staff AND Certificate of Occupancy is issued by the Building Division.
6. All commercial property within the District is eligible for this program with the exception of publicly owned buildings. For the purposes of this program, residential buildings with five or more units will be considered commercial properties. All applications will be reviewed in the order in which they are received by the NSURB. Projects along N. 7th Avenue will be given priority at this time.
7. The Applicant's equity contribution to the project, the total expenditures for eligible improvements and the commitment to undertake improvements or assume other development costs which are ineligible for NSURB assistance will factor into the funding determination made by NSURB. Generally, total project costs must be greater than or equal to \$200,000, or \$150,000, if a public access easement is granted for sidewalk and streetscape improvements. Smaller projects may be considered if the project eliminates a significant blighting factor from the District.
8. Eligibility is extended to property owners of record or tenants with a lease period equal to 5 or more years. Tenants must submit written approval of the property owner and evidence of their leasehold interest.
9. Special Improvement District and property tax assessments of the property to be rehabilitated must be paid to date.
10. Applicants must submit rehabilitation plans for review to the Bozeman Department of Planning and Community Development. The NSURB staff will review the list of TIF eligible components of the project. Only those components that demonstrate a reduction in a blighting factor listed in the Blight Report adopted by Resolution 3839 may qualify for N7Rehab funds. These factors have been listed as eligible items in this program description.
11. Applicants must fully satisfy any other outstanding requirements related to NSURB funded projects before they are eligible to submit another application.
12. All TIF eligible expenditures must be itemized by materials and labor. Construction estimates must be obtained from a licensed and bonded contractors, independent of the project, and submitted with the application. Receipts or comparable documentation will be required for all work undertaken to allow monitoring of actual costs of eligible project improvements.
13. Building façade improvements must meet the standards described in the Bozeman Design Objectives Plan. Design Review Staff or the Design Review Board may assist in determining the eligibility of costs associated with building design improvements.
14. The property must currently be in commercial use or a legally binding commitment must exist, such as an executed lease agreement, before the grant may be awarded. Evidence of these commitments must be submitted.

## **ELIGIBLE CONSTRUCTION ACTIVITIES**

IMPORTANT: To insure compliance with program objectives and design criteria of the North 7th Urban Renewal Board and the North 7th Design and Connectivity Plan, all construction undertaken pursuant to the N7Rehab must be in accordance with a design that has been reviewed and approved by the City of Bozeman through the Sketch/Site Plan and Certificate of Appropriateness review process as outlined in Chapters 18.30 and 18.34 of the Bozeman Municipal Code (BMC). The Applicant must also obtain all applicable permits and comply with all municipal ordinances and building codes.

### **Demolition**

Eligible activities under the **Demolition Fund** include the following:

1. Total demolition and removal of one or all structures on a property, including foundations and other poured concrete associated with the building(s) being removed
2. Demolition of non-conforming signage

Ineligible activities:

- Partial demolition
- Removal and mitigation of contaminated soils
- Site grading

### **Facade/Site Improvements**

N7Rehab is designed to address the need for rehabilitation of commercial property facades and deteriorated buildings and/or non-compliant site elements. All applications must address facade improvements or deteriorated/non-compliant site elements to be eligible for N7Rehab funds. Eligible activities under **Facade/Site Improvements Fund** include the following:

1. Improvements to deteriorated buildings through the modification of exterior elements, including but not limited to, walls, windows, doors, appurtenances and architectural features, signs and awnings. Façade improvements must conform to the Bozeman Design Objectives Plan.
2. Exterior improvements for disabled citizens including but not limited to ramps, doors, kick plates, automatic door openers, walks, guardrails, non-slip materials and level platforms at doors.
3. Replacement of non-compliant signage with compliant signage
4. Landscaping improvements incorporated into a public space such as a parking lot
5. Parking lot improvements which include improvements to pedestrian connectivity and/or ADA accessibility parking and building access
6. Parking lot surfacing and curbing improvements when included with a reduction in drive accesses and/or a new shared parking arrangement between adjacent businesses
7. Storm water facility improvements
8. Architectural and engineering assistance and design review fees are eligible but may not exceed 10% percent of the eligible construction costs or \$5,000, whichever is less.

The following activities are ineligible for funding through the N7Rehab:

- New construction or additions;

- Re-roofing, unless to improve a roof covering which is highly visible from the public right-of-way;
- Building improvements not visible from a public right-of-way;
- Interior rehabilitation;
- Property acquisition;
- Structural elements not related to exterior improvements;
- Work initiated prior to necessary program approvals.

The N7Rehab is not intended to discourage an applicant from making improvements to the interior of their building, but such improvements are not directly related to blight reduction and so shall not be entitled to TIF funding.

### **Streetscape Enhancement**

The District Plan calls for improvements to pedestrian connectivity, installation of boulevard landscaping, improved street and pedestrian lighting and correction to non-compliant accesses onto N. 7<sup>th</sup> Avenue. As such, the NSURB has made funds available to assist property owners with these improvements. If located within the public right-of-way, projects eligible for **Streetscape Enhancement Funding** include

1. Curbing associated with reduction in number or width of accesses onto N. 7<sup>th</sup> Avenue
2. Storm water drainage and treatment improvements in the event the City requires such improvements be made for project approval

If located in a public right-of-way or public access easement, eligible **Streetscape Enhancements** include

1. Purchase and installation of District street and/or pedestrian lighting
2. Landscaping improvements
3. Sidewalk construction and repair
4. Installation of ADA sidewalk ramps
5. Curb construction associated with sidewalk or landscaping improvements
6. Installation of tree grates

**IMPORTANT:** The responsibilities outlined below reflect the general process to be followed to insure application approval and compliance with program objectives. Maintaining close coordination between the participants will expedite the review and approval of the application.

### **APPLICANT RESPONSIBILITIES**

The successful Applicant for NSURB assistance must undertake the following responsibilities pursuant to the N7Rehab Program.

1. Applicant completes N7Rehab *and* City of Bozeman Site Plan (or Sketch Plan) application materials and complies with all application requirements as established by the Department of Planning and Community Development (DPCD). These materials are provided to the NSURB for review and approval, so ten (10) additional copies of the application are required to facilitate the review process. NSURB staff and/or Planning staff will provide *informal* assistance to the Applicant in completing the necessary forms and developing a project design that is in compliance with program objectives. Architectural, Landscaping and Engineering (if applicable) drawings must be provided by

the applicant. Final Architectural Design Review authority will be Design Review Staff within the Department of Planning and Community Development and/or the Design Review Board (if applicable).

2. Applicant provides cost estimates as required by the N7Rehab application process.
3. Applicant will attend the scheduled NSURB monthly meeting to provide the Board with information on the project.
4. The N7Rehab process does not absolve the applicant of having to apply for deviations and/or variances if required by the established plan review process.
5. Applicant provides copy of signed bid contract and enters into a Participation Agreement with NSURB.
6. Applicant will provide receipts/invoices for all work undertaken with N7Rehab funding to allow monitoring of actual costs of N7Rehab eligible improvements.
7. Applicant is responsible to review the rehabilitation work and upon completion will submit an application for Final Occupancy through the Bozeman Building Division. NSURB staff will determine if the rehabilitation work has been completed satisfactorily and recommend or deny approval for Certificate of Completion to the NSURB. Certificates of Completion will not be granted until ALL work funded by the grant is completed.
8. An improvements agreement and financial guarantee may be required to obtain occupancy as directed by the Planning Department. Pending grant awards may not be used as a financial guarantee.
9. The applicant may be required to provide a financial statement to demonstrate sufficient financing for the project has been secured.

#### **NSURB RESPONSIBILITIES**

1. NSURB staff reviews the application and determines eligibility. The application will also be reviewed against the N7Rehab Project Review Criteria.
2. NSURB staff prepares a report for the Board and distributes the report to Board members 5 working days prior to the next regularly scheduled monthly meeting.
3. The Board reviews the application for funding eligibility, reviews the fund request and votes to approve, deny or approve a modified award.
4. NSURB staff prepares the Participation Agreement (to include a list of approved eligible improvements receiving funding) for signing.
5. NSURB staff tracks receipts/invoices for completed N7Rehab eligible improvements
6. NSURB staff closes out the application upon **satisfactory completion of the project** and submits NSURB CERTIFICATE OF COMPLETION to be signed by the NSURB Chair.
7. NSURB staff sends a request to the City Finance Department to release funds to the property owner/lease holder.

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#### **TECHNICAL ASSISTANCE GRANTS**

To encourage property owners, tenants and site developers to redevelop commercial properties within the N. 7<sup>th</sup> Ave Urban Renewal District, the NSURB has set aside funds so that interested parties may apply for funds to offset the cost of the professional services needed to investigate property redevelopment. Funding for the following services may be available for vacant or deteriorated properties along the N. 7<sup>th</sup> Avenue Corridor.

#### **Funding:**

The TIF Board will hold \$36,000.00 in reserve that will fund approximately 400 professional hours using a value of up to \$90.00 per hour. Individual grant award amounts are discussed below.

#### **Technical Assistance Grant Criteria:**

The Technical Assistance grant will provide a maximum of \$7,200.00 per property (or properties in contiguous use) for professional architectural, design, or engineering assistance for preliminary design assistance. Grants for technical assistance may be awarded to complete the following:

- a. Site Planning and Master Site Planning
- b. Building condition assessment in conjunction with exterior renovation or reuse proposals for existing structures
- c. Engineering and surveying services
- d. Landscape Design
- e. Preliminary Development Review

The services provided will result in project proposals that are consistent with the following documents:

- *Design and Connectivity Plan for the North Seventh Avenue Corridor*
- *Bozeman Design Objectives Plan*
- *Title 18 of the Bozeman Municipal Code*
- *Bozeman Community Plan*

These documents are available at [www.bozeman.net](http://www.bozeman.net)

No applicant for a technical assistance grant may be directly involved in providing the services secured by the grant. "Directly involved" means the person or entity is responsible or shares responsibility for conducting the service or evaluating plans or has a tangible or intangible personal or financial interest in the service transaction.

#### **Review Process:**

Grant Applications will be reviewed by NSURB staff under the supervision of the NSURB. Staff will review applications on a first come, first served basis for the duration of funding availability. The service provider must demonstrate that they are qualified to perform the work. Accreditations and/or experience in providing such services will be considered. Projects that are recommended for approval will be submitted to the Board for final approval. The decisions made by the NSURB are final.

An application for Development Review shall be submitted to the DPCD as a requirement of the grant award. Application fees and procedures for formal Development Review applications, as set by the City Commission, shall apply and may be paid out of the grant award if requested in the grant application and awarded by the NSURB. At a minimum, an application for Informal Review shall be submitted to the DPCD for NSURB Planning staff to review. There are no application fees for the Informal Reviews conducted for N7Rehab Technical Assistance Grant recipients.

The receipt and completion of a Technical Assistance grant does not obligate the applicant to continue with the project.

#### **APPLICANT RESPONSIBILITIES**

The successful Applicant for NSURB assistance must undertake the following responsibilities pursuant to the N7Rehab Technical Assistance Program.

1. Application and supporting documentation is submitted to the DPCD.
2. Applicant signs Letter of Acknowledgement stating that the professional services provided will result in proposals consistent with the grant criteria.
3. If the applicant is not seeking Technical Assistance for preparation of a formal Preliminary Development Review application, an application for Informal Review must be submitted to the Department of Planning and Community Development demonstrating that the professional services were completed as awarded by the grant. Drawings shall be to scale.
4. Once the Informal Review is complete, and the review criteria have been satisfactorily met, the applicant will provide receipts/invoices verifying the cost of the professional services provided.

## **NSURB RESPONSIBILITIES**

1. NSURB staff reviews the application and determines eligibility.
2. NSURB staff prepares a report for the Board and distributes the report to Board members 5 working days prior to the next regularly scheduled monthly meeting.
3. The Board reviews the application for funding eligibility, reviews the fund request and votes to approve, deny or approve a modified award.
4. NSURB staff prepares a Letter of Award
5. NSURB Planning staff reviews the Informal Application materials and consults with other City Departments (Engineering, Fire, Building, etc.) as needed and reports their findings to the applicant and NSURB.
6. Upon completion of grant requirements, staff sends a request to the City Finance Department to release funds to the property owner/lease holder.

### **Technical Library:**

Upon completion, the Informal Review application will remain on file in the DPCD as a reference for those seeking information on redevelopment of site.

### **Release of funds:**

As with other N7Rehab Programs, the Technical Assistance component is a reimbursement program. No funds will be disbursed until all the grant criteria have been satisfactorily met. In addition to completing the Development Review (Formal or Informal), the applicant will submit an invoice for the hours worked at the rate stipulated by the award agreement. Payment will be made to the property owner or lease holder for the hours worked on the project. Payment will not exceed the maximum award amount. Neither the City nor the NSURB shall incur any obligation for professional services secured by property owner in furtherance of the application.

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### **Disclaimer:**

Neither the NSURB nor the City of Bozeman shall be responsible for the planning, design, or construction proposed by any work conducted as part of N7Rehab. No warranties or guarantees are expressed or implied by the description of, application for, award of or participation in N7Rehab.

### **Time Frame:**

Grants will be available through June 30 of the current fiscal year or until funding is depleted. The Program will be re-evaluated annually and considered for funding.

### **Applying:**

Applicants are advised to submit a complete application and all supporting materials per the instructions in this packet and per the Department of Planning and Community Development's application requirements for plan review. Incomplete applications will not be reviewed.

## **DELEGATION OF AUTHORITY**

The NSURB is, hereby, delegated authority to administer the N7Rehab as set forth in this application packet and Resolutions 4289 and 4298 and may enter into agreements with Applicants necessary to accomplish the purposes of the program.