



Troy Local Development Corporation Community Business
Investment Grant
Program Guidelines

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1. Introduction

In 2021, The Mayor and City Council authorized \$1,000,000 from Troy's American Recovery Program Act (ARPA) municipal aid distribution to fund a business investment grant. The program is being administered by the Local Development Corporation with the intent of encouraging capital improvement projects that will help our small businesses grow and sustain success in Troy. The pandemic may be less of an emergency in 2023, but many still face uncertainty from labor and material scarcity, rising interest rates, and inflationary pressures. The City of Troy is dedicated to supporting the backbone of our local economy as we face these unrepresented challenges together.

Capital Improvements are generally defined as any alteration to a property that meets the following criteria:

- 1) Adds to the value of the property or appreciably prolongs the useful life of the property.
- 2) Becomes part of the property or is permanently affixed to the real property so that removal would cause material damage to the space or the article itself.
- 3) Is intended to become a permanent installation.

Unlike operating capital grants, capital improvements often result in lasting economic benefits for both the grant recipient (direct) and the surrounding neighborhood (indirect). As a small city with tight-knit communities, small businesses are part of our daily life in Troy. Whether we walk by them in our daily walk through the neighborhood, stop in as part of a weekly ritual, or know the owners from our kid's school events; small businesses mean more to Troy than the brick-and-mortar space they occupy. Instead of spending the entirety of ARPA funds to cover a few weeks of operating expenses, we want to invest in your businesses to help you increase sustained income for years to come.

2. Program Details

The TLDC will offer funding assistance to eligible commercial and mixed-use projects that strengthen the surrounding community. The TLDC has established the Community Business Investment Grant program for the redevelopment, rehabilitation, or historic preservation of vacant, underutilized, or occupied properties within the City of Troy. Grants will range between \$5,000 and \$50,000, with a minimum 50% match requirement from the property or business owner. Once the total funding amount is depleted, the effectiveness of the program will be determined by our ability to meet the following goals:

- Ensure existing structures are secure and more aesthetically attractive,
- Improve the appearance of Troy's streetscape,
- Draw interest and new investments into Troy communities currently lacking amenities, services, or a mixture of uses to support a higher quality of life,
- Support the creation of new businesses,
- Enhance tourism,

- Incentivize adaptive reuse for vacant or underutilized properties with commercial components or storefronts,
- Preserve and enhance Troy's historical buildings and assets,
- Clearly contribute towards local economic recovery,
- Support the stabilization or expansion of a Troy-based business.

Additional Details

- The program will include a preferred investment initiative that prioritizes the Lansingburgh, South Troy and the Hillside Neighborhoods.
- Special consideration may be given to applicants who intend to occupy the space themselves, or property owners who have an executed lease agreement with an eligible business to occupy the space.
- Preference will also be given to applicants who supplement program funds with additional sources to generate the greatest impact to their business and the surrounding neighborhood. Applicants shall provide their total project budget and overall funding gap with their formal grant applications.

3. Applicant Eligibility

Applicants who are eligible for Community Business Investment Grant assistance include property or business owners that are:

- Individuals
- For-profit entities
- Not-for-profit entities
- Current on all taxes

4. Eligible Activities

Funds must be spent on capital improvements and related soft costs only. These may include:

- Hard and Soft costs related to interior or exterior renovations to a commercial space or property. Soft costs must be part of a broader renovation project and not the project itself.
- HVAC and building mechanical systems.
- Lighting or plumbing improvements.
- Any improvements enabling the property to meet building code, fire safety or ADA requirements.
- Façade work
- Structural work
- Restoration of historic details/preservation work

- Energy efficiency improvements or any upgrades that significantly reduce the property's carbon emissions.
- Furniture, Fixtures & Equipment
- Outdoor furniture, awnings, signage, and storefronts.
- Equipment, including:
 - Specialized equipment used to expand or improve services or production by the business.
 - Kitchen equipment and appliances for restaurants, food production kitchens, and wholesalers.
 - Manufacturing and production equipment.

Ineligible Activities

Ineligible uses of funds include:

- Residential projects,
- Acquisition costs,
- New construction (including in-fill buildings),
- Demolition,
- Improvements to structures owned by religious or private membership-based organizations,
- Or improvements to municipally owned and municipally operated buildings,
- Electronics, tools, disposable supplies, business equipment, and other operating expenses.
- Applicants who only plan on using grant funds for site work or ancillary activities on a property including, but not limited to:
 - septic systems/laterals,
 - grading,
 - parking lots,
 - garages,
 - sheds,
 - landscaping,
 - fences,
 - free standing signs,
- Applications for projects with direct investments into building and space improvements will be prioritized above ancillary activities or site work.

5. Available Funding

Match Requirements

- The TLDC may award up to \$50,000 in grant funds, per project. The minimum grant funds awarded per project is \$5,000.
- Match requirements must be certified by applicants at the time of submission.
- In-kind match is not eligible.
- Costs incurred prior to the effective date of the grant agreement are not eligible for reimbursement and not eligible as a match.

Soft Costs

- Eligible soft costs include architecture, engineering, and environmental testing expenses.
- Soft costs require matching funds. In-kind matches are not eligible.
- Soft costs incurred for work on buildings that eventually prove infeasible and do not receive other investments will not be reimbursed with TLDC funds. Therefore, reimbursements for soft costs may not be requested as part of a partial payment prior to project completion.

Proof of Available Financing

- Property owners are responsible for the total cost of the project. Grants will reimburse property/business owners at the conclusion of the project after all costs are paid. Proof of available financing through cash held in a bank, secured loan commitments, and/or project lines of credit is required.

6. Application Process

- If potential applicants are interested in applying but lack matching funds to complete their project prior to reimbursement, it is recommended that they contact the City of Troy Economic Development Office prior to applying.
- Applicants will be required to submit a short-form eligibility questionnaire prior to receiving a link inviting them to the online application. Please allow up to 5 business days to receive a response following the receipt of completed eligibility questionnaires.
- Once an applicant's project is deemed eligible, they will be emailed a link to a fillable application form with instructions. If the applicant has questions while filling out either the eligibility questionnaire or the application, they are encouraged to reach out to the Economic Development Office of the City of Troy. Applications will be accepted, reviewed, and approved in rounds that align with regularly scheduled Troy Local Development Board of Directors meetings. The number of application rounds will be determined by funding availability. Applications must be submitted and deemed complete by the TLDC prior to the determined close date to be eligible for funding. Round closing dates and other pertinent information will be emailed to everyone signed up to receive news from the Economic Development Office and posted on the TLDC website at www.troyny.gov/tldc

- The TLDC will advise applicants on the acceptance or rejection of an application within 7 business days of the predetermined Board of Directors meeting during which directors will vote on which applications to fund. Selected applicants will be notified by email of their approval and will be contacted by TLDC shortly after to discuss next steps.

TLDC Project Review Committee

- The TLDC Project Review Committee will implement the project selection process and generate funding recommendations to the full Board of Directors at the next predetermined meeting. The Review Committee will include:
 - The Commissioner of Planning and Economic Development and TLDC Executive Director,
 - Representative from the Rensselaer County Chamber of Commerce,
 - Representative from the Black and Latino Chamber of Commerce,
 - Representative from the Troy Business Collaborative,
 - Representative from the Downtown Troy BID,
 - 1 Member selected by the City of Troy Council Majority,
 - 1 Member selected by the City of Troy Council Minority,
 - 1 Member of the Lansingburgh Community,
 - 1 Member of the South Troy Community,
 - 1 Member of the Hillside Neighborhood,
 - Additional members may be considered as determined by the TLDC.

Project Review Priorities

It is strongly recommended that applicants highlight the following priorities that the Review Committee will be looking for as they review applications:

- Projects that are visually prominent,
- Projects that include renovation of storefronts or ground floor businesses,
- Projects with historic value or historic properties in danger of being lost in part or in total to disrepair or damage,
- Projects that, with the assistance of program funds, will reduce blight, contribute to the economic recovery of Troy, or realize a stabilization or expansion of a Troy business,
- Assistance that will create permanent jobs,
- Assistance that will allow a business to expand service or product offerings,
- Projects that will enhance tourism efforts/draw visitors to Troy,
- Projects that leverage other funds/investment,
- Projects that are viable.

Project Scoring

Projects will be selected based on the impacts it will have within the surrounding community. Projects will be scored based on the following criteria:

- **Readiness-** projects that provide proof of overall feasibility and readiness such as proof of ownership, documentation that 100% of the financing for the project is in place and provides a reasonable construction timeline **(up to 20 points)**.
- **Physical Impact-** projects that are visually prominent, have historic value, are in danger of being lost, bring existing properties into compliance with design or planning guidelines, or improvements that are transformative beyond normal maintenance **(up to 20 points)**.
- **Economic Impact-** projects leveraging grant funds with private investment that, with the assistance of grant funds, will reduce blight and vacancies, contribute to the economic recovery of the surrounding community, advance Troy's position as a regional tourism destination or lifts the visibility of the surrounding community to a wider and more diverse audience, or realizes a stabilization or expansion of the tax base, and/or the total number of businesses and/or jobs **(up to 20 points)**.
- **Quality of Life-** projects that include renovation of store fronts or ground floor businesses, fill a need for amenities, include energy efficiency or accessibility improvements, or provide open spaces that contribute to the aesthetics of the neighborhood **(up to 20 points)**.
- **Renewable Energy and Sustainability Considerations-** projects that include renewable energy off-taking or production, the use of sustainable materials, or the conservation/protection of local flora and fauna **(up to 20 points)**.

7. Project Selection Documentation

The TLDC will retain clear documentation of each project selection committee decision in its program files. This documentation will include an eligibility determination for each application reviewed, and a justification for each project selection decision. This documentation will include all relevant project review or scoring memos, TLDC Project Selection Committee meeting minutes, board approval of projects or other related correspondence.

8. Upon Approval

Work Write-up / Scope of Work

Once a project application has been formally selected for Community Businesses Investment Grant Program assistance, the TLDC will meet with the applicant to develop the formal project scope of work and explain program requirements related to design, required approvals and environmental review.

Contracting Procedures

The TLDC will enter a contract with the property or business owner to provide the program financial assistance. The contract will outline the roles and responsibilities for both TLDC and the participating property or business owner.

At a minimum, the contract will specify:

- Agreed upon scope of work,
- Projected amount of financial assistance awarded,

- Estimated project timeline,
- Regulatory term or repayment provisions,
- Requirement to sign a photo release form permitting the TLDC and City of Troy to use photographs of the assisted business or property,
- Requirement to engage a contractor and begin activities within 30 days of formal TLDC approval,
- Payment structure, timing,
- TLDC or TLDC representative has the right to inspect work at any time,
- TLDC may terminate the award and cancel the contract should the work or purchases be inconsistent with the program rules outlined, agreed upon scope of work or project design, stated timeline or if insurance is not maintained by the participating contractor.

Historic District Design Standards

All properties located within a local, State or Federal historic district or is listed on the National Registry of historic places, must adhere to the corresponding design guidelines that dictate design considerations involving exterior renovations/signage. Each project will be reviewed by the TLDC or its representative to ensure that the scope of work meets relevant design standards. When necessary, projects may be required to have architectural drawings/plans completed and then have these reviewed and approved by the City of Troy Planning Board or Historic Review Committee. All plans must be approved by the City Planning Board and the TLDC or its representative prior to construction.

Grant Cancellation

Once approved, the applicant has 6 months to begin construction, or purchase equipment as specified in the awarded application. If work hasn't commenced within 6 months of receiving grant approval, the TLDC reserves the right to cancel the grant agreement with the Grantee at any time upon written official notice from the TLDC Executive Director. The applicant will also have 1 year to complete the scope of work specified in the awarded application. Should the Awardee fail to complete the scope within 1 year of project commencement, the TLDC reserves the right to cancel the grant agreement upon written notice.

Up until the 6 month deadline to begin work or the 1 year deadline to complete it, the Grant Awardee will have the right to request an extension by written request to the Executive Director of the TLDC. The board shall have the exclusive right to review grant extension requests and will approve or deny based on the validity of the reasons provided and/or continued viability of the project.

9. Construction Management/Quality Control

Construction Monitoring

The TLDC or its representative retains the right to inspect or audit work in progress at any point. The TLDC must perform periodic inspections of renovation activities to monitor adherence with program rules, environmental hazard compliance, and general project progress.

Final Inspection

A final inspection or review of project activities by the TLDC or its representative is required for each participating project. A final report or reconciliation must be submitted to the City of Troy to formally document completion of project activities.

10. Financial Management

The TLDC's accountant will be responsible for all financial transactions under this contract. The TLDC has a Discretionary Funds Policy, which is available for review in its entirety at www.troyny.gov and will use this policy to determine the process for review and approval of requests for disbursement of funds from The City of Troy. An Authorized Signature Form will be completed to designate the representative(s) authorized to sign disbursement requests and will reflect the TLDC's written policy on internal controls.

11. Ongoing Maintenance / Regulatory Term

All assistance is in the form of a reimbursable grant with a five (5)-year compliance period. Property owners will be required to execute a Declaration document committing to this compliance period. Should the property owner sell the property within the five (5)-year timeframe, they will be responsible for repaying a portion of the grant funding received. A Declaration Form will be filed with the Troy City Clerk to secure this obligation and the following repayment schedule will apply:

Months 0-12:	100% repayment due
Months 13-24:	80% repayment due
Months 25-36:	60% repayment due
Months 37-48:	40% repayment due
Months 49-60:	20% repayment due

Months 60 and beyond: 0% repayment due

12. Payment Process

The program operates fully as a reimbursement grant program and the owner is responsible for paying for all agreed improvements. Disbursement of grant funds will be made in one payment, only upon satisfactory completion of the items in the approved scope of work, as evidenced by documentation of paid renovation expenses.

- No reimbursement shall be paid to the owner until an inspection of the work has been completed by the TLDC or its representative. All completed work shall comply with all applicable building codes and standards.
- To substantiate work costs, Owners must provide the following:
 - written contracts;
 - bank documents;
 - copies of invoices for materials and labor;
 - cancelled checks;
 - lien releases;

- and any other documents deemed reasonably necessary by the TLDC or required by HTFC to maintain effective internal controls.
- Cash payments/cash receipts are not permitted and will not be reimbursed.

13. Program Compliance

Conditions

The City of Troy reserves the right to change or disallow aspects of the application and may make such changes conditions of its commitment to provide funding to a project or program. The TLDC will address any additional requirements or conditions of approval.

Covenants of the Recipient

The TLDC will comply with all applicable statutes, guidelines, regulations, policies and procedures of the program. Any defect or departure from the approved Administrative Plan must be requested and approved in writing. The TLDC will refer to the Grant Agreement and associated schedule(s) for a summary of the awarded program activities, budget, and projected accomplishments.

14. Conflicts of Interest

The TLDC has a Conflict-of-Interest Policy, which can be reviewed in its entirety at www.troyny.gov. All applicants and staff will be subject to this policy. Applicants will be required to complete a Conflict of Interest Disclosure Form to determine if a conflict of interest exists. If a conflict of interest does exist, the TLDC will consult the Board of Directors prior to making a final determination.

15. Program Administration

The Troy Local Development Corporation (TLDC) intends to use up to 5% of the One Million Dollars (\$1,000,000) of the program funds for the administration of the program. The administrative structure/assignment of roles and responsibilities is as follows:

- The President/Board Chairperson of the TLDC is responsible for the overall program administration.
- The TLDC's accountant is responsible for all program financial transactions.
- The TLDC's Director of Economic Development and Senior Economic Development Tech. will provide administrative support to the President/CEO. Administrative responsibilities include: developing marketing materials, reviewing projects for eligibility, working with the construction manager, property owners and architects to develop scopes of work, ensuring compliance with program requirements, submitting payment reimbursement requests, and other required paperwork, as necessary.
- The TLDC's attorney is responsible for providing initial grant documents and contracts to be executed by and between the grant recipient and the TLDC President/Chairperson.
- A selection committee will be responsible for reviewing and approving or denying grant applications. Grant approval will be reviewed with reasonable expediency and

taking no longer than 1 month from the date of submission for the applicant to receive a final decision. Final determinations will be both emailed to the applicant and sent via mail to the address provided on the application. Grant approval will not be unreasonably withheld insofar as the project is deemed eligible by a simple majority of the selection committee. Application denials must be accompanied by a tally of votes in favor of approval or against with an explanation citing a reason for grant denial.

- Should an applicant disagree with validity of the reason for denial that is provided by the committee, the applicant must appear at the next scheduled TLDC general meeting and provide an explanation for their disagreement with the committee's decision, along with evidence in support of their position. The Board of Directors may decide to overturn the applicant's denial only if the board unanimously agrees to do so. Once reversed, the decision will not be revisited by the TLDC board or any affiliated employees/contractors. If the Board of Directors fails to vote unanimously in favor of reversing the applicant's denial, the decision is final and will not be reviewed by any members or committees again without substantial changes to the scope to make the project eligible.

16. TLDC Use of Project Photographs

The grantee will be required to provide the Troy Local Development Corporation with unrestricted right to use, for any lawful purpose, any photographs or video footage taken of the property at the approved project location for which the grantee has the authority to grant such permission, and to use the grantee's name in connection therewith if it so chooses.