

Business Development Fund Downtown Logan

The City is pleased to announce the renewal of its Downtown Business Development Fund. The Logan City Council has adopted its 2010-11 Community Development Block Grant (CDBG) One-Year Action Plan, which includes \$50,000 in funding for this project. The following information summarizes the purpose, scope and administration of the program. Should you have any questions or wish to make an application for fund assistance, please contact Kirk Jensen, City of Logan Economic Development Director, at (435)716-9015.

Overview

Downtown Logan is an important cultural and entertainment center, a historical landmark, and to many, it is the 'core' of our community. Revitalization efforts can be expensive due to the very nature of redevelopment. The City has established a Redevelopment Project Area (RDA) that encompasses a significant portion of the Downtown, which can be used to provide redevelopment assistance to make projects economically feasible. Due to significant base property tax values, however, the RDA is limited in its effectiveness for a smaller renovation project that may generate very little in the way of tax increment, but one that makes a significant contribution to the vitality of the Downtown. The establishment of the Business Development Fund will help to overcome this limitation.

Uses

Grant proceeds can be used for the following types of projects:

- projects that create or retain jobs for low/moderate income (LMI) persons as part of the establishment, stabilization or expansion of small businesses;
- projects that create affordable housing units within existing commercial space or rehabilitate or reconstruct existing units;
- projects that prevent or eliminate blight;

Projects must be located within the geographical boundaries pertaining to this Business Development Fund. The project area is bounded on the north by 400 North Street; on the south by 300 South Street; on the east by 100 East Street; and on the west by 100 West Street.

Establishing LMI Benefit

Job creation/retention: It is imperative that the successful applicant demonstrates how his or her project will, and to what extent, deliver benefits to LMI persons, as this is a key determinant in the funding decision process. In terms of job creation activities, the

applicant will be required to show, and ultimately document, that at least 51% of the new/retained jobs are filled by LMI persons, or that they were, at a minimum, made available to, or that first consideration was given to LMI persons. To facilitate this determination, the applicant will be required to document the number of new jobs created, job titles, whether the jobs are full-time or part-time, and the associated wages/salary to be paid for each job type.

Affordable housing creation/rehabilitation: In order for a dwelling unit to be considered to benefit an LMI household, it must be occupied by the household at affordable rents. The applicant is responsible to ensure that the units are affordable based on rent guidelines established by HUD or other approved source. In the case of a single unit, the occupant must be an LMI household. In terms of multi-family units, at least 51% of the units must be occupied by LMI households.

Program Administration

Each applicant will submit a Request for Assistance form which will provide information regarding the project, as well as the projected benefits to LMI individuals. Project cost estimates, including Davis-Bacon wage rate estimates for the construction, prepared and estimated by a licensed engineer/architect, must accompany the application.

Applications will be reviewed, screened, and forwarded to the City of Logan's Economic Development Committee, which will make the final funding determination. The funding criteria the Committee will utilize are outlined in the next section.

In accordance with HUD guidelines, certain records will be maintained. These records will provide a full description of each project that is selected for assistance, including its location, the amount of CDBG funds expended, and compliance to the provision of public benefit requirements. An agreement with each sub-recipient will be maintained by the City of Logan.

Fund disbursement will be monitored and controlled by the City of Logan CDBG Coordinator. To the extent practicable, CDBG funds will be disbursed on a pro rata basis with other finances committed to the project.

CDBG funds will be committed to eligible projects as long as allocated funds remain. The guidelines outlined in this document are subject to change in accordance with HUD statutes and guidelines, as well as revisions made by the City of Logan's Economic Development Committee.

Funding Determination

The City of Logan Economic Development Committee will use the following criteria to determine if, and to what extent, each project shall be funded:

- degree of benefit to LMI persons

- number of LMI jobs created or retained
- return/leverage of CDBG investment
- other public benefits derived from the project
- financial need
- financial viability of the proposed project
- business and managerial expertise of the applicant
- perceived catalytic effect of the project on further development
- reasonableness of project costs
- assurance that all other sources of project financing are committed
- other pertinent project-specific factors

Once again, should you have any questions or wish to make an application for fund assistance, please contact Kirk Jensen, City of Logan Economic Development Director, at (435)716-9015.