



## **CATALYST GRANT PROGRAM**

### **POLICY, PROCEDURES & CONDITIONS OF THE CITY OF ALBEMARLE, NC DOWNTOWN COMMERCIAL BUILDING & BUSINESS IMPROVEMENT PROGRAM**

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#### **A. PURPOSE**

Building appearance and interior improvements that allow for increased occupancy or productivity play an important role in creating the image of downtown and a successful business venture. Funding for commercial building improvements (“Grant”) made to properties will encourage reuse of vacant or underutilized properties, improve the appearance of existing buildings, improve seating and productivity, and support the long-term viability of Downtown Albemarle. Over time, the taxable valuation of the improved properties will increase, thus increasing the amount of funds available to revitalize Downtown Albemarle.

#### **B. GRANT STRUCTURE AND CRITERIA FOR SELECTION**

The City of Albemarle and the Albemarle Downtown Development Corporation (ADDC) along with business owners and stakeholders from Downtown Albemarle will oversee the Catalyst Grant Program (CGP). Commercial property within the Downtown Albemarle Municipal Service District (MSD) will be eligible for façade and/or building stabilization improvements as well as internal improvements to dining, kitchen, restroom, and other building areas that will improve the overall business. Furniture, fixtures, and equipment are included as an eligible expense. The map of the Downtown Albemarle Municipal Service District (MSD) is located on the Catalyst Grant Program Application on page 7.

- A building stabilization improvement is defined as structural alterations or adaptations to buildings, or building system repair or replacement, that are undertaken as part of the process of rehabilitating, preserving, or restoring existing structures for business purposes.
- An internal building improvement is defined as any structural renovation/restoration of the interior of a building that will allow for increased seating capacity, improved productivity, improvements to common areas and public restrooms, safety measures, or any other improvement that includes internal building improvements. Repair or replacement of furniture, fixtures and equipment is also an eligible expense.

Funding is based on budget availability under the following criteria:

- The maximum grant amount may not exceed \$50,000.
- The grant amount awarded must not exceed more than 50% of eligible project costs.

Grant applications will be considered by the Catalyst Grant Program Committee (CGPC) at a place and time of the CGPC Chair's choosing. The CGPC shall set the dates for acceptance of applications, the grant review period by staff and the members of the CGPC; and for final review and action on all eligible applications provided the meeting has a quorum of voting members present. All meetings of the CGPC are subject to North Carolina public meeting laws and all meetings and votes of the CGPC shall be in accordance with Roberts Rules of Order.

Filing of an application with required supporting documentation does not guarantee funding. The CGPC reserves the right to award funds in any amount up to \$50,000 at its discretion after review of each application. Applicants must provide all supporting documents to staff. In the case of any missing documents, the Chair has the discretion to accept any application that may have one or more missing documents or information.

Applications must be submitted with a detailed proposal of the improvement work. The amount of the grant awarded may not exceed 50% of eligible project costs. If the grantee is awarded funds by the CGPC, the Chair shall state the amount at the conclusion of the CGPC vote. CGPC staff shall provide the applicant with the approved Funding Agreement. Both parties (the CGPC Chair and Applicant) must sign, date, and return the Funding Agreement to the CGPC staff. The CGPC staff shall have 14 days from the date of approval and receipt of the executed Funding Agreement to disburse the approved funds to the business. If there is an unexpected delay in payment, a new timeline will be communicated to the Grant Recipient.

No grant will be awarded retroactively, which means that funding will not be awarded for improvement work that commenced prior to the effective date of the Funding Agreement. All Grant award decisions are final and there shall be no appeal process.

Applications will be reviewed for completeness and compliance with program criteria as approved by the CGPC. Projects that do not comply with the criteria and conditions set by the CGPC will not be eligible for review unless a waiver is requested by the applicant and approved by the CGPC Chair no later than 48-hours prior to the CGPC grant review meeting.

An authorized corporate officer or partners of the applicant's business must sign the application, in addition to the property owner(s), if the applicant is the tenant. Tenants who are applying for a Grant must supply proof of a lease for the subject property that identifies at least three (3) years remaining in the lease term. The Chair reserves the right to waive the three (3) year lease requirement at their discretion.

Prior to consideration for the Catalyst Grant Program funding, the subject property must be free from any liens (except mortgage liens), judgments, or encumbrances (except easements) of any kind, current with all City obligations, and in compliance with all City Code requirements.

The CGPC Chair reserves the right to contract for a title search and/or ownership and encumbrance report. Any costs associated with proper due diligence measures of the CGPC and/or CGPC staff, shall be deducted from any grant award prior to disbursement. Should a title search and/or background search result in a negative finding that precludes the CGPC from considering the application, the cost incurred will be paid from Catalyst Grant Fund account funds.

All applicants for Grant funding must submit to a criminal background check, the cost for which will be deducted from the Grant funds at the time of disbursement provided Grant funding is approved. If the applicant is a corporate entity, then its president, director, or manager submitting the application shall submit to a criminal background check. Should the company be in a legal corporate partnership, all partners must submit to a criminal background check with all costs for each background check taken from grant funds awarded prior to disbursement.

In order to be eligible for funding, applicants must not have any of the following:

- a felony conviction or nolo contendere within the past five (5) years:
- a felony conviction or nolo contendere for financial crimes within the past ten years
- a felony conviction or nolo contendere for violent or heinous crimes (i.e. murder, sexual battery, sexual assault, armed robbery or burglary, carjacking, home-invasion, kidnapping, arson, crimes against children, etc.) in their complete history.

If the background check reveals any of the above, the applicant will be rendered ineligible for the Grant and apprised in a private meeting with the CGPC Chair. Otherwise, results of the background check will be included in the documentation provided to the CGPC for consideration as part of the application.

The Catalyst Grant Program Committee (CGPC) is made up of seven (7) representatives from downtown property owners or businesses as well as governmental and non-profit entities with the core mission of supporting Downtown Albemarle businesses located in the MSD.

It shall be the responsibility of the Chair to set meeting dates and otherwise make rulings as to CGPC rules and procedures found in the Catalyst Grant Program Policies and Procedures document. Changes to the Catalyst Grant Program Policies and Procedures are at the discretion of the program's committee with all changes to be approved by a majority vote of the committee members.

It is the responsibility of all CGPC members to consider each application in an honest and professional manner. Each member shall receive all applications and documentation from each applicant and have access to CGPC staff to request additional information if needed.

The Albemarle City Council, at its January 3, 2022 regularly scheduled Council Meeting, approved the draft policies and procedures of the Catalyst Grant Program. Council granted authority to the CGPC to amend and approve the Catalyst Grant Program Policies and Procedures as the committee members deemed fit. Council also voted in its January 3, 2022 meeting to approve the naming of the CGPC Chair.

The CGPC seven (7) member CGPC shall be comprised of:

- Albemarle City Council Appointee
- ADDC Board Member or their assign
- Downtown Business Owner
- City of Albemarle Economic Development Director
- A Member of the Stanly County Chamber of Commerce

- A Downtown Albemarle Property Owner
- Director of the Stanly Community College Small Business Center

The Chair of the Committee shall be the appointee of the Albemarle City Council and serve at the Council's pleasure. The following CGPC members are ex-officio voting members:

- Chair as appointed by the Albemarle City Council
- ADDC Board Member
- City of Albemarle Economic Development Director
- Stanly County Chamber of Commerce appointee
- Director of the Stanly Community College Small Business Center.

The following CGPC members will be nominated and approved by the CGPC during a meeting of the CGPC soon after the beginning of the fiscal year.

- Downtown Business Owner and
- Downtown Albemarle Property Owner

The two members representing the downtown business community will serve a two (2) year term. The initial two downtown representatives shall serve from the date of approval by the CGPC until June 30, 2024 at which time their initial term will end.

Downtown business owners and property owners are eligible to be nominated and approved for one (1) additional two (2) year term should they agree to accept and upon approval by the CGPC. Nominations for eligible CGPC seats will be accepted by the Chair from any resident of Albemarle or any business or property owner within the Albemarle Municipal Service District (MSD). A map showing the MSD boundaries is located on Page 12 of this document. The CGPC Chair will present all nominations to the CGPC for discussion and action.

Any Grant amount awarded by the CGPC will be based on the lowest of at least three (3) qualified bids or quotes obtained and submitted by the applicant and shall not exceed 50% of the project cost up to \$50,000 at the discretion of the CGPC.

The owner and/or applicant may elect to choose a contractor other than the one with lowest qualified bids and/or quotes but shall be responsible for all costs exceeding the lowest qualified bid. In all cases, the selected contractor must be licensed and insured in the State of North Carolina and meet all City of Albemarle codes and Finance Department vendor qualifications.

The CGPC and CGPC staff will not be responsible for the selection of a contractor. A property owner and/or tenant should pursue all activities necessary to determine contractor qualifications, quality of workmanship, and reputation. The property or business owner will bear full responsibility for reviewing the competence and abilities of prospective contractors and secure proof of their licensing and insurance coverage.

Program funds will be disbursed in the form of a Grant with no repayment required unless the conditions of the grant are not met. Funds will be allocated within 14 days after approval by the CGPC and upon both parties having signed, dated, and returned the Funding Agreement to CGPC staff.

Improvements to be made under a Grant must be initiated (secured all necessary permits) within 90 days and completed within one (1) year of the effective date of the Funding Agreement unless otherwise approved by the Chair.

The CGPC Chair can take into consideration delays beyond the Grantee's control or delays caused by Acts of God, contractor or other service provider's negligence or failure to complete work in a timely manner or other delays out of the Grantee's control provided the Grantee has made good faith effort to have the project completed. Grantees requesting an extension must do so in writing and provide accurate accounts and explanation of any and all delays.

Applications for Grants shall meet the criteria outlined below:

1. The CGPC may approve grants up to \$50,000.
2. The amount of the grant award may not exceed 50% of the approved project cost
3. Buildings must be located within the City of Albemarle Municipal Service District (MSD) (see MSD boundary map on Page 12 of this document).
4. Funding shall only be for properties that contribute through the payment of ad valorem taxes. The CGPC at its discretion may agree to approve funding for not-for-profit businesses provided the business located in the building does collect and pay sales taxes under North Carolina business laws and guidelines.
5. Grant funds are for Internal or external building improvements that may also include repair or purchase of furniture, fixtures and equipment (FF&E).
6. Businesses are allowed only one (1) Grant per property owner or tenant per fiscal year, and only one (1) Grant per property per three-year program term.
7. When an entity or individual owns multiple properties that are adjacent, the Grant funding may be shared between these properties for a unified improvement plan. When an entity owns multiple properties that are not adjacent, only one (1) property may receive funding in that grant period.
8. All proposed improvements must meet the requirements of all applicable building codes. And ordinances as well as any requirements of the Historic Resource Committee (HRC). Approvals or certificates issued by the state, county or City entities do not guarantee approval of a Catalyst Grant Program award.
9. The CGPC shall evaluate applications based upon factors including:
  - a. Level of deterioration of building materials and finishes
  - b. Improvement to the appearance of the site
  - c. Consistency of proposed building design with any required Downtown or Historic District Design Guidelines

- d. Contribution to cultural activities or opportunities
- e. Contribution to historic rehabilitation or restoration
- f. Will serve as a catalyst for redevelopment
- g. Will increase seating capacity, productivity, and improved business sales
- h. Consistent with the context and character of the remainder of the block and/or surrounding properties
- i. Incorporation of sustainable materials and/or methods
- j. Business or resident tenure in Downtown Albemarle
- k. Assessment of the balance of building façade and stabilization elements in the application and/or assessment of interior improvements and details of FF&E improvements.
- l. Amount of additional contribution to the project by Applicant

**C. ELIGIBLE IMPROVEMENTS**

Property owners and/or tenants may apply for CGPC program funding. Tenants applying for funding shall provide written permission from the property owner in addition to the signed Owner’s Affidavit. The entire building façade and/or internal improvements, stabilization or FF&E plan of a subject application must be included in the renovation/restoration plans. Eligible costs for Grant participation include, but are not limited to:

- 1. **Façade Rehabilitation**
  - a. Removal of non-contributing false facades
  - b. Building cleaning (non-sandblasting)
  - c. Stucco restoration
  - d. Tuck pointing masonry
  - e. Painting
  - f. Replacement or reconstructive woodwork
  - g. New exterior doors and windows on existing structure
  - h. Restoration of historically appropriate doors, windows, or building features as determined by the Historic Preservation Officer

l. Signs, awnings, murals, canopies and decorative shutters (must be associated with other façade improvements and no more than 50% of total Grant may be used toward signage or mural. An exception can be made for properties located within special plan areas.)

i. Mural design must be approved by the CGPC.

ii. Mural design must meet current guidelines.

j. Exterior lighting\*

k. Hardscape improvements that are visible from the right-of-way

l. Must meet approval of the HRC where applicable

## **2. Building Stabilization**

a. Roof repair and/or replacement

b. Interior structural improvements (e.g. floor joists, ceiling repairs)

c. Interior Life Safety Improvements (fire walls, sprinklers, egress, fire alarm, exit signs, and automatic lights)

i. Must be associated with a buildings' change of use

ii. Must be compliant with City Code and State of North Carolina Building Code

d. Building systems improvements (e.g. plumbing, electric, HVAC)

e. Furniture, fixtures and equipment used in the day-to-day operation of the business.

f. Fencing to secure the property

i. Must be associated with other improvements

ii. Must be compliant with City Code

iii. Must be compliant with any and all other federal, state, county or City guidelines.

g. Other approved building stabilization improvements

## **3. Interior Improvements and/or Furniture, Fixture and Equipment Installation**

a. Interior ceiling, wall, flooring, plumbing, kitchen, bar, or other portions of the building that require improvements to increase sales, productivity, and appearance of the facility.

b. Installation or replacement of furniture, fixtures, and equipment that will increase productivity and improve the appearance and sales of the business.

c. Life Safety and other interior safety improvements.

d. Lighting, electrical, mechanical, and other improvements that improve the building and ability to serve customers.

*\*Note: Projects that include lighting are encouraged, but not required, to meet with the City of Albemarle Utilities Department to discuss needs and determine if the business is eligible for lighting assistance programs.*

It is strongly recommended that applicants retain the services of a registered architect, or similarly qualified design professional, to prepare plans, drawings, and construction specifications for their project. Fees for services provided by a registered architect or similar qualified design professional may be counted towards the applicant's portion of project funding (no more than 10% of total Grant may be used toward these fees).

**D. INELIGIBLE ITEMS**

The following items are ineligible for reimbursement:

1. Any City, County, or State permitting or impact fees
2. Any improvements or additions to a building that is five (5) years old or less from the date of the issuance of the Certificate of Occupancy
3. Structural improvements (excluding building stabilization improvements) not identified as required in writing by a certified structural engineer.
4. Refinancing existing debts
5. Inventory
6. Payroll (not including work to be done by owners as part of grant match) and associated overhead costs
7. General periodic maintenance
8. Improvements that do not fulfill the intent and purpose of the Program (i.e. screened patios or porches, gutters, rear patios,)
9. Landscaping
10. Consultant fees (excluding fees for services by a registered architect or similar design professional)



## **E. PROCEDURES**

The procedure for project review is as follows:

### **1. Post-Application Submittal & Staff Review**

The applicant is required to meet with the City of Albemarle Economic Development Director, the City of Albemarle Planning & Development Director or his assign, and the Albemarle Downtown Development Corporation/Main Street Coordinator who will review the application and supporting documents to determine eligibility. This three-member City staff review team will provide assistance to applicants as needed and responsible for making certain all applications and supporting documents are complete and in good order. Staff will supply the applicant with general guidance and assistance if needed. Once staff review has been completed, approved applications and supporting documents will be sent to all members of the CGPC for final review and action. Any application where property is located in the Albemarle Downtown Historic District, must have the application reviewed and approved by the City of Albemarle Historic Resource Commission (HRC).

### **2. Grant Application Submission**

After staff review and any review and response required of the HRC, the Grant application and all attachments will be submitted to the Chair and all members of the CGPC for consideration.

### **3. Review OF Grant Application**

Once an eligible application and the supporting documents are received, the Chair of the CGPC will then direct staff to obtain the mandatory criminal background check and direct staff to review the application with regard to all program requirements. Once staff review is complete all eligible applications shall be forwarded to the CGPC for review in accordance with policy and procedures approved by the CGPC. The CGPC at a formal called meeting may recommend approval, modification, denial, or deferral of any application.

If the CGPC recommends approval of an application the Chair will request a motion that includes the dollar amount to be awarded. The motion must be seconded and a vote taken to approve or deny the grant. In review of each Grant, the CGPC shall establish the program's maximum grant participation (not to exceed dollar amount of the project) based on the lowest of the three (3) qualified bids submitted by the applicant. The CGPC may not award more than \$50,000 to any one applicant.

### **4. Final Agreement and Project Commencement**

Once an application is approved, the CGPC staff will prepare a Funding Agreement that must be signed by the CGPC Chair and the grantee. If approved for funding, the applicant (and property owner, if the tenant is the applicant) shall sign and date the Funding Agreement. Once the Funding Agreement has been signed and dated by both parties, the CGPC staff will provide funds to the applicant within 14 days. Once executed by both parties, the applicant may proceed with the project.

Substantial modifications to final plans or change orders to construction documents which produce visible differences in the previously approved façade design, will require review by the CGPC staff and approval by the CGPC. Evidence of licensure and insurance of the selected contractor(s) shall be submitted to the CGPC staff prior to commencement of any work associated with the Grant.

**5. Project Final Approval**

On completion of construction, grantees shall submit proof of 100% completion and arrange for an on-site inspection by the Chair of the CGPC or his assign. to ensure that the terms of the Funding Agreement have been honored. Discrepancies will be noted and a timeframe for their correction will be established as necessary.

**6. Disbursements**

Funds will be disbursed by a check payable to the grantee (1) upon approval of the grant and once both parties (Applicant and the CGPC Chair) have signed, dated, and returned the Funding Agreement to the CGPC staff. Funds will not be disbursed on projects that are not in accordance with the approved plans.

**7. Funding**

The CGPC may from time to time at its discretion establish annual funding for the program by requesting such funds from the participating entities and seek out additional partners to assist with funding the program. Recipients of the CGPC funding may also apply for other eligible assistance programs. Applicants may qualify for the maximum funding allowed under each program but the amount of grant funds awarded may not exceed the cost of the project. It will be the responsibility of the CGPC staff to ensure that there is no overlap between the proposed improvements and make certain funding from multiple entities do not exceed the project costs and/or requirements to match as outlined in this document. Any violation where the applicant knowingly accepts grant funds in excess of project cost may be denied future opportunity to apply for the Catalyst Grant at the discretion of the CGPC Chair.

Minority and Women Owned Businesses are encouraged to apply for the CGPC funding.

**8. Previous Participation in the CGPC Program**

If the grantee received funding under any previous façade, stabilization, or interior improvement program within the last three years, the applicant must wait 12 months before becoming eligible to apply for this grant.

**9. Disclosures**

The CGPC expressly reserves the right to reject any and all applications or to request additional information from any and all applicants and grantees. The CGPC retains the right to deviate from the program guidelines, or amend the program guidelines, agreements, and procedures at its discretion as approved by a majority of the CGPC at a scheduled and advertised meeting of the CGPC. Agendas and minutes from all meetings are public record and available to any person by requesting specific information in writing.

## 10. Contact Information

The following City staff members serve as the primary contacts for the CGPC.

### **Keith Tunnell, Director**

City of Albemarle  
Economic Development Department  
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Albemarle, NC 28002  
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### **Joy Almond, Main Street Manager/Director**

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