

Property Improvement Fund

Program: Property Improvement Fund (PIF) (*Pilot*)

Purpose: To provide assistance to property owners in the renovation and upgrade of older commercial, office, industrial, and mixed use properties within the designated areas.

Projects eligible for funding include but are not limited to:

1. major renovation of structural elements of the building, including new or replacement roofs;
2. total renovation and rehabilitation of underutilized building areas;
3. awning and facade improvements;
4. additions to existing buildings; and
5. the cost associated with professional services of an architect, engineer, or other design professional.

These funds may be used in combination with the Regulatory Compliance Funds (RCF). *These funds cannot be used with the Property Tax Rebate Program (PTR), UNLESS only the tenant is the recipient of the PIF, and the tenant has no affiliation with the property owner (cannot be the same ownership).

Eligible Areas: Historic West Des Moines study area.

Program Funding: Property owners within the designated areas are eligible to apply for funding of a loan up to \$75,000.

Unless otherwise approved by the City Council, the amount of the award shall not exceed 50% of the assessed value of the property.

Program Mechanics: Property owners wishing to apply for funding through the PIF would submit an application to the Community and Economic Development Department. Staff shall review the application for completeness. Once a determination of completeness has been made by staff, the application shall be referred to the Redevelopment Due Diligence Committee.

*Council approved 11/12/2018

The Due Diligence Committee will have two rounds of funding each year. Multiple applications from the same property owner for different buildings may be submitted during any one funding round.

Any project for which a building permit has been issued will be ineligible for funding.

The Redevelopment Due Diligence Committee (Committee) shall be appointed by the Mayor and be made up of three representatives from the Historic West Des Moines Study area, three citizens from the community at-large and three representatives from the West Des Moines Chamber of Commerce who are within the financial community in West Des Moines. The Committee shall score the applications for financial soundness and compliance with the adopted review criteria.

The Committee upon finalizing its review shall submit its recommendations to the Finance and Administration City Council Subcommittee for its review. The F&A Subcommittee will forward its recommendations to the City Council for ultimate action to approve or deny the request.

If the project is approved for funding, the property owner/tenant will be required to submit documentation of project expenses before release of funds. Funding will be on a reimbursement basis.

In addition, the property owner/tenant will be required to enter into a development agreement for the loan with a repayment schedule sufficient to repay the City for funds that were expended from the PIF for the project. The length of the agreement/loan shall be no more than 10 years in length. The loan shall be at zero (0%). Repayments shall be on a monthly basis.

As part of the development agreement, the property owner will commit to creating or retaining a minimum of two (2) FTE's in the first two years following completion of the redevelopment/renovation work, and retain those positions for an additional three (3) years.

Funding: The approval of participation in this program does not imply that any legal entitlement is granted or that any business or property owner that meets the identified requirements will be offered the incentive.

The City Council at its sole discretion shall be responsible for consideration and potential approval of the incentive.

All construction work shall begin within six months of signing of the Development Agreement and, either a final inspection has occurred or a final occupancy permit has been issued before the property owner is allowed to submit documentation for a request for reimbursement.

Progress payments may be made upon completion of distinct phases of work, if it has been identified in the Development Agreement as permitted.

Timeline: The Pilot program originally ran until December 31, 2018. City Council has decided to continue this program until July 1, 2021, and evaluate the Program annually to determine effectiveness and continuation.