



## **La Grande Urban Renewal Agency**

*(Approved March 1, 2023)*

### **Traded Sector/Business Park Call for Projects Business Attraction Incentive Program**

#### **A. Geographic Scope:**

1. Within the Urban Renewal District. (See Map, Exhibit A)
2. Specifically in areas zoned industrial and/or commercial as follows.
  - i. Central Business (CB)
  - ii. General Commercial (GC)
  - iii. Light Industrial (I-1)
  - iv. Heavy Industrial (I-2)
  - v. Business Park (BP)
3. Specifically targeted development opportunities in the La Grande Business and Technology Park.

#### **B. Purpose**

The purpose of this policy is to provide cash incentives to attract new high-quality jobs, businesses and investments into the District. Additional purposes include filling the La Grande Business & Technology Park (LGBTP or Park) and attracting high quality “traded sector” businesses that export goods and/or services and import wealth and provide jobs above the Union County average wage. These funds are intended to be used as a recruitment tool to provide a “last-in” incentive to be used primarily for gap financing and will represent a minor percentage of an overall project cost; for new construction at the LGBTP; or a combination thereof. Projects should be financially viable without this funding. This policy will be governed by the La Grande Urban Renewal Agency (URA) and administered by the City of La Grande staff.

#### **C. General Criteria**

- 1) Subject property(ies)/ project(s) must lie within the Urban Renewal District (URD), within the “Geographic Scope” referenced in Section A.

- 2) Current or prospective owner(s) or developers representing owner(s) with consent must be willing and agreeable to undertake a new business development project.
- 3) All projects submitted for URA funding consideration must conform to one or more projects or goals stated in the La Grande Urban Renewal Plan of 1999.
- 4) The URA will not consider, nor will staff accept applications for funding that do not comply with the preceding General Criteria.
- 5) Projects may be submitted at any time during the fiscal year.
- 6) When evaluating applications for project funding, the following criteria will serve as guidelines and when appropriate, to rank applications:
  - i. Projects must be viable for-profit businesses upon project completion.
  - ii. Projects must help achieve the mission of the La Grande Urban Renewal Plan to revitalize La Grande's Central Business Zone by investing in public/private development partnerships in the Central Business Zone (CBZ) or facilitating the development of commercial and industrial parts of the Urban Renewal District to create jobs and income that will provide economic support to the CBZ.
  - iii. Projects that meet the following criteria are eligible for higher funding levels as identified in G. Funding Information below:
    - Projects that are in the "traded sector" that export at least 50% of their goods and/or services outside of Union, Baker, Grant, Wallowa, and Umatilla Counties, based on gross sales.
    - Projects must create at least three (3) new permanent jobs and employ new employees at or above the average wage in Union County for at least three (3) years as specified in the individual funding agreement. The 2023 average wage will be indexed at \$49,563 annually or \$23.83 per hour.
  - iv. Preference will be given to projects with higher ratios of private investment to public funding and expected return of property tax revenues.
  - v. Preference will be given to projects that locate in the LGBTP.
- 7) If in the downtown, project must not displace any current ground-floor "storefronts" that encourage retail use or other uses that drive foot traffic downtown.
- 8) A third-party developer may represent the property with owner's consent.
- 9) Any past-due fines, taxes, fees or outstanding violations of local ordinances must be addressed prior to any financial participation from the URA.
- 10) Project applicant must enter into an agreement with the URA for performance.
- 11) Any funds disbursed by the URA may be considered a reimbursement based on qualifying expenses submitted by the applicant and will be specified at the time of funding agreement.
- 12) Project must comply with all relevant local, state and federal laws and codes.

- 13) If projects are in the Historic District or otherwise are under the purveyance of the Landmarks Advisory Commission, projects must:
- i. Receive certificate of “historic appropriateness” from the Commission prior to any grant award and/or disbursement of funds.
  - ii. Follow “The Secretary of the Interior’s Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings.”
  - iii. Follow any and all standards and guidelines prescribed by the City of La Grande, to include 2022 Commercial Historic District Design Standards or its successor.

**D. Allowed uses of funds**

- 1) Exterior building renovations or construction.
- 2) Real estate purchase; associated costs & fees.
- 3) Required on-site and off-site infrastructure improvements.
- 4) Accessibility issues, to include elevators and associated equipment.
- 5) Streetscape improvement projects.
- 6) Work required for Building Code compliance.
- 7) New site prep and development, new construction.
- 8) Mitigation, reduction or removal of blight.
- 9) Earthwork related to wetland or floodway mitigation, as permitted and/or required by state or local agencies.
- 10) Professional design and engineering services, required for construction or renovations, provided the physical improvements related to these services (project) are completed within the terms of the agreement.
- 11) Other interior work to be approved on a case-by-case basis:
  - i. Permanent improvements that have a life span greater than five years that are not considered tenant improvements or other items or fixtures that cannot easily be removed from the structure.
  - ii. Mechanical, electrical, plumbing systems installations, or upgrades.

**E. Prohibited uses of funds**

- 1) Refinancing existing debt.
- 2) Marketing property for re-sale.
- 3) Conversion of downtown ground-floor uses to other than retail, entertainment or food & beverage.
- 4) Moving, travel or storage expenses.
- 5) Payment of taxes, fines or fees current, future or delinquent.
- 6) Payroll of employees related to the developer or associated businesses, unless involved in the construction phase of the project.
- 7) Cleaning unless it is required as part of an otherwise allowable use of funds.

- 8) Inappropriate restoration activities.
- 9) Inappropriate or non-approved design or materials.
  - i. Interior improvements unless directly related to an approved exterior project or part of a needed and approved structural or accessibility improvement project which require the removal and replacement of the existing interior improvements. Carpeting and floor coverings.
  - ii. Changes to non-load-bearing walls.
  - iii. Interior painting, interior repairs.
  - iv. Removable fixtures, appliances, furnishings, cabinetry, etc.
- 10) Professional design and engineering services except as part of an approved project as stated above.
- 11) Feasibility studies, business plan development, or other consulting services.
- 12) Working capital.
- 13) Financing of inventory.
- 14) Payment for services, such as legal, insurance or brokerage fees.

**F. Applicant Criteria**

- 1) Proposals may come from tenants, owners of buildings or property or third-party developers; if other than the owners, an authorization letter from owner(s) or brokers must accompany proposal/ application.
- 2) Proposals must contain at a minimum the items identified in Section I.
- 3) Approved projects should be ready to begin within six (6) months of application and should be completed within eighteen (18) months of application. Extensions may be allowed on a case-by-case basis as specified in individual funding agreements. Any agreement or application extensions may only be granted by the District Manager or the URA. All granted extensions will be reported to the URA.
- 4) Applicants must enter into a funding agreement with the URA and work with City/URA, and/or State officials (as applicable) on their project.
- 5) Applicant(s) cannot have any outstanding or unresolved fine, fee, lawsuit or infraction with the City of La Grande.
- 6) Any deviations from initial submittals must be approved by the District Manager.
- 7) Projects may commence prior to funding award, at the applicant's risk, but only after a written application has been submitted and the District Manager deems the application complete. The applicant acknowledges that submission of the grant application does not bind the URA in any way and that funding cannot be approved more than one fiscal year following the submission of the application.

**G. Funding Information**

1) Traded Sector projects:

- a. To receive Trade Sector funding, the project must have a minimum total cost of \$500,000, be considered a “traded sector” business, and create at least three (3) new permanent jobs at or above the average wage in Union County for at least three (3) years as specified in the individual funding agreement. The 2023 average wage will be indexed at \$49,563 annually or \$23.83 per hour. (additional preference based on number of jobs)
- b. City of La Grande Urban Renewal funding– up to 1/3 of total project cost, not to exceed \$500,000:
- c. Private building owner(s)/tenant(s)/ developer(s) must contribute at least 2/3 of total project cost; contribution may come from commercial lenders or other sources, including grants or loans from other agencies on applicant’s behalf. In-kind contributions shall not be considered.
- d. The amount of funding shall be determined on a case-by-case basis using the following guidelines:

Number of Jobs:	Funding Matrix--Traded Sector Projects										
10								\$400,000	\$425,000	\$450,000	\$475,000
9						\$300,000	\$350,000	\$375,000	\$400,000	\$425,000	\$450,000
8					\$275,000	\$300,000	\$325,000	\$350,000	\$375,000	\$400,000	\$425,000
7				\$225,000	\$250,000	\$275,000	\$300,000	\$325,000	\$350,000	\$375,000	\$400,000
6			\$175,000	\$200,000	\$225,000	\$250,000	\$275,000	\$300,000	\$325,000	\$350,000	\$375,000
5		\$150,000	\$150,000	\$175,000	\$200,000	\$225,000	\$250,000	\$375,000	\$300,000	\$325,000	\$350,000
4	\$125,000	\$125,000	\$125,000	\$150,000	\$175,000	\$200,000	\$225,000	\$250,000	\$275,000	\$300,000	\$325,000
3	\$100,000	\$100,000	\$100,000	\$125,000	\$150,000	\$175,000	\$200,000	\$225,000	\$250,000	\$275,000	\$300,000
Project Cost:	\$500,000	\$600,000	\$700,000	\$800,000	\$900,000	\$1,000,000	\$1,100,000	\$1,200,000	\$1,300,000	\$1,400,000	\$1,500,000

- Non-traded sector new construction projects located at the La Grande Business and Technology Park will be limited to \$100,000 in funding and will use the application, scoring, and funding criteria contained in the current Call for Project policy.

- 2) Funding is contingent upon URA budget approval and subsequent availability of funds.
- 3) Local funds may be augmented by outside sources, such as State of Oregon grants or loans.
- 4) All required permitting must be completed prior to commencing work. Any work completed without first obtaining the required permit(s) shall not be eligible for reimbursement and shall result in a reduction of the grant award in an amount determined at the sole discretion of the District Manager.
- 5) Projects with grant awards exceeding \$25,000 are eligible to receive a progress payment once the project is 50% complete. The amount of the payment shall be based on the pro-rata completion percentage. The percentage of the project completed will be determined by the District Manager. Additional progress payments may be made at the discretion of the District Manager up to a maximum of 75% of grant award.
- 6) Funds will only be disbursed on a reimbursement basis and on completion of the project unless they qualify for a progress payment as described above. In order to be deemed complete, all work must be finished, any City required site improvements completed, and final inspections completed and approved and if applicable, a final occupancy permit granted by the Building Official. Temporary occupancy permits do not satisfy this requirement.
- 7) For projects requiring an occupancy permit, if the property is occupied without first receiving either the final occupancy permit or a temporary occupancy permit, the contributions of the URA will be considered a loan and the full amount of any and all URA funds disbursed shall become due and payable to the URA immediately upon notification by the District Manager.
- 8) URA will make every effort to provide timely disbursements upon receipt of complete applications and proof of appropriate expenses.
- 9) The URA will have the ability to make loans in addition to, or in place of, grants at its discretion.
- 10) Real property related to the project may not be transferred or sold within five (5) years from the date of the project completion and final disbursement of funds. In the event of a sale, the contribution of URA funding will be considered a loan and the full amount of any and all URA funds disbursed shall become due and payable to the URA immediately upon said sale or transfer.
- 11) Funds disbursed under this program may not be combined with Building Façade Grant funds related to the same project at the same time (during a 12-month period) and site location.
- 12) If the property owner receives any property tax abatement or property tax credit, or any other form of property tax relief (including special assessments) for the property related to the project resulting in any reduction of the Agency's property

tax revenues within five (5) years from the date of the final disbursement of funds, the contributions of the URA will be considered a loan and the full amount of any and all URA funds disbursed shall become due and payable to the URA immediately upon receipt of the property tax abatement or credit notification. This requirement DOES NOT apply to Federal or State Tax Credits that do not reduce the Agency's property tax revenues.

- 13) Liens may be placed on properties receiving URA benefits for amounts up to the full grant amount at the discretion of the URA and/or the District Manager.
- 14) At the discretion of the Agency, the funding may be in the form of a loan which converts to a grant based on retention of jobs promised to receive the funding.

## **H. Application and Approval Procedure**

- 1) Application must be on a project intake form provided by the URA and must include all necessary and required supporting documentation so as to fully satisfy all of the above-stated criteria to be deemed complete. Project applications may be submitted either digitally (Adobe Acrobat, Microsoft Word, Microsoft Excel, Microsoft PowerPoint or JPEG image files are acceptable formats) by email, or as hard copies hand-delivered or mailed to City Hall. Faxed copies will not be accepted.
- 2) Any and all of the following bodies may be involved in the approval and/or review of a project:
  - i. City of La Grande/URA staff.
  - ii. La Grande Landmarks Advisory Commission.
  - iii. La Grande Urban Renewal Advisory Commission.
  - iv. La Grande City Council/ Urban Renewal Agency.
  - v. La Grande Planning Commission.
- 3) Funding requests shall be reviewed by the Urban Renewal Agency and the Urban Renewal Advisory Commission (URAC) at a public meeting. Members of the Agency and the URAC shall vote on project funding.
- 4) Any submitted proprietary and/or financial information will be kept confidential and out of the public record to the extent allowable by law.
- 5) Project applications for funding recommendation.
- 6) Upon receipt of an application, applicants will typically be notified within ten (10) business days of project application completeness.
- 7) Applications may be modified or approved with conditions.
- 8) Applicants may be asked to present their projects to any of the bodies listed in Section H.2.
- 9) City/URA staff may provide technical assistance and resources to applicants to help ensure successful applications to the extent possible.
- 10) Additional Funding Requests: The URA shall not consider any requests for funding increases to approved project funding resulting from cost overruns or changes in the project that are not an increase in the scope of the project including

but not limited to changes in materials or contractors. The URA may consider additional funding requests at the next funding cycle, at which time the application shall compete as if it were a new project, for unforeseen conditions encountered or increasing the scope of the project for items including but not limited to expanding the project to include additional square footage or adding new features that were not part of the original application.

- 11) Reductions in project scope: Minor reductions in the scope of the project may be approved by the District Manager without a reduction in awarded project funding. Any reduction exceeding 25% of the scope of the project or \$150,000 of the total project cost, whichever is less, must be approved by the Agency and may result in a reduction in the amount awarded on a case by case basis.

### **I. Submittal Requirements:**

- 1) All submissions must be accompanied with the following information:
  - i. Past three years financial data on the business and the primary proprietor(s).
  - ii. Resumes or other historical information that accurately portrays the applicants' business history.
  - iii. Business plan that includes information on the business' history and a pro-forma for the proposed new operation in La Grande.
  - iv. Project scope and detailed project description, to include a detailed budget that reflects the total investment value, sources of revenue and itemized expenses.
  - v. Financial and non-financial request of URA participation that specifies categorical use of funds and any other requested URA support.
  - vi. Detailed listing of expected new job creation to include quantity of jobs, job titles, base hourly or annual wages, explanation and dollar value of any owner-provided non-mandatory benefits and total cumulative annual payroll impact.
  - vii. Building/ property owner name & contact information.
  - viii. Project applicant name (if different from above) & contact information.
  - ix. Letter of authorization from property owner or broker, if owner is not the applicant.
  - x. Building/ property address.
  - xi. Current photograph of the building/ property & historic photos, if available.
  - xii. Funding amount requested and proposed use(s).
  - xiii. Current building/ property use, including tenant names and contact information, if applicable.
  - xiv. Project timeline.



- 2) The submitted application and proposal for the project, once accepted as the final concept, shall become and wholly remain the property of the City/URA. The City/URA will retain the reproduction rights to use images of the artwork to prepare and distribute marketing materials, web site materials or for any other use in promotional materials.

Approved by the Urban Renewal Agency March 1, 2023.

  
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Robert A. Strobe  
District Manager

Exhibit "A"

La Grande Urban Renewal District

