

# B-1 | Create a Building, Business and Alternative Energy Loan/Grant Fund to Assist Building Owners and Business Startups

## DRI Funding Request/Total Project Cost

\$600,000/\$1,300,000

## Project Description

Funds may be provided through a revolving loan fund or grant fund as determined by the city's loan committee and administered by the city through a third-party consultant. The fund will assist with:

- Smaller-scale capital improvements and/or renovations in the DRI boundary that may include sign and façade improvements, building renovation, upper story housing, working capital, equipment, interior commercial and residential improvements, etc.;
- A portion of start-up costs for new businesses identified to a critical and vital downtown that may include inventory, marketing, rent assistance, and training; and
- Projects reducing the city's environmental footprint and/or encouraging energy generation from renewable sources (\$150,000 set aside specifically for these project types).

## Sponsor

City of Cortland

## Strategies

- Promote the adaptive reuse of underutilized buildings in the downtown for mixed use development including market rate housing;
- Establish programs to grow small business, and downtown retail;
- Increase collaboration between downtown and local institutions;
- Increase opportunities to attract innovative and/or culturally based businesses and grow the local property tax base;
- Encourage projects that reduce the City's environmental footprint; and
- Encourage energy generation from renewable resources.



**Precedent images of building and business activities**

## Public Support

The proposed project is a combination of some of the most popular ideas identified in the public outreach process and they support all three of the Cortland DRI'S goals. Throughout the scoping process residents gave feedback that startup costs are a major barrier to opening new businesses in Cortland. Owners of historical downtown buildings also shared that even a small amount of assistance goes a long way when preserving these important structures.

## Anticipated Revitalization Benefits

The building fund will allow property owners to complete renovations and upgrades that might not otherwise be possible. Assistance with paying for building improvements will help preserve historical structures and improve the city's aesthetics. Updated properties, in turn, will attract residents and patrons. The flexibility of packaging business startup incentives to meet identified sales voids and public interest along with high tech and green solutions will have meaningful impact on both the public and private sectors. Aiding new businesses with their first-year startup costs will give entrepreneurs the confidence to open their businesses in downtown Cortland, and projects focusing on alternative energy solutions can help drive down costs for property owners, freeing up more resources for building improvements. Additionally, there has been a long-term commitment to sustainability on behalf of the City that is espoused in planning documents and is evidenced by their designation as a Clean Energy Community by NYSERDA. Dollars directed to such projects can set Cortland apart as a leader in sustainable energy production.

## Project Budget

\$1,300,000

- Construction/installation - \$1,235,000
- Program Administration - \$65,000

Alternative energy projects will leverage existing NYSERDA funding (currently \$0.35 per watt) and a 30% federal tax credit and may be financed through the City's Property Accessed Clean Energy (PACE) financing program. It is expected that approximately \$700,000 in NYSERDA and federal incentives can be leveraged for the alternative energy portion of this project from \$150,000 of DRI funding. The remaining \$450,000 is slated to be used for building upgrades and business startup costs.

## Organizational Structure/Responsible Parties

The city of Cortland will be the responsible party for the grant/loan fund assisting projects as described above. The city's loan committee, with county Business Development Corporation CEO Garry L. VanGorder serving ex officio, will process grant/loan applications, determine eligibility, and award resources as deemed appropriate. The city will contract with a third-party entity to administer each grant/loan awarded. The Cortland Downtown Partnership may also serve as a partner



***Precedent image of rooftop solar installations***

in efforts to award qualifying loans and or grants.

### **Organizational Structure**

The city of Cortland will be the sponsor of this program with administrative duties assigned to its yet-to-be-determined third-party consultant. The city may decide to contract with the Central New York Regional Planning and Development Board for assistance with sustainability projects, given the agency's role as a leader in sustainable and clean energy projects across the region.

### **Organizational Budget**

The city's total operational budget is \$19.9 million.

### **Organization governing document (s)**

City Charter

### **Timeframe for Implementation and Project Readiness**

- Months 1-4: Negotiate and Execute Contracts;
- Months 4-7: Develop and Finalize program guidelines;
- Months 7-10: Market Program;
- Months 10-14: Accept and Review Applications;
- Months 13 - 18: Execute Funding Agreements with participants;
- Months 14-30: Construction/Installation/Startup.

### **Project Reporting**

The city will develop a filing and monitoring system to track all awards, grant contracts, and project disbursements. Individual property grant agreements will specify the deadline for completion of work. All work to be inspected by the city or its representatives prior to reimbursement. Documentation related to job creation, job retention, tenancy, lease rates, and more may be required of projects addressing commercial or residential needs. For renewable projects, the city will track the dollars invested and the KWh of sustainable power developed. Property owners will be required to provide power usage and cost data for five years following installation to determine the annual cost savings from the program.



***Precedent image of rooftop wind installations***