

# KANSAS MAIN STREET INCENTIVES WITHOUT WALLS FUNDING PROGRAM

State of Kansas  
FY2009 Guidelines



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Governor Kathleen Sebelius  
Secretary David D. Kerr

## **KANSAS MAIN STREET PROGRAM INCENTIVES WITHOUT WALLS PROGRAM**

### **ESTABLISHED:**

Incentives Without Walls (IWW) was established in 1995 by redirection of the existing Department of Commerce & Housing funds from another program to this incentive package.

### **PROGRAM INTENT:**

“To create or stimulate private investment in designated Kansas Main Street downtown areas.” The expected outcome of this program is to create employment opportunities; save existing jobs; provide services and products; develop or strengthen new or existing businesses; acquire, rehabilitate, or preserve properties; and create a stronger tax base.

### **AVAILABLE FUNDS:**

Pending finalization of the FY09 budget, the Kansas Department of Commerce will make available IWW funding for development/rehabilitation projects. These funds will be available in two competitive rounds and an open round. Any funds not awarded or left unclaimed for more than 90 days following the first funding round will be pooled to be disbursed with the second round. Any funds not awarded or left unclaimed for more than 90 days following the second round will be disbursed toward the end of the fiscal year for targeted special projects.

To qualify for the open round, a project must be one that cannot wait for the regular round without loss of opportunity. The project must be started in 30 days from award and be completed within one year. Kansas Main Street reserves the right to hold over an open round application for the next competitive round.

### **ELIGIBILITY:**

Only active designated Kansas Main Street program's in good standing\* will be eligible to apply for the IWW funds by submitting application(s) to the Kansas Main Street program.

(\*Must be in full compliance with annual Memorandum of Agreement.)

If the balance of your local IWW Revolving Loan fund available exceeds \$40,000 you are not eligible to apply for current round or open round funding.

## **SECTION ONE: MAJOR PROJECTS**

### **MATCH REQUIREMENT:**

All applications will be competitive in nature and will require a minimum cash match of 3:1 private to IWW funds. (There must be \$3.00 of private investment for every \$1.00 of State Investment in the project). \*Non-cash, or in-kind match is not allowable. Additional consideration will be given to applicants providing more than the minimum match requirements.

- (\*Non-cash match: A) Non-cash match includes the value of sweat equity by the recipient or any member of their immediate or expanded family, friends, or employees regardless of whether or not that person performs such a service as a legally operating business. B) Non-cash match includes the value of gifts of equipment or materials used during any part of the project.

- Sweat equity: Any labor provided by the recipient or their immediate or expanded family, friends, or employees at no cost.

- In-kind match: In-kind match includes the value of any labor, materials, or equipment provided at no cost to the IWW recipient.

### **ELIGIBLE USE OF FUNDS:**

1. The acquisition or rehabilitation of properties in connection with private reinvestment in a designated downtown area.
2. Any project that can be shown to lead directly to private investment, job creation or retention, establishing or expanding viable businesses, or creating a stronger tax base.

### **PROJECTS:**

Individual projects may be submitted with a minimum request of \$1,500. The maximum request for any single project will be \$20,000. No local program or project will receive more than \$20,000 in awards per round. Local programs may submit multiple projects in a single round; however, the total may not exceed the \$20,000 cap. Projects with special historical significance that are capital intensive and may require a multi-year or phased-in approach may be considered for additional awards based on first award performance and demonstrated continued need. (No more than three (3) awards to a single multi-phased project). Actual project awards may be less than the requested amount. Funded projects will have 90 days to begin and must be completed within one calendar year with the exception of the Open Round projects, which must begin in 30 days. The Kansas Department of Commerce will have the final decision of funding a submitted project or projects. Projects must be completed as proposed. Reporting documents on the progress and outcome of the project will be required and will be provided to awardees upon receipt of funds. An on-site review of each open project will be part of the local Main Street program's annual Year-End Evaluation.

### **FUND DISBURSEMENT:**

- Funds are committed to designated Kansas Main Street programs and held in an account until projects are approved.

**Grants:** The local Main Street program may grant these funds only for the purpose of preservation of historic buildings.\* Historic building: Any downtown commercial building that is 50 or more years old. Preservation: Keep safe, as from injury or peril – meaning if the work is not completed the building would be subject to demolition. Also/or: if work is not immediately done the building is a threat to public safety. Purchase costs are not considered as preservation funding.

**Loans:** The local program should provide the funds as loans at no-interest to all other eligible projects. The term of any IWW loan may not exceed seven years, but may be less as determined by the local program. Loan repayments to the local program become the basis for a local revolving loan pool. Once funds have been forwarded from the state to the local program, the funds should be held in a separate, designated account and disbursed on a 3:1 ratio based on receipts provided to the local program. If private investment is less than estimated in the application or if the project is not completed, the remaining funds shall be returned to Commerce. If for some reason the project is not started or completed within the allotted time frame, the local Main Street program is responsible for returning the full amount to the Commerce. All projects, whether grant or loan, must have a minimum ratio of three dollars of private money to any one dollar of IWW funds. Any secondary projects (those from local revolving loan pools) must meet the criteria of the Incentives Without Walls program and be submitted to the Kansas Main Street program for approval before funds are disbursed. In the event that the local Main Street program should cease to exist or elect to not continue business,

the program shall return all funds on hand that are a result of repayment of loans made to third parties with funds received from the IWW program to Commerce.

The local program would also be required to assign any and all rights in any loans between the local program and the third parties with funds received from the IWW program to Commerce.

Should Commerce not exist at the time of repayment of funds or assignment of contract rights, then payment of funds shall be made to the Kansas State Treasurer.

### **GUIDELINES FOR FUNDS:**

The Kansas Main Street IWW fund provides local Main Street organizations an opportunity to apply for between \$1,500 and \$20,000 per round for appropriate projects. The local program will identify and prioritize for action\* local projects insuring that those projects identified will be viable and have long-term impact on the downtown district. In addition, the local program will be responsible for submitting the application, providing oversight to assure that projects are started and completed in a timely manner, keeping appropriate records for each project, and for submitting required reporting documentation. The local program will also be responsible for disbursing the funds to those local businesses and/or projects that are selected to receive funds on the 1:3 (public to private) ratio, and to perform due diligence in the collection of loan installment payments. Five percent of the total award may be retained, at the local program's discretion, for administrative costs. These administrative costs must be identified on the budget page and must be disclosed to the third party recipient before the application is submitted.

\* ("Prioritize for action" indicates the degree to which it is both necessary and possible to do something now. Pay attention to the magnitude of the need, the degree of difficulty in addressing the need, logical sequencing of projects, and the cost and availability of financial resources to address the need.)

### **SECTION TWO: SMALL PROJECT LOANS**

Funds for the small project loans are part of the overall IWW funding, not additional funds, and will be available as part of the two competitive rounds only.

### **MATCH REQUIREMENT:**

All small project loans will be competitive in nature, and require a \$1.00 to \$1.00 match. (1:1).

### **ELIGIBLE USE OF FUNDS:**

1. Appropriate paint up/fix up projects on the front façade, back, or sides of buildings based on the Main Street design guidelines. (Downtown commercial buildings only)
2. Paint up/fix up or design, production, and installation of appropriate signage based on the Main Street design guidelines. (Kansas Main Street Design Guidelines copyright 2004)
3. Appropriate installation or repair of awnings on front facades. Awnings must meet the Main Street design guidelines. (Kansas Main Street Design Guidelines copyright 2004)

### **PROJECTS:**

Individual projects may be submitted with a minimum request of \$500. The maximum request for any single small projects application is \$1,500. (Total project \$3,000) No local program can receive more than two small project loans in a single funding round. These loans will count towards the \$20,000 cap any local program may receive in any given application round. Actual awards may be less than the requested amount. Funded projects will have 90 days to begin and must be completed in one calendar year. Projects must be completed as proposed. Reporting documents on the progress and outcome of the project will be required. Reporting documents will be

provided upon receipt of funds. On-site reviews of each project will be part of the local Main Street program's annual Year-End Evaluation.

#### **FUND DISBURSEMENT:**

The local Main Street program **must provide the funds as no-interest loans only.** Loan repayments to the local program become the basis for, or may be added to, a local IWW revolving loan pool. Loan repayments to the local program must be completed **within 24 months.** Once the local Main Street program has received the funds from the state, they must be held in a **separate, designated account** and disbursed based on receipts provided to the local program. If the project cost is less than estimated in the application, any remaining funds must be returned to Commerce. If for some reason the project is not started or completed, the local Main Street program must return all project funds to the Commerce. Any secondary projects (those from local revolving loan pools) must meet the criteria of the Incentives Without Walls program and be submitted to the Kansas Main Street program for approval before the funds are disbursed. In the event that the local Main Street program should cease to exist or elect to not continue business, the local program shall return all funds on hand that are a result of repayment of loans made to third parties with funds received from the IWW program to Commerce. Should Commerce not exist at the time of repayment of funds or assignment of contract rights, payment of funds shall be made to the Kansas State Treasurer.

#### **GUIDELINES FOR FUNDING:**

The Kansas Main Street IWW small projects fund provides local Main Street organizations an opportunity to apply for between \$500 and \$1,500 per project (no more than two projects allowed) per funding round for appropriate projects. The local program will identify and prioritize for action local projects insuring that those **projects identified will be viable and have significant visual impact on the downtown district.\*** In addition, the local program will be responsible for submitting the application, assuring that the project is started and completed in a timely manner, and for submitting required reporting documentation. The local program will also be responsible for disbursing funds to those local businesses or projects that are selected to receive funds, and to perform due diligence in the collection of loan installment payments. No administrative costs may be retained by the local program from small project funds.

\*("Prioritize for action" indicates the degree to which it is both necessary and possible to do something now. Pay attention to the magnitude of the need, the degree of difficulty in addressing the need, logical sequencing of projects, and the cost and availability of financial resources to address the need.)

### **SECTION THREE: ADDITIONAL INFORMATION**

#### **GENERAL:**

Additional technical assistance, including architectural design, could be provided through the state's design services contract and other mechanisms in place through the state program as long as budget permits. These additional requests must be submitted and completed prior to submission of an application.

#### **FUND AVAILABILITY:**

Applications are due into the Kansas Main Street office on **August 8, 2008, and February 13, 2009, for the FY2009 program year.** If applications are funded, work must begin within 90 days and be completed within 12 months of receiving the funds with the exception of the open round projects which must begin within 30 days. The local business or project will be responsible for obtaining any required permits from the local governing body. The state and local programs reserve the right to cancel this agreement in the event of failure to comply with the outlined schedule or if unauthorized changes are made in the project. The local business and local Main

Street program must give access pursuant to K.S.A. 46-1200 et. seq. to any records, documents, or other information, confidential or otherwise, regarding or relating to the execution and/or performance of the specific local projects. This includes expenditure of administrative funds by the local Main Street program.

**INELIGIBLE USE OF FUNDS:**

1. Public improvements and public or private infrastructure.
2. Projects that have already been started or completed.
3. Projects that do not meet the minimum private investment match.
4. Landscaping projects on public or private property.
5. Any project that does not directly lead to private investment, job creation or retention, establishing capable businesses or creating a stronger tax base, or for the acquisition or rehabilitation of properties in connection with private reinvestment.
6. Any training expenditures, salaries, or wages for existing or newly created jobs.
7. Any licensing, insurance, taxes, or other expenses considered to be a cost of doing business.
8. Any project outside the boundaries of a designated downtown district.
9. Any project that does not meet Main Street Design criteria as outlined in the Kansas Main Street Design Manual.
10. Any first floor housing development in any commercial building or other rehabilitation of a commercial building with the intent of a first floor housing development project.
11. Any project that could/would be completed without the assistance of IWW funds.

If you have any questions about the eligibility of a project, seek technical assistance from the state staff of the Kansas Main Street program in advance of submitting the application.

**SELECTION CRITERIA:**

**All proposals must set forth:**

1. Projects to be conducted.
2. Why the project is needed.
3. Estimated amount to be invested in the project.
4. Plans for implementation of the project.
5. Jobs created or retained (jobs created by construction or renovation do not count).
6. All applicable attachments.
7. Relationship to, and consistency with, current downtown plan.
8. Proposed budget.
9. Photocopies of bids/estimates used to determine budget.

**The Kansas Department of Commerce will evaluate all proposals on the following criteria:**

1. Magnitude of the need.
2. The project proposed impacts (solves) the problem.
3. The project proposed has long-term impact on the downtown district.
4. Job creation or retention.
5. Creates or retains viable business.
6. Has potential to have long-term impact on the tax base.
7. Relationship to and consistency with current downtown plan.
8. Private match.

## **APPLICATION AND APPROVAL PROCESS**

### **PLEASE READ ALL INSTRUCTIONS CAREFULLY**

The proposed project must be submitted on the **FY2009 application form** (or same format) provided by the Kansas Department of Commerce during the application period. **Application deadline is August 8, 2008**, for the first round; and **February 13, 2009**, for the second round. Announcement of awards will occur approximately one month following the deadline.

Application forms will be E-mailed to local program directors, who should save the form and use it to submit applications.

Completed applications may be mailed or hand delivered. Hand delivery must be made during office hours (8:00 a.m. to 5:00 p.m.) no later than the deadline date. Applications are welcome in advance of the deadline date, and will be held until the round.

Open round and Local Revolving Loan applications may be submitted at any time. Commerce has thirty days to review and announce IWW awards.

- **IF APPLICATION IS MAILED, IT MUST BE POSTMARKED ON OR BEFORE AUGUST 8, 2008, FOR FIRST ROUND; AND FEBRUARY 13, 2008, FOR SECOND ROUND.**
- **FAXED, E-MAILED, OR HANDWRITTEN APPLICATIONS WILL NOT BE ACCEPTED.**
- **LATE OR INCOMPLETE APPLICATIONS WILL NOT BE ACCEPTED.**
- **THE ORIGINAL COPY MUST HAVE ORIGINAL SIGNATURES.**

**A COMPLETE APPLICATION CONSISTS OF THE ORIGINAL WITH ORIGINAL ATTACHMENTS AND ONE COPY OF THE APPLICATION FORM WITH ATTACHMENTS.**

#### **NOTE:**

All attachments, including letters of support, business plans, architectural drawings, and copies of downtown plans or other applicable information must be submitted with the application, not under a separate cover.

Under no circumstances will a project be reviewed or approved if the required documentation does not accompany the proposal. In the interest of fairness to all applicants, all instructions will be rigidly enforced. Any applications not adhering to these instructions will be considered incomplete and will not be accepted. If you have a question regarding these instructions, please seek technical assistance from the Kansas Main Street staff prior to submitting the application.

All questions are to be answered completely. You may use the back of each page if additional space is required. If computer generating the application, simply continue the response to its completion.

The contents of the application can be reproduced as needed. Applications may be punched or stapled. Do not use three-ring binders or large folders as covers. When applications are filed, these binders will be thrown away.

