



City of Chaska Economic Development Authority Downtown Building Improvement Program Guidelines and Applications

Purpose

The City of Chaska Economic Development Authority (EDA) is offering a Downtown Building improvement Program for commercial buildings in Historic Downtown Chaska. The purpose of this program is to encourage the restoration of downtown buildings, specifically focusing on the facades and rear entrances, as well as to strengthen the overall visibility of services within the downtown area.

There are three types of funding assistance offered with the Downtown Building Improvement Program:

- **Sign and awning grants:** Grants up to \$2,500 for new signs and awnings. A 1:1 match is required.
- **Design assistance grants:** Grants up to \$1,000 for architectural services to assist with the planning for exterior projects and improvements. No match is required.
- **Low interest loans:** Loans up to \$60,000 for the implementation of exterior projects and improvements. A 1:1 match is required.

This program is subject to funding availability from the Chaska EDA and the Chaska Downtown Business Alliance.

Objectives

Assistance is intended to encourage investment in downtown buildings that may not normally occur or may not occur to the level at which can be accomplished without this program. More specifically, the program's objectives are to:

1. Reinvest and restore the historic atmosphere of the downtown area.
2. Enhance the City's sense of community by creating a strong and visible downtown area.
3. Increase the pace of downtown development that would not normally occur unless the market produced such development.
4. Keep businesses from relocating who would otherwise find it economically difficult to continue providing service in the downtown area without improvements to the exterior appearance of their building.
5. Help businesses re-think the way they welcome and interact with customers and visitors while creating links to public spaces.

Eligibility

Location

The Downtown Building Improvement Program is available to any commercial or mixed use building located within Chaska's Downtown Business District, which is defined in the following map:



Figure 1- Downtown Chaska Special Services District Boundary

Applicants

Eligible applicants are the property owner(s) of a commercial or mixed-use building in the area shown on the above map. A commercial tenant may also apply with written permission from the property owner.

There must not be any delinquent bills to the city and property taxes must be up to date. The funds from this program cannot be used to bring these up to date.

Applicants must provide evidence of the financial match and ability to repay the loan upon completion of the project.

Projects and Improvements

Projects and improvements must meet the following eligibility guidelines:

- Projects must be permanent.
- Only projects impacting the exterior of the building that are visible to the public are eligible.
- The project must be consistent with the City's Comprehensive Plan and Zoning Ordinance.

- All improvements must meet the Building Code, and apply for the appropriate permits, including building permits, sign permits, and site alteration permits if necessary.

Projects must also follow the recommendations made in the [Historic Chaska Downtown Preservation Design Manual](#), [Downtown Chaska Signage Design Guidelines](#), and [Downtown Chaska Business Rear Entrances Design Guidelines](#).

Examples of eligible projects and improvements include, but are not limited to:

- Restoration of the building's historic exterior or architectural elements.
- Restoration or replacement of the building's historic windows and/or doors.
- General cleaning or replacement of deteriorated bricks and/or walls.
- New or restoration of signage and/or awnings.
- New customer entrances on what previously have been considered the "back" side of the building.
- New or replacement of exterior lighting.

Ineligible

Projects ineligible under the Downtown Building Improvement Program include:

- Improvements solely on the interior of the building
- General building maintenance (such as roofing, mechanical, electrical)
- New construction
- Fencing
- Landscaping
- Purchase of property
- Trash and mechanical enclosures
- Projects that do not meet the Preservation Design Manual, Downtown Signage Design Guidelines and/or Downtown Chaska Business Rear Entrances Design Guidelines

Terms and Conditions

Sign and awning grants

Matching grant funds, up to \$2,500 are available to improve the appearance of a building's exterior through new or restored signage and/or awnings. A 1:1 match is required from the applicant. This funding is outside of funds available for building improvements.

Design assistance grants

In an effort to explore the financial and architectural feasibility of a project, applicants are encouraged to work with a licensed architect. Grant funds, up to \$1,000, are available for the preparation of such plans. No matching funds are required. This funding is outside of the maximum loan amount of \$60,000 for the building improvement.

Low interest loan

Applicants may apply for financial assistance for up to 50 percent of the cost of building improvements with a maximum assistance award of \$60,000. These funds are outside of funds for design assistance or signage/awnings.

The assistance will be structured in the form of a loan. Up to 50 percent of the total loan will be in the form of a forgivable loan. The forgivable loan will be a 10-year term with 0% interest and no required payment (provided the terms of the loan are met). Each year 10% of the original forgivable loan amount will be forgiven for a period of 10 years. If the building is sold or title is transferred before the 10 years, the balance of the loan must be repaid. The other 50 percent of the loan will be a low-interest loan.

Examples:

Example	Total Project Cost	Forgivable Loan Amount	Low Interest Loan Amount	Applicant Match
1	\$120,000	\$30,000	\$30,000	\$60,000
2	\$50,000	\$12,500	\$12,500	\$25,000
3	\$25,000	\$6,250	\$6,250	\$12,500

In addition to the conditions set above, the following requirements also apply:

- Work must be done in accordance with all local, state and federal building codes, Chaska Zoning Code and the rules and regulations of the Downtown Building Improvement Program.
- Labor costs are only eligible if the labor is done by a third party that has no financial interest in the building.
- The construction must be completed as per the approved plans.
- All work must be completed within 12 months of the date the loan agreement is signed.

Application and Evaluation Process---Matching Sign/Awning Grant

Before submitting any applications, applicants are encouraged to reach out to City of Chaska staff (City Planner & Economic Development Coordinator) to discuss their project.

1. Discuss the project with City of Chaska staff (City Planner & Economic Development Coordinator).
2. Complete and submit the Sign/Awning Grant application and required attachments.
3. City staff will review the application. If approved, applicant must apply for a [sign permit](#) to install the signs/awnings. Upon completion of installation, city staff will inspect the project.
4. Submit paid invoice, including evidence of matching funds spent, and up to \$2,500 will be reimbursed.

Application and Evaluation Process---Low Interest Loan & Design Grant

The loan program application is a two-part process. The initial phase includes providing qualified projects with a \$1,000 design assistance grant to explore the feasibility of their project. The second phase includes approving the applicant for the actual low-interest loan. By utilizing this

two-part process, the applicant is able to explore the financial and architectural feasibility of their project before a great deal of time and money are invested into the project.

Part I: Design Assistance Grant

1. Discuss project with City of Chaska staff (City Planner & Economic Development Coordinator)—including both the project and the financing.
2. If the project is considered feasible by city staff, complete and submit the Design Assistance Grant application.
3. City staff will review the application and take any applications to the Heritage Preservation Commission and Planning Commission, if required. If approved, up to \$1,000, will be awarded in a grant to the applicant to explore the architectural feasibility of the project. The funds will be disbursed after the design work is completed.

Part II: Downtown Building Improvement Loan

1. If work was previously completed with a Design Assistance Grant, applicants may submit an application and required attachments for the Downtown Building Improvement Loan program. If work was not previously completed with a Design Assistance Grant, the applicant should discuss the project with city staff (City Planner & Economic Development Coordinator) first, prior to submitting an application.
2. Once the application has been submitted, the applicant shall meet with city staff to discuss the project, looking specifically at:
 - a. The consistency of the project with the City’s Comprehensive Plan, [Historic Chaska Downtown Preservation Design Manual](#), [Downtown Chaska Signage Design Guidelines](#), and [Downtown Chaska Business Rear Entrances Design Guidelines](#). Staff may suggest changes to better align the project with the city’s goals. During this meeting, staff will also provide feedback if the project is required to be reviewed by the Heritage Preservation Commission and/or Planning Commission.
 - b. The financial components of the project, including the anticipated project costs and the amount and source of matching funds.
 - c. Timeline for completion of the project.
3. Applicant will submit plans to staff. Staff will review plans and take to the Heritage Preservation Commission, Planning Commission, and City Council for review, if required.
4. Once approvals, if required, have been received by the Heritage Preservation Commission, Planning Commission, and City Council, city staff will draft a loan agreement for approval by the Chaska EDA.
5. If the Chaska EDA approves the loan agreement, the loan agreement will be signed, and the disbursement of funds will be made. The project can then begin.
6. Loan repayments must begin within one month of distribution of funding of the loan. The city may make exceptions to this rule on a case-by-case basis. Prepayments are permitted.

Questions

Question may be directed to:

Julie Grove, Economic Development Coordinator

jgrove@chaskamn.gov

952-227-7518

Or

Elizabeth Hanson, City Planner

EHanson@chaskamn.gov

952-448-9200



Chaska EDA
Downtown Building Improvement
Signs/Awnings Matching Grant Application



Applicant

Date: _____

Business name: _____

Address: _____

Telephone: _____

Business owners/partners: _____

Sign/Awning Company: _____ Phone: _____

Contact person: _____ Contact's phone: _____

Property owner name (if different than applicant): _____

Address _____

Phone _____

*If the applicant is NOT the property owner, the owner must sign on page 7 to approve the proposed sign/awning or provide a letter supporting the proposed improvements.

The property must be up-to-date on all property taxes, assessments and fines.

Brief description of business, business history, principal service/product:

Grant Request

Grant request amount: \$ _____

Proposed Project

All applicants must submit a copy of the proposed sign/awning plans. Refer to ‘Application Materials Needed’ at end of this document for clarification.

Describe project and need (Please be sure to include how project meets recommendations of the Preservation Design Manual, Signage Design Guidelines, and Rear Entrance Design Guidelines):

Location of signs/awnings to be installed:

Describe expected implications of renovation upon business and sales:

Describe expected benefit of renovation upon the historic nature of Chaska’s downtown and upon neighboring businesses:

Projected Costs

On a separate piece of paper, please itemize the projected costs of this project. Also include the source of these renovation estimates.

Construction and Design

Target Dates:

Start of construction: _____

Construction completion: _____

Application Materials Needed:

1. Color copy of scaled drawing of sign face/awning, indicating colors, dimensions, and illumination if any.
2. Site Plan showing sign/awning location (if wall/projecting sign/awning submit an elevation drawing showing location of sign/awning).
3. Cost estimate of proposed sign(s)/awning(s); itemized showing construction and installation costs for each sign/awning.
4. Completed sign/awning grant application.
Any other materials as requested by staff.

The undersigned, _____, of applicant, hereby represents and warrants to the City that they have carefully reviewed this application, and that the statements and information contained herein and submitted herewith are accurate and complete to the best of the undersigned's knowledge and belief.

Dated: _____
_____ Applicant

Dated: _____
_____ Property Owner (if applicable)

The City reserves the right to require additional information and supporting data from the applicant after the filing of this application.

Staff Approval of Project for Sign/Awning Matching Grant

Representative of the Planning Department: _____ Date: _____

Economic Development Coordinator: _____ Date: _____

Grant amount awarded: \$ _____

Private match: \$ _____

Total Project Cost: \$ _____

Staff Approval of Completed Project:

Representative of the Planning Department: _____ Date: _____

Economic Development Director: _____ Date: _____



Chaska EDA

**Downtown Building Improvement Program
Design Assistance Grant Application**



Legal name of applicant: _____

Address: _____

Telephone number: _____

Name of contact person: _____

Requested Information

Addendum shall be attached hereto addressing in detail the following:

1. A current picture and description of the building attached to a map illustrating its location in the downtown area.
2. A description of the business type or use of this building.
3. A general description of the project, including the proposed changes to the building and how it will help restore the historic integrity of the building, timing of the project, projected benefits for business from renovation, projected benefits to surrounding buildings from renovation, and estimated market value following completion of the renovations.
4. A statement identifying how the Downtown Building Improvement Loan will be used and why it is necessary to complete this project.
5. A statement identifying the proposed financing sources of the project.
6. A short description of the developer’s business, business principles, past projects and future plans for the business.

Signatures

Planning Department Representative: _____ Date: _____

Economic Development Coordinator: _____ Date: _____

Applicant: _____ Date: _____



Chaska EDA
Downtown Building Improvement Program
Loan Application



Applicant

Business name: _____

Address: _____

Telephone: _____

Business owners/partners: _____

Architect: _____ Phone: _____

Contact person: _____ Contact's phone: _____

Contact's title: _____

Business Years in operation: _____

Business Sales/revenues: _____

Brief description of business, business history, principal service/product:

Has applicant ever filed for bankruptcy? **Yes** _____ **No** _____
 If yes, provide details on separate page(s).

Has applicant ever defaulted on any bond or mortgage commitment? **Yes** _____ **No** _____
 If yes, provide details on separate page(s).

Does applicant have commitments for conventional financing for the project? **Yes** _____ **No** _____
 If yes, please describe the financing plan for this project and any financial institutions that will be providing financial assistance on separate page(s).

Please list two financing references (Name/Address/Contact/Phone):

Proposed Project

All applicants must submit a copy of the architect’s building and site plans.

Describe project (Please be sure to include if project meets recommendations of the *Preservation Design Manual*):

Location of Project:

Results of initial feasibility study for project:

Building plan attached: **Yes** _____ **No** _____

Describe expected implications of renovation upon business and sales:

Describe expected benefit of renovation upon the historic nature of Chaska’s downtown and upon neighboring businesses:

Total Project Cost: \$ _____ Amount Requested: \$ _____

Projected Costs

In the space below, please itemize the projected costs of this project. Also include the source of these renovation estimates.

Source of Financing

In the space below, please itemize the sources of financing you will use to complete this project, including specific amounts for financing and from which financial institutions this financing will come (if any). When including information about financial institutions, please include the name, address, contact, and phone number of this institution.

Construction and Design

Name of architect, engineer and contractor for project:

Target Dates:

Start of construction: _____

Construction completion: _____

Estimated Finished Market Value of Building: _____

The undersigned, _____, of applicant, hereby represents and warrants to the City that (she)(he) has carefully reviewed this application, and that the statements and information contained herein and submitted herewith are accurate and complete to the best of the undersigned's knowledge and belief.

Dated: _____
Applicant

The City reserves the right to require additional information and supporting data from the applicant after the filing of this application.

Staff Approval of Project for Storefront Improvement Loan

Representative of the Planning Department: _____ Date: _____

Economic Development Coordinator: _____ Date: _____