

ORDINANCE NO. 2015-3-8220

**AN ORDINANCE ESTABLISHING AND APPROVING THE HISTORIC DOWNTOWN
NEW BUSINESS GRANT PROGRAM AND AUTHORIZING THE DIRECTOR OF
PLANNING TO ADMINISTER THE PROGRAM AND PROVIDE FINANCIAL
ASSISTANCE TO ELIGIBLE APPLICANTS FOR RELOCATION OF BUSINESSES TO
HISTORIC DOWNTOWN PADUCAH.**

WHEREAS, the City of Paducah desires the redevelopment of vacant, orphaned, or underutilized commercial properties located within its corporate boundaries and insuring the integrity and quality of its existing historic commercial district; and

WHEREAS, the City of Paducah's economic well-being is related to and dependent upon, sustained growth of its tax revenue base through the occupancy of underutilized commercial properties located within its historic downtown; and

WHEREAS, the City of Paducah desires to promote the inhabitation of vacant unused commercial space within buildings located within the Historic Downtown.

WHEREAS, the occupancy of buildings is crucial to maintaining an economically strong Downtown Commercial District; a commercial area where the image, appearance and environment encourage the attraction of shoppers.

WHEREAS, the City of Paducah desires to commit funds for the establishment of the Historic Downtown New Business Grant Program, which will be utilized to accomplish the goals of the City of Paducah by providing funds to eligible applicants for the purpose of relocating commercial businesses into existing structures in the Historic Downtown; and

BE IT ORDAINED BY THE CITY OF PADUCAH, KENTUCKY:

ARTICLE I

Section I Title

1.1 This ordinance shall be known and may be cited as the "Historic Downtown New Business Grant Program of the City of Paducah".

Section 2 Purpose

2.1 Purpose: The purpose of the New Business Program is to provide for creation of new businesses and employment opportunities within the Historic Downtown (Map #1) This is intended to complement and support the City of Paducah's other existing business programs such as the Upper Story Residential Grant Program and the Roof Stabilization Assistance Program. The redevelopment of buildings is crucial to maintaining an economically strong Downtown Commercial District; a commercial area where the image, appearance and environment encourage the attraction of shoppers. The intention of this program is to provide financial resources to assist new business owners that are locating to Historic Downtown Paducah (Map#1).

Section 3 Definitions

3.1 Applicant. A business entity owning or leasing a vacant structure located on property within the Historic Downtown (Map #1).

3.2 Building. Any structure having enclosed space and a roof for the housing or enclosure of persons, animals or chattels.

3.3 Business. As defined in Section 106-61 of the Code of Ordinances for the City of Paducah.

3.3 Business Entity. As defined in Section 106-61 of the Code of Ordinances for the City of Paducah.

3.4 FTEs. Full-time employees as defined by KRS 154.32-010 (18) hired by applicant which are subject to the City's license fees as defined under Article IV of the Paducah Code of Ordinance, Sections 106-183 and 106-184.

3.5 Project Manager. The Director of Planning or his designee.

Section 4 General Provisions

4.1 Eligibility

a. Applications for a grant under the Program will be reviewed by the Project Manager upon the criteria outlined herein to determine eligibility.

b. All property receiving the financial assistance under the Program (i) shall be located within the Historic Downtown (Map #1) and (ii) shall be the location of a new business or the relocation of an existing business by the applicant from outside the Historic Downtown [or the corporate boundaries of the City of Paducah].

c. Program parameters include:

1. The New Business Grant Program will target buildings that have been vacant for a minimum of 3 months.
2. The financial assistance provided shall only be used to defray the following eligible costs: the initiation and hook up of new utility services, marketing for grand opening of new location, purchase of new equipment, set up costs of new equipment, interior and exterior renovations, exterior signs, and other moving incidentals as approved by the Project Manager. Professional, legal, architectural, engineering and permit fees may be included if approved by the Project Manager.
3. All required permits (i.e. zoning, building, etc.) must be obtained and the property must be free of any liens held by the City of Paducah and all property taxes, and any and all other governmental levies, assessments or taxes of every kind and nature whatsoever, which are assessed, levied, imposed upon, or would become due and payable out of or with respect to the property must be paid, including without limitation business license fees..
4. A minimum cash investment of \$10,000.00 by applicant in the building or property, which may include eligible cost, is required.
5. Once approved, applicants under the New Business Program are eligible to receive grants as follows:
 - i. For businesses utilizing and occupying less than 1,000 square feet in the building, 100 percent reimbursement of the first \$5,000.00 of eligible costs; and 50 percent reimbursement of eligible costs between \$5,001.00 and \$10,000.00.
 - ii. For business utilizing and occupying 1,000 square feet or more in the building, 100 percent reimbursement of the first \$7,500.00 of eligible costs; and 50 percent reimbursement of eligible costs between \$7,501.00 and \$15,000.00.

6. Applicants shall comply with all applicable building codes and the Paducah Zoning Ordinance.

Section 5 Administration

5.1 Staff

- a. The Project Manager shall perform the following duties:

1. Preparation of the necessary applications, financial statements, a summary of the commitments to the rules and regulations of the program, and such other forms to be executed in administering the program. The appropriate forms shall include, along with other data deemed appropriate, the New Business Grant Program application.
2. Review the eligibility of the applicant based on the requirements of this ordinance.
3. Determine whether the proposed work to be performed meets the parameters of this ordinance and whether the cost to complete that work is reasonable. Said determination shall be in writing and kept on file as part of the application.
4. Conduct appropriate, periodic inspections of the work being done and, when satisfactorily completed, issue a certificate of compliance bearing the date the certificate was issued. A copy of this certificate shall be kept as part of the file.

5.2 Funding

- a. The City of Paducah may make annual budgetary appropriation as it deems necessary to fund the program established by this ordinance and the administrative costs associated therewith. The City of Paducah will provide an initial budget of \$30,000.00 to fund this program for the remainder of the 2014-2015 fiscal year from project account DT0038

Section 6 Procedures for Making Application, Review and Approval

6.1 Application

- a. Applications will only be accepted as funds are available.
- b. A sales contract or signed lease and a business plan in a form acceptable to the Project Manager shall accompany the completed application.
- c. Applications and other required forms shall be on a form prescribed by the Department of Planning and shall be filed in the manner prescribed by the Department of Planning. Technical assistance shall be available from that office to assist applicants in completing and submitting an application. There may be no fee for filing an application.

6.2 Review

- a. The Project Manager shall determine the completeness of the application. Incomplete applications will not be processed.
- b. Upon a determination of completeness, the Project Manager shall make a determination as to whether the applicant meets the eligibility criteria under the Program.
- c. Upon a determination that the applicant is eligible under the Program, the Project Manager shall forward the application to the Main Street Design Committee if it is determined that the exterior portions of the structure that are ordinarily visible from the public right of way are being altered and the address is not located within the H-1 Zone. The Design Committee shall make written design recommendations to the Program Manager within 15 days of receipt of the application. If the Design Committee fails to

make the aforesaid recommendations within this 15 day period, the design alteration shall be deemed approved and the application shall proceed back to the Project Manager for approval. If the address is located within the H-1 zone, the application will be forwarded to the HARC for review per Section 126-115h of the Paducah Code of Ordinances.

d. If multiple applications are received, the Program Manager shall evaluate applicant eligibility in accordance with the following criteria:

1. Total relocation costs. 25%
2. Compatibility of proposed use within the Historic District and projected pedestrian impact within the District.
3. Number of FTEs to be hired by applicant (may include applicant). 25%
4. Capital commitment of applicant to rehabilitate structure (façade, roof, retail space). 25%

e. Program Grant awards may be given based on availability of funds.

6.3 Recipient Applicants' Obligations upon Grant Approval from the City of Paducah.

a. Recipient applicant shall deliver to the Project Manager the following documents in fully executed form:

i. Any and all documents requested by the Project Manager evidencing recipient applicant's expenditure of eligible costs to be reimbursed by this grant as required by Section 6.4 herein.

ii. Certificate of occupancy issued by the appropriate governmental entity.

iii. Written reports, with supporting documentation, of the recipient applicant's progress in completing the improvements to the property and satisfying the employment commitments upon the request of the Project Manager.

b. The recipient applicant shall complete the improvements to the property and shall be open for business within 12 months from the date of the grant award, unless granted an extension in writing by the Department of Planning. In no case shall the application be extended beyond 6 additional months. Any Program grant awarded but not acted upon by the recipient applicant shall become void 18 months from the date of the award and shall be purged from the files of the Department of Planning.

6.4 Disbursement of Grant.

a. Subject to the terms and conditions hereinafter provided, the applicant shall be entitled to draw grant funds when a certificate of occupancy has been issued. Under no circumstance will grant funds be advanced. However, notwithstanding the foregoing, disbursement shall only be made when the following condition precedents shall have been satisfied:

1. The recipient applicant shall submit for the Project Manager's review a written request for reimbursement of eligible costs. The written request shall be signed by the recipient applicant and approved contractor if construction work was completed. [Does the City want to approve the contractor?? If so, at what point does the City review the contract and make approval??]
2. The recipient applicant shall provide to Project Manager a certification executed by the approved contractor which shall certify the eligible costs incurred in the construction process have been paid in full.
3. The Project Manager has verified that the construction is in accordance with building and construction plans and specifications.
4. The recipient applicant has complied with the terms of this ordinance.

- 5. The recipient applicant shall provide to the Project Manager all original receipts for the eligible costs with proof of payment.
- 6. The recipient applicant shall provide to the Project Manager a Certificate of Occupancy for the building.

b. In the event all of the foregoing condition precedents are fully satisfied, the Project Manager shall within ten (10) business days following date of request remit directly to the recipient applicant the permitted amount of draw.

c. In the event all of the foregoing condition precedents are not fully satisfied, the Project Manager shall have the right, at his discretion, to refuse the request in total until such time as all condition precedents are satisfied, or pay such portion of the request that the Project Manager deems appropriate. Additionally, the Project Manager shall have the right to pay the grant proceeds directly to any creditors who have provided labor or materials for the construction or the rehabilitation work, which payments shall be deemed for and in behalf of the recipient applicant and as a part of the grant hereunder. The Project Manager's determination shall be binding and final upon the recipient applicant and the approved contractor.

ARTICLE II

If any section, subparagraph, sentence, clause or phrase of this Ordinance shall be held to be invalid, such decision shall not invalidate the remaining portion of this Ordinance.

ARTICLE III

All Ordinances and parts of Ordinances inconsistent herewith are hereby repealed.

ARTICLE IV

This Ordinance shall be read on two separate days and will become effective upon summary publication pursuant to KRS Chapter 424.


MAYOR

ATTEST:


City Clerk

Introduced by the Board of Commissioners, March 10, 2015
 Adopted by the Board of Commissioners, March 17, 2015
 Recorded by City Clerk, March 17, 2015
 Published by *The Paducah Sun*, March 24, 2015
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