

**DOWNTOWN DEVELOPMENT FUND**  
**INCENTIVES FOR REHABILITATING EXISTING DOWNTOWN BUILDINGS**

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Program Description:

Through the Downtown Development Fund (DDF), the Elkhart Redevelopment Commission will provide incentives for the re-use of vacant buildings in the downtown area by offering reimbursement for a portion of the rehabilitation costs. The Program will provide incentives for the creation of targeted new commercial and market-rate residential projects in existing downtown buildings. The program is part of the Commission's overall goal to increase private investment within the downtown. Eligible projects must be located in the downtown area as defined by the *Downtown Elkhart Commercial Historic District*. (A map of the area and a listing of targeted retail uses are attached.) Funding of this program is subject to appropriation by the Common Council.

Program Structure:

The Elkhart Redevelopment Commission will reimburse approved applicants for a portion of the total construction costs associated with rehabilitating vacant buildings to support targeted new commercial (prepared food, entertainment, specialty retail) and residential projects, based on the following formulas:

*Commercial Projects*  
Reimbursement for 25% of the total rehabilitation costs up to a maximum of \$50,000.

*Market-Rate Residential Projects*  
Reimbursement for 35% of the total rehabilitation costs up to a maximum of \$25,000 per unit, not to exceed a total of \$100,000.

Projects combining both residential and commercial uses can qualify for up to a combined maximum of \$100,000 in assistance. For mixed-income residential projects, reimbursement will be only for market-rate units.

The assistance provided by the Commission will be in the form of a forgivable loan, with a term of 5 years. The Commission will secure the loan by filing a judgment note to the property for the full loan amount, which will be forgiven at 20% per year over the term of the loan. If the property is sold or the title is transferred, the outstanding portion of the loan will be due and payable to the Commission.

Rehabilitation must be completed within one year of the date on which the application is approved by the Redevelopment Commission in order to qualify for reimbursement.

Eligible Applicants:

Owners and/or purchasers of buildings which are vacant or are occupied but will have a change of use within the designated downtown area are eligible to apply for assistance. For residential-only projects, the vacancy requirements apply only to the residential

portion of the building. All building owners must be willing to comply with the loan terms associated with the program and must demonstrate the ability to secure the funding to complete the portion of the project not covered by City assistance.

### Eligible Activities:

The program will focus on providing assistance for the completion of the **interior** rehabilitation activities associated with the creation of the targeted new commercial and market-rate residential projects in the downtown area. Applicants must provide the Commission with a complete description of the activities that will be completed, along with a minimum of two bids for each phase of work.

### Eligible Uses of Funds

HVAC

Plumbing

Electrical

Windows – unless funded through the EUEA Façade Program

Doors (Interior and Exterior)

Energy efficient insulation

Demolition

Floor Covering – within reasonable limits

Interior Remodeling (framing, drywall, cabinets, countertops, permanent lighting, kitchen and bathroom fixtures)

### Ineligible Uses of Funds

Appliances

Furniture

Window Treatments

Balconies

Permits

In-house Labor

Roofing

Work initiated prior to approval of application

### Program Procedures:

1. A completed application will be submitted by owner/purchaser to the Elkhart Redevelopment Commission. The application will include interior and exterior photographs, a description of the property, proposed use(s) of the structure, description of rehabilitation activities, demonstration of project financing, and a summary of previous redevelopment projects completed by the applicant.

2. Applicant will provide final rehabilitation plans and two bids for completed work to Redevelopment Commission for final approval.
3. Staff will review the application and conduct interviews with project applicants to determine eligibility for the program.
4. The application must be presented to the Redevelopment Commission for approval. Upon approval of the application, an agreement between the parties will be executed.
5. Upon completion of rehabilitation work, staff will conduct an inspection of the property to ensure compliance with the contract. Applicant will provide to Planning and Development staff copies of paid invoices and proof of payment.
6. When staff approves the final amount of the loan and legal documents have been signed, a claim will be prepared for release of funds.

## **Targeted Commercial Uses**

### **Prepared Food**

- Fine Dining Restaurants
- Moderately-priced Restaurants
- Sandwich Shops
- Bistros
- Coffee Houses
- Delis
- Bakeries
- Candy/Ice Cream/Yogurt Shops
- Ethnic Foods – e.g., Italian, Greek, French, Chinese, Mexican, etc.

### **Entertainment**

- Live Theater
- Pubs/Taverns with Live Music
- Small Movie Theaters

### **Specialty Retail**

- Antiques
- Art Galleries, Framing and Supplies
- Bike Shop
- Books
- Cameras and Photo Supplies
- Casual Apparel and Accessories
- Children's Apparel
- Computers/Software
- Florist
- Gifts, Stationery, and Cards
- Home Decorating Products and Design Services
- Jewelry – traditional and costume
- Music – recorded, sheet, and instruments
- Newsstand
- Office/School Supplies
- Optical Products
- Radio/TV/Electronics
- Shoes – dress and casual
- Small Variety Store
- Sporting Goods
- Tobacco Shop
- Toys, Games, and Crafts
- Wall Coverings and Paint

CITY OF ELKHART  
DOWNTOWN DEVELOPMENT FUND

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**APPLICANT INFORMATION (If a corporation, please provide a list of principal owners.)**

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Address: \_\_\_\_\_ Phone: \_\_\_\_\_

\_\_\_\_\_ E-Mail: \_\_\_\_\_

Federal Tax ID Number: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_ E-mail: \_\_\_\_\_

\_\_\_\_\_

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**PROPERTY INFORMATION**

Property Address: \_\_\_\_\_

Owner(s) Name: 1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

Owner(s) Address:

1. \_\_\_\_\_ Phone: \_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

Phone: \_\_\_\_\_

\_\_\_\_\_

3. \_\_\_\_\_

Phone: \_\_\_\_\_

\_\_\_\_\_

**PROJECT DESCRIPTION** – Attach interior and exterior photos.

Building Occupancy:

What portions of the building are vacant? \_\_\_\_\_

\_\_\_\_\_ How long? \_\_\_\_\_

If portions of the building are occupied, what is the existing use? \_\_\_\_\_

\_\_\_\_\_

Proposed Use (Check One)

Commercial \_\_\_\_\_ Residential \_\_\_\_\_ Both \_\_\_\_\_

If Commercial, please identify proposed use:

Prepared Food \_\_\_\_\_ Specialized Retail \_\_\_\_\_ Entertainment \_\_\_\_\_

Briefly describe your proposed use: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

PROJECT BUDGET: Please attach bank statements and financing commitments demonstrating applicant's ability to complete the project.

**Budget Summary**

<i>Commercial Projects</i>		<i>Residential Projects</i>	
Total Project Costs	\$	Total Project Costs	\$
Applicant Contribution	\$	Applicant Contribution	\$
Loan Request (\$50,000 max)	\$	Loan Request (\$100,000 max)	\$
% total Project Cost *		% of Total Project Cost *	

*\*Please note that the grant amount cannot exceed 25% of the total from all sources for commercial project, or 35% of the total from all sources for residential projects*

**Commercial Projects Only:**

Number of existing jobs that will be relocated to the new structure FT\_\_\_ PT\_\_\_

Number of new jobs you anticipate will be created by your project FT\_\_\_ PT\_\_\_

Estimated average annual salary for all jobs associated with your project \_\_\_\_\_

Estimated number of walk-in customers expected per week \_\_\_\_\_

**Residential Projects Only (Include only market-rate units.):**

<i>Type of Living Unit</i>	<i>Number of Units</i>	<i>Estimated Monthly Rent</i>
Efficiency		
1 Bedroom		
2 Bedroom		
3 Bedroom		

## DESCRIPTION OF REHABILITATION ACTIVITIES:

1. Please attach a detailed description of all rehabilitation activities associated with the proposed project, including two competitive bids for completion of work.
2. Please describe any historically significant characteristics or features inside the building that will be maintained as a part of your project.
3. Please summarize previous redevelopment projects that you have completed.

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## EVALUATION CRITERIA

The Elkhart Redevelopment Commission will base all funding decisions on the following criteria:

### *General*

1. Length of time that the structure has been vacant.
2. Number and severity of code violations that will be corrected.
3. Significance of historic features or characteristics that will be maintained during and after rehabilitation.
4. Ratio of public versus private investment invested in total project costs.
5. Presence of unique building characteristics that negatively impact the redevelopment of the structure, including size, location, configuration, lack of parking, etc.

### *Commercial Projects*

1. Number of existing and new jobs associated with the proposed use.

2. Estimated average annual salaries for jobs associated with new use.
3. Estimated number of customers business will attract.
4. Extra consideration will be given to owner-operators of commercial use.
5. Commercial uses must be prepared food, special retail, or entertainment as described in the *Downtown Action Agenda 2004*.

*Residential Projects*

1. Proposed rents will not be income restricted.