



MAIN STREET: OPEN FOR BUSINESS GRANT APPLICATION GUIDELINES

1. Main Street Open for Business (MSOB) Program and Purpose

- A. Funding**
- B. Timing**

2. Eligible Entities and DOLA Grant Details

- A. Funding Evaluation and Selection**
- B. Administration**
- C. Requirements of Recipients**

3. Sub-Grant Eligibility and Requirements

- A. Eligibility Requirements of Building/Business Owners**
- B. Application and Project Requirements of Building/Business Owners**
- C. Reporting Requirements of Building/Business Owners**
- D. Projects Eligible for Reimbursement**

1. Main Street: Open for Business (MSOB) Program Purpose

Due to the pandemic, Colorado faces unprecedented unemployment and job loss, particularly in the leisure, hospitality, and restaurant industries - the lifeblood of our historic Main Streets. Downtown districts across the state need an infusion of funding to help them recover and become more resilient.

The Main Street Open for Business Façade and Energy Grant Program, enabled by SB 21-252, awards money to eligible entities (municipalities, counties, and councils of government), to provide incentive programs for local business owners to improve the energy efficiency and/or aesthetics of commercial buildings within traditional downtowns.

The program is designed to:

- increase property values and visual appeal
- increase sales and revenues in rehabilitated buildings
- reduce energy consumption and lower utility bills
- increase job retention/creation

Due to the timing and urgency of getting funds awarded, it is the intent of this program for applicants to submit multiple projects in their application and create a catalytic ripple effect of investment in downtown districts.

A. Funding

- A total of \$5.97 million is available in grant funding for general applications, which will be taken on a rolling basis and awarded on merit until funds are depleted.
 - Note: An additional \$750,000 is available for Heritage Energy Pilot Projects, competitively selected by a multi-agency committee earlier in 2021. Program details are available on the DOLA website (cdola.colorado.gov/heritage-energy).
- Eligible entities (see below) can request up to \$1,000,000 with a scalable match.
 - Granted entities may either sub-grant funds to local business owners for improvements on commercial buildings within a traditional commercial district or partner with contractors to complete projects on behalf of businesses.
 - Granted entities are encouraged to partner with local Main Street programs, economic development districts, chambers of commerce, or other such organizations to help with outreach or administration of the program.
 - Note: Individual projects are estimated to average between \$10,000 and \$150,000. The maximum award per community is \$1,000,000. Typically most larger project awards will not exceed \$150,000. Awards or partial awards of submitted projects will be made based on timing of the projects, along with other selection criteria in the application. Projects that can commence quickly will be given higher priority.
 - Allocation of funds to granted entities and approved projects will be set-aside, and distributed on a percentage basis as projects are completed.
 - The match requirement is 20% of the individual project costs, or possibly less with demonstrated need from the awardee (general fund balance, total fund balance, total outstanding debt, unassigned federal funds). Match can be from the awarded entity, business owner or combination of both.
 - Expenses incurred before a grant agreement is fully executed are NOT eligible for reimbursement.
- The goal of this program is to help small businesses in downtowns statewide - diverse geographical representation will be taken into consideration.

B. Timing

Because of the urgent nature to recover from the pandemic, applications will be accepted and reviewed on a rolling basis, and all funds must be **spent** by June 30, 2022 (**no extensions**). Eligible entities must provide a list of proposed projects, the estimated time frame for completion of facade and energy for each building, and the estimated amount of funding requested.

- The grant program information will be published and the application will open in July.
- The deadline for the first review of applications is **August 23, 2021**. Additional reviews will take place every two weeks until funds are expended. Funds will be awarded based on merit with consideration of geographical representation.
- Awards should be announced within three to four weeks of review.
- Allow up to 60 days between announcement of award and execution of grant agreement. Grant agreements must be fully executed before any expenses are incurred.
- Granted entities may begin sub-granting funds to business owners or working with a general

contractor upon receipt of approval of project(s) and execution of a grant agreement with DOLA. Granted entities that want to work directly with a general contractor(s) must follow all local procurement rules and policies to administer the funds.

- All projects must be completed by June 30, 2022.
- All invoices must be submitted to DOLA by July 7, 2022.
- Any unused/unspent grant funds must be returned by June 30, 2022.

2. Eligible Entities and DOLA Grant Application Details

Eligible entities for the grant program are: municipal governments, county governments, and councils of government (COGs). We encourage these entities to partner with nonprofit Main Street communities, Downtown Development Authorities, chambers of commerce, and others to promote and possibly administer the program.

Municipalities or counties that are not already an official or Affiliate community will be required to submit a Colorado Main Street Affiliate application, including a letter of support from the local government, to be eligible to receive funds; Affiliate status will be awarded upon receipt of application and letter. Check with your local municipality or visit the Main Street Program's website cdola.colorado.gov/join-main-street for details. (Note: There are no requirements as an Affiliate of the program; Affiliates simply receive regular information from Colorado Main Street staff. Joining this program gives communities additional resources to support your subgrant program.)

A. Funding Evaluation and Selection

DOLA team will review applications on a rolling basis in order to move quickly on approval of an award. Notice of funding and award will be made through the DOLA grants portal.

DOLA will establish an internal scoring and selection panel to assist with scoring and evaluating projects. Participants may include staff from various other state agency divisions:

- DOLA Main Street team (scores and manages program)
 - Colorado Energy Office (CEO) representative (as requested)
 - History Colorado (HC) representative (as requested)
 - DOLA regional managers (in their regions)

Each member of the panel will review the applications and list of projects identified. Awardees will be selected based on readiness of implementation and catalytic impact to the local community as follows:

- **Administration:** Describe organizational experience with, and ability to programmatically and financially manage the subgrant program and monitoring of projects. Identify who will be involved in managing the program and their experience in administering the grant. (5 points)
- **Sub-grant Projects Identified:** List of businesses and their projects (along with estimated costs) that will provide a return on investment to the business through increased revenues/sales, and/or decreased energy costs. (30 points)
- **Readiness:** Describe the timelines to complete the projects and any obstacles or issues that could cause delays (available contractors, supply chain, material cost) (30 points)
- **Needs Assessment:** Describe the need and urgency the subgrant program addresses, as well as recent and planned investments in your downtown. (10 points)



- **EDI:** Identify how the project will support low-income and vulnerable communities impacted by COVID, as well as the inclusivity measures you took to reach out to all qualifying businesses and any steps you took to address equity. (5 points)
- **Economic Sustainability:** Describe how the program will foster economic development in the downtown and impacts of the program after completion. (10 points)
- **Community Goals:** Identify any existing community plans that this project would support. (5 points)
- **Local Match: 20%, less with demonstrated need:** Local match required is 20% of the project cost, although an applicant who can demonstrate financial hardship may request a reduced level of matching funds. Match can be made by local government, business owners, or leveraged grant funds. (5 points)
- **Bonus Points:** Additional points will be awarded to communities with official programs working toward similar goals of this grant (up to 7 bonus points)
 - ▪ Official Colorado Main Street Community (5 points)
 - ▪ Certified Local Government (1 point)
 - ▪ Certified Colorado Creative District (1 point)

B. Administration

- DOLA will make awards to and work with granted entities to administer funds.
- Granted entities can use up to 5% of the funds for administration costs. (Administration can be subcontracted.)
- Payment of grant funds to granted entities for approved projects will be set-aside and distributed on a percentage basis, with 50% of the funds distributed to granted entities upon request following award and execution of the grant agreement. The remaining 50% of the grant funds can be requested when the project is approximately 50% complete and the grantee has provided invoices and proof of payment for the first 50% draw.
- Granted entities can provide upfront funding or forgivable loans to eligible businesses throughout the process, eliminating the business owners' need for capital, or may choose to run their sub-grant program by reimbursing subgrantees' paid invoices.
- Granted entities may also choose to bundle the projects for their businesses by contracting a general contractor. The granted entity must follow all local procurement rules to secure the contractor(s). A copy of the contract must be filed with DOLA.
- Granted entities must collect and maintain completed Internal Revenue Service Form 1099. Building owners will be responsible for paying taxes on their award.
- DOLA will assist granted entities and/or business owners by hiring technical consultant(s) to help with compliance on historic building renovations, local design guidelines, design schematics, and recommended best practices. Colorado Main Street and its partners will collaborate with other agencies on augmenting and leveraging these funds.
- Granted entities should be aware that any federal funding used as a match (for example, ARPA) will require historic eligibility review. The technical assistance mentioned above may be available to help with this review. NOTE: If buildings are already on the National Register or contributing to a National District, this review is not required since their eligibility has already been determined.

C. Requirements of Recipients

- Granted entities will be required to provide program outreach to their businesses, and asked to demonstrate an equitable approach to engagement.
- Granted entities shall establish a process that allows for businesses to apply for and receive either upfront funding, forgivable loans, or reimbursement payments.
- Granted entities shall collect sufficient information from the business applicants to enable issuance of an Internal Revenue Service Form 1099. Granted entities shall provide an Internal Revenue Service Form 1099 to businesses that receive funding as each will be responsible for taxes on their award.
- Granted entities shall retain documentation on all uses of funds, including invoices, and any other documentation for up to five (5) years after final payment of grant funds is made. Such information shall be provided to DOLA upon request.
- Funds not spent within the statutory intent or by June 30, 2022, must be returned to DOLA by June 30, 2022.
- Granted entities shall provide DOLA with quarterly reports describing current project(s) status, percent completion, funds distributed, and estimated time to completion. A final report shall be provided to DOLA including how funds were distributed to businesses and how much of the funds were used for administrative costs, as well as photos of completed projects.

3. Sub-Grant Eligibility and Requirements

Eligible businesses include public and private or non-profit commercial building owners or tenants in both urban and rural communities.

NOTE: Rather than awarding funds individually to each business, granted entities can work with a general contractor to bundle and leverage work on multiple projects in a downtown district for efficiency.

A. Eligibility Requirements of Building/Business Owners

- Eligible buildings/businesses must be commercial buildings in the traditional downtown district. Preference will be given to businesses established prior to the onset of the pandemic, and that commit to remaining open for business for at least 6 months after the project's completion.
 - Note: Vacant building modifications would be considered **IF** all improvements are completed and business will be operational before the close of the grant cycle (June 30, 2022).
- Property must remain free of all municipal and county liens, judgments or encumbrances of any kind for the duration of the term of the agreement.
- Ability to demonstrate the metrics of the program: percentage sales increase and energy savings from before and after project.



B. Application and Project Requirements of Building/Business Owners

- Completed application, with commitment to implement the project, signed by the building and business owner(s).
- Compliance with all local design guidelines and local protocol for all building improvements including obtaining any required permits and approval of desired improvements (such as Historic Preservation Commission and/or Design Committee).
- Photo(s) of the structure showing the current condition.
- Drawings/sketches of proposed improvements (e.g., replacement of windows, doors, etc).
- Cost estimates for proposed improvements following local procurement guidelines. Cost estimates should be in a line-by-line format for each modification.
- Building owners shall agree at the time of application to maintain the improved façade for a two-year period of time.
- Work must be approved by the granted entity before work begins or no funds will be reimbursed.
- No funds spent prior to the execution of the grant agreement will be reimbursed.
- All project work to be reimbursed must be completed by June 30, 2022.

C. Reporting Requirements of Building/Business Owners

During the project, to the municipality, county, or council of government:

- Quarterly reports (October, January, April) providing status of the project including percent of project completion, funds distributed (including invoices and proof of payment) and estimated time to completion. A final report of the project, including before and after photos, is due by July 7, 2022.
- Completed Internal Revenue Service Form 1099. Building owners will be responsible for paying taxes on their award.

After project completion, starting July 1, 2022, to the Colorado Main Street program (information will be aggregated and kept confidential):

- For projects that involve energy improvements, businesses will provide the Colorado Main Street program with 12 months of utility bills before renovations; during 2022-2023, businesses will provide the 12 months of utility bills post-renovations to track energy improvements quarterly (October, January, April, July).
- For projects that involve facade improvements, businesses will provide the Colorado Main Street program simple confidential quarterly reports on percentage of sales increases and number of FT/PT jobs in the year after project completion compared to the same quarters of 2019 and 2020 (October, January, April, July).
- Building/business owners will provide the Colorado Main Street Program information on any additional private investment in the building facade or energy efficiency upgrades made during the grant agreement.



D. Projects Eligible for Reimbursement

Improvements and/or rehabilitations must comply with all state and local regulations, including obtaining any required building permits and design and/or historic preservation approvals. All project work on historic buildings shall follow the Secretary of the Interior's Standards for Rehabilitation of Historic Structures and applicable local regulations. Businesses are encouraged to work with their local preservation commission (if any), or contact the Colorado Main Street Program's staff architect for project recommendations, review, and technical assistance related to improvements listed in this document. All eligible expenses must directly relate to facade improvements and energy efficiency.

- Engineering and design that supports a physical project (Note: Implementation of project must be completed by June 30, 2022).
- Building permits for construction.
- Examples of Eligible Façade Improvements: *
 - Removal of non-historical false fronts
 - Repair or replacement of windows, doors, and cornices
 - Repair or replacement of façade materials
 - Repair or replacement of character defining architectural features
 - Masonry maintenance including tuck-pointing and gentle cleaning of and paint removal from brick (NOT power-washing of brick)
 - New awnings or canopies
 - Permanent signage for business/building
 - Landscaping and parking area improvements that enhance building aesthetics
 - Increased access to businesses (doors, windows, sidewalks) through back alleyway activation
 - Exterior lighting
 - Exterior painting
 - Design and construction costs
 - Exterior access to building (ie. sidewalks, ADA ramps, stairs)
- Examples of Eligible Energy-Efficiency Upgrades: *
 - HVAC equipment, particularly electrification
 - Windows, doors and awnings, including restoring inoperable doors/windows to full function
 - Roofing
 - Lighting
 - Insulation. Roof deck insulation must be installed under a new roofing membrane.
 - Solar panels
 - High efficiency and electric water heaters
 - Energy-efficient lighting (example LEDs)

* EXAMPLES OF INELIGIBLE EXPENSES: Removal of historic elements; replacement of historic elements with non-historic alternatives; power washing or sandblasting of brick; new adobe/stucco/false fronts; painting of unpainted brick or other historic material; topically-applied roofing insulation; fire suppression systems; electrical panels; rewiring of the building electrical systems not associated with an improvement.