

Downtown Revitalization Incentive Program (DRIP)

Downtown Brookings, SD

Purpose:

Enhancing the interior spaces of buildings in Downtown Brookings is essential for revitalizing local facilities, developing additional housing options, improving life-safety, and renewing downtown properties. The Downtown Revitalization Incentive Program (DRIP) aims at encouraging property owners to invest in the rehabilitation and renovation of interior spaces, leading to increased property values, job creation, and a vibrant downtown community. The intent is to provide assistance in the form of a matching grant/loan combination program to improve the condition of downtown buildings.

Program Overview:

The DRIP is intended to provide a comprehensive financial package to property owners who undertake interior rehabilitation projects within the designated B-1 Commercial District. The program offers a mix of grant funds, low-interest loans, and owner equity contributions to support eligible commercial projects.

Proposed Funding Structure:

The structure of the funding shall be: 33.33% Grant*

33.33% Loan**

33.33% Owner Equity ***

*The City may reimburse at a 1:1:1 rate or 33.33% grant match up to \$25,000.

**It is recommended to contact the Brookings Economic Development Corporation for alternative loan options. Loans may also be serviced by private lenders.

*** Applicants may choose to assume the remaining 66.66%, in its entirety, in the form of a loan or in the form of owner equity.

For example: A \$75,000 total project cost could be eligible for up to \$25,000 in grants, but must have at least \$25,000 in either loans or \$50,000 in owner equity. A \$100,000 total project cost could be eligible for up to \$25,000 in grants, but must have at least \$33,333 in loans or \$75,000 in owner equity.

Eligibility:

1. **Location:** Properties must be located within the Downtown Central Business District (B-1) in Brookings to be deemed eligible. Preference may be given to Main Avenue facing businesses; however, all are encouraged to apply.
2. **Ownership:** Property owners or an authorized representative may apply for funding. Tenants interested in rehabilitation must obtain written consent from the property owner. Additional property owner consent may be requested by the City after the application process.
3. **Project Scope:** Projects may include, but are not limited to: interior renovations, improvements, and upgrades that enhance functionality, safety, and aesthetics.
4. **Project Cost:** The total project cost shall be a minimum of \$75,000 in improvements to the building before grants/loans are applied.

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5. **Compliance:** All proposed improvements must be done in compliance with local building codes, fire regulations, and zoning requirements. Each project must also comply with the “Downtown Brookings Design & Maintenance Guidelines”.
6. **Funding Eligibility:** Eligibility for the grant/loan shall be based upon financial strength and ability of the applicant to repay the loan. Requests will be evaluated on a case-by-case basis. Only one DRIP project shall be outstanding per business or property owner. This program is subject to availability of funds and administrative approval. The City of Brookings reserves the rights to deny applicants whose projects are considered ineligible.

Eligible Costs:

1. **Interior Renovations:** Costs associated with interior renovations, improvements, and upgrades that enhance functionality, safety, and aesthetics. This includes, but is not limited to:
 - a. Electrical and plumbing upgrades
 - b. Interior waterproofing
 - c. Installation of new permanent fixtures, finishes, and flooring
 - d. Accessibility enhancements to comply with ADA requirements
2. **Materials and Labor:** Expenses related to the purchase of materials and hiring of labor necessary to complete the approved interior renovation and energy efficiency projects.

Ineligible Costs:

1. **Exterior Improvements:** Costs associated with exterior renovations, improvements, or maintenance are generally ineligible for reimbursement under this program. This includes façade enhancements, landscaping, signage, and other exterior upgrades.
2. **Routine Maintenance:** Expenses related to routine maintenance tasks, such as regular cleaning, painting, or minor repairs that are part of the property owner’s ongoing maintenance responsibilities are ineligible for reimbursement.
3. **New Buildings:** Costs may not be associated with new buildings, only the improvements made to existing structures.
4. **Permit Fees:** Costs associated with obtaining permits, inspections, and approvals required for the interior rehabilitation and energy upgrades.
5. **Professional Services:** Fees for architects, engineers, consultants, and other professionals directly involved in the planning and design of the interior rehabilitation. This cost may be counted toward the Owner Equity portion of the program.
6. **Personal Expenses:** Any personal expenses unrelated to the approved interior rehabilitation, such as personal belongings or furnishings are not eligible for reimbursement. Personal labor costs, or sweat equity, are also not eligible.
7. **Excess Costs:** expenses exceeding the approved budget or project scope are ineligible for reimbursement unless prior approval is obtained from the City of Brookings.
8. **Non-Compliant Improvements:** Any improvements made that do not apply to local building codes, fire regulations, zoning requirements, or energy efficiency standards are ineligible.

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Application Process:

Application Locations:

Applications can be obtained from the City Manager's Office
(520 3rd Street, Suite 230, Brookings, SD 57006) or on the City's website.

1. **Pre-Application Consultation:** Applicants are *strongly encouraged* to consult with City staff to discuss project feasibility, eligibility, and potential energy efficiency upgrades.
2. **Submit Application:** Applicants must submit a completed application form along with all required information and documentation:
 - a. Current digital photos of all building facades visible from the public right-of-way which will receive improvements
 - b. Project plan which includes a schematic drawing with enough detail to depict the proposed improvements and a narrative outlining *all of the proposed improvements*
 - c. Cost estimates, including signed bids from two (2) licensed contractors with detailed costs for each improvement
 - d. **Due Date for Applications:** March 1, 2025; a second round may be available in fall of 2025, pending available funds.
3. **Review and Approval:** A review committee will evaluate each proposal. Based on funding availability and selection criteria, successful applicants will be notified. Should funding not be available at the time, applicants will be notified, placed on a waiting list, and contacted when additional funding next is available.
4. **Grant Award:** Approved applicants will receive a conditional grant award letter specifying the grant amount and any additional terms or considerations.
5. **Project Forms:** Before any work may commence, the applicant will need to submit any required permits or approvals. Without these forms, the applicant will not be eligible for reimbursement. See City staff for these forms.
6. **Reimbursement:** The applicant must submit a copy of paid invoices or credit card receipts they wish to be reimbursed for. The City will disburse grant funds to the applicant following a final inspection to verify that the work is consistent with the approved grant application and plan. Reimbursements will not exceed the amount on the conditional award letter. Approved grant funds are available to the applicant for one (1) year from the date of the Conditional Grant Award Letter. Reimbursement checks will be issued within 60 days and will be made payable directly to the applicant.
7. **Additional Considerations:** No portion of the funds may be utilized for work completed prior to the receipt of the conditional grant award letter. Work shall commence within 120 days after receiving the conditional grant award letter and must be completed within 1 year. Extensions may be granted at the discretion of City Staff, however it is up to the applicant to contact the City if an extension may be requested. The City may conduct periodic inspections to ensure compliance with the approved plans. The City reserves the right to reject, or not fund any application.

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Selection Criteria:

The level of City funding, if any, is at the discretion of the review committee but should be consistent with how each project or proposal meets or exceeds the criteria listed below. Not all criteria apply to every project or proposal.

1. Project eligibility/feasibility
2. Potential economic impact
3. Quality of materials
4. Design
5. Adherence to historic preservation design guidelines

Questions?

Please contact Samantha Beckman, Assistant to the City Manager
sbeckman@cityofbrookings-sd.gov or 605-697-8692