



City of El Dorado, KS
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TO: City Commission
FROM: Kristina Traina, Administrative Assistant
SUBJ: Work Session Meeting Agenda
DATE: March 10, 2021

A Work Session is scheduled for March 10, 2021 at 5:00 pm in the Commission Chambers at City Hall, 220 E. First Avenue. The following items will be presented:

I. ITEMS FOR PRESENTATION AND DISCUSSION

- a. Economic Development Housing Incentives
- b. CDBG Application

II. March 15, 2021 REGULAR AGENDA REVIEW

- a. Personal Appearance
 - i. El Dorado Inc. Annual Report
- b. Consent Agenda
 - i. City Commission Minutes
- c. Old Business
 - i. None
- d. New Business
 - i. 560 S. Haverhill Sewer Public Hearing
 - ii. District 142 CDBG Phase II Public Hearing
 - iii. 5th/Simpson/Hunton Improvements Public Hearing
 - iv. EFABC Response
 - v. Commission Pay Charter Ordinance
- e. Discussion Items
 - i. July 4th Fireworks Location

III. REPORTS

- a. City Commission Reports
- b. City Manager's Report

Example of Local Incentives Overview

2.8.2021

Source of Funds	Types of Project Possibly Eligible	Basic Eligibility	Incentive
<u>El Dorado NRP</u>			
	Residential Housing-Additions, Remodel	25 yr old structure meeting "dilapidated structure" test.	95% tax rebate for 10 yrs on increase value only
	Residential Housing-Additions, Remodel	50 yr old structure anyplace in the community	95% tax rebate for 10 yrs on increase value only
	Residential Housing-Additions, Remodel	Properties Condemned by the City	95% tax rebate for 10 yrs on increase value only
	Residential Housing- New	Properties in the Opportunity Zone	95% tax rebate for 10 yrs on increase value only
	Residential Housing- New	Infill where a structure was demolished.	95% tax rebate for 10 yrs on increase value only
<u>El Dorado NRP</u>			95% tax rebate for 10 yrs on increase value only
	Commercial Remodel, Additions,	25 yr old structure meeting "dilapidated structure" test.	95% tax rebate for 10 yrs on increase value only
	Commercial Remodel, Additions,	50 yr old structure anyplace in the community	95% tax rebate for 10 yrs on increase value only
	Commercial Remodel, Additions,	Properties Condemned by the City	95% tax rebate for 10 yrs on increase value only
	Commercial Remodel-New	Properties in the Opportunity Zone	95% tax rebate for 10 yrs on increase value only
	Commercial-New	Infill where a structure was demolished.	95% tax rebate for 10 yrs on increase value only
<u>KHRC MIH</u>	Competitive-City makes Application- Can require funding match		
	Housing, New	New single family or multifamily housing based on Grant Application	Based on the initial application. Avg. \$10K per unit on rentals and \$10K on downpayment assistance

Example of Local Incentives Overview

2.8.2021

Source of Funds	Types of Project Possibly Eligible	Basic Eligibility	Incentive
	Housing, New	Must be owned or rented by MIH tenant. 5 years for rentals and 10 years for owners	Based on the initial application. Avg. \$10K per unit on rentals and \$10K on downpayment assistance
<u>Kansas CDBG, Housing</u>	Competitive-City makes Application-Federal Funds		Can require matching funds.
	Housing Rehab.	Tenant must meet LMI household income	Eligible expenses usually paid in full
		Owners can not do do their own improvements	Eligible expenses usually paid in full
		Focuses on weatherization and health and safety.	Eligible expenses usually paid in full
<u>Kansas CDBG, Downtown Commercial Rehab</u>	City makes Application-Federal Funds		
	Commercial	Privately owned building	Grant up to \$250K or 75% of project
		Must be for profit businesses	Grant up to \$250K or 75% of project
		Requires 25% match funds for eligible activities	Grant up to \$250K or 75% of project
		Rehab limited to public health & safety	Grant up to \$250K or 75% of project
		Operation or all Operations must commence with 12 months of grant closing	Grant up to \$250K or 75% of project
		Business must prove ability to fund their portion and other work done outside the scope of eligible activities	Grant up to \$250K or 75% of project
		City Resolution must declare the building blighted	Grant up to \$250K or 75% of project
		Must keep the building 3 years or repay the grant	Grant up to \$250K or 75% of project
		Must pay Davis Bacon Wages	Grant up to \$250K or 75% of project
		Owner not allowed to do rehab.	Grant up to \$250K or 75% of project

Example of Local Incentives Overview

2.8.2021

Source of Funds	Types of Project Possibly Eligible	Basic Eligibility	Incentive
<u>El Dorado Main Street IWW Program</u>	EMS Revolving Loan Fund. Generates funds with previous loan repayments.	Current Revolving Fund \$93,525.95 \$3,150.07 Available Funds as of 1/31/21	Can require matching funds
	Commercial Business	Business must be in EMS District	Loan based on available funds
		Low Interest Loan and not a grant	Loan based on available funds
		Usually requires matching funds	Loan based on available funds
		Some banks allow it to be counted as downpayment assistance.	Loan based on available funds
<u>Microloan-SCKEDD</u>	Ideal for startups, newly established and growing businesses		
	Commercial Business	Business Plan	\$5K to \$50K
		10-15% Cash Injection	\$5K to \$50K
		Completion of detail application	\$5K to \$50K
		Good Credit-No Tax Liens-No excessive credit card debt	\$5K to \$50K
<u>Midsize Loan-SCKEDD</u>	Ideal for business startups or business expansions		
	Commercial Business	Business Plan	\$50K to \$300K
		Well prepared P&L/Balance Sheet	\$50K to \$300K
		10-15% Cash Injection	\$50K to \$300K
		Completion of detail application	\$50K to \$300K
		Good Credit-No Tax Liens-No excessive credit card debt	\$50K to \$300K
<u>Commercial Real Estate and Heavy Equip</u>	Used for the purchase of real estate, machinery and equipment SBA 504 or SBA 7A		
	Commercial Business	Business Plan	
		Well prepared P&L/Balance Sheet	\$330K to \$5M
		10-15% Cash Injection	\$330K to \$5M
		50% Bank Loan	\$330K to \$5M
		40% SBA 504	\$330K to \$5M

Example of Local Incentives Overview

2.8.2021

Source of Funds	Types of Project Possibly Eligible	Basic Eligibility	Incentive
		For Profit Business	\$330K to \$5M
		Business Value < \$15M	\$330K to \$5M
		After tax profit < \$5M	\$330K to \$5M
		Owner must occupy 51% if purchased	\$330K to \$5M
		Owner must occupy 60% if new build.	\$330K to \$5M
		20% Owners-Personal Guarantee	\$330K to \$5M
USDA-REAP	Improvements that make a building more energy efficient		
	Rural Small Business	Live in Eligible Rural Area	75% loan guarantee
		Must be a US Citizen	Grant up to 25% of project
		Loan term based on useful life of the asset.	Term up to 40 years
Renewable Efficiency Grants			\$2,500 to \$500K
Energy Efficiency Grants			\$1,500 to \$250K
HOPE VI	Improvements to D/T spaces		up to \$500K fund one application per year.
HPIP	High Performance Incentive Tax Credit	You must pay better than the average wage in your area, in your NAICS	Kansas State Tax Credit equal to 10% of capital investment over \$50K.
		Has a required training component. Legislation to amend requirement	
		Legislation to allow creits to be sold	