

		AGENDA ITEM EXECUTIVE SUMMARY						
		Title:	Presentation regarding the Façade Improvement Grant Program					
		Presenter:	Russell Colby					
Please check appropriate box:								
	Government Operations				Government Services			
X	Planning & Development (6/13/16)				City Council			
	Public Hearing							
Estimated Cost:		\$40,000 budgeted for FY 16/17 \$61,475 in grants requested		Budgeted:	YES	X	NO	
If NO, please explain how item will be funded:								
Executive Summary:								
<p>For the past twenty plus years, the City has provided funding to assist downtown commercial property owners with exterior maintenance, renovation and enhancements through the Façade Improvement Grant Program. The program has been used extensively by both downtown businesses and property owners and has advanced the City's efforts at economic development, historic preservation and property maintenance within downtown.</p> <p>Grant applications are reviewed by the Historic Preservation Commission for appropriateness of design and consideration is given to whether the construction methods will result in a good long-term investment of the funds. The grants are provided as a reimbursement for up to 50% of the funds invested into an exterior rehabilitation project, up to \$10,000 for a 30 ft. length of building façade. There is a limit of \$20,000 of grant funds per property in any 5 year period.</p> <p>The program has been consistently utilized over years. The budget for FY 16-17 is \$40,000, which is a similar amount to the past few years. In the late 1990s and early 2000s, façade grant awards frequently reached upwards of \$150,000 or more per year.</p> <p>Staff has recently observed a resurgence of interest in the program, resulting in the overall budget being exhausted during the first month of this program year. A total of 6 applications were received. Three were approved in May in three more are on this agenda for consideration.</p> <p>The two final grant applications received this year were submitted on the same day (311 N. 2nd St. – Charleston Center, and 225 W. Main St. – The Homebrew Shop). Both grant requests are for \$20,000, which together would exceed the program budget by \$21,475. Both grants are for properties within SSA-1B which have not previously received grant funding, which places them at an equal level in terms of grant eligibility.</p> <p>Given the increased level of interest in the program, and the unusual circumstance encountered this year with two comparable applications received on the same day, staff felt it was appropriate to solicit the Committee's interest in increasing the grant program budget to fund all of the grant requests received this year during the initial application period.</p>								
Attachments: (please list)								
Façade Grant summary report for FY 16-17; Façade Grant program description								
Recommendation / Suggested Action (briefly explain):								
If the Committee supports increasing the funding for this current year to cover all applications received, provide a recommendation directing staff to increase the program budget.								
For office use only:		Agenda Item Number: 3f						

Façade Grant FY 2016-17
Budget: 40,000

Grant Year	Address	Grantee	Approval Date	Grant Amount	180 Days / Terminate	Project Description	Roll-FW	Status	Payout
16-17	102 E. Main St.	Steve Nilles Riverside Pizza	5/16/16	\$950	11/16/16	Window repair and storm windows		Approved, no permit required	
16-17	11 S. 2 nd Ave.	Hosseini Jamali	5/16/16	\$1,525.20	11/16/16	Replace awnings		Sign permit issued	
16-17	116 W. Main St.	Sue Henry Mixology Salon	5/16/16	\$15,000	11/16/16	Replace storefront		Building permit issued	
16-17	221 W. Main St.	Darius Grigaliunas		\$4,000		Remove awnings and repaint building			
16-17	311 N. 2 nd St.	Terry Grove Charleston Center		\$20,000		Misc. maintenance and repair to building facade			
16-17	225 W. Main St.	Ed Seaman Homebrew Shop		\$20,000		Remove failing EIFS, install new stucco and stone base			

Total applied for: \$61,475

Remaining grant funds: \$0



City of St. Charles
Facade Improvement Program Description

Revised March 5, 2007

1. Program Purpose

The St. Charles Facade Improvement Program is designed to promote the continued use and maintenance of commercial and residential buildings in the downtown area. It is intended to help property owners and commercial tenants to rehabilitate and restore the visible exterior of existing structures, and to construct or enhance rear pedestrian entrances of buildings. Improvements must meet criteria for appropriateness of design. Reimbursement grants are provided to property owners or commercial tenants in recognition of the positive impact that individual building improvements can have on the overall appearance, quality and vitality of downtown St. Charles.

2. Eligible Properties:

To be eligible for a Facade Improvement Program reimbursement grant, a building must meet one or more of the following criteria:

- 1) A building used in whole or in part for commercial purposes located within Special Service Area #1B as designated by the City of St. Charles, shown in Exhibit A.
- 2) A residential building with two or more dwelling units located within Special Service Area #1B as designated by the City of St. Charles, shown in Exhibit A, and which has not been designated as exempt from payment of the Special Service Area #1B tax. A current tax bill shall be provided to show that the property is not exempt.
- 3) A building used in whole or in part for commercial purposes located within the Central Historic District as designated by the City of St. Charles, shown in Exhibit B

Buildings used in whole or in part for commercial purposes are also eligible for a reimbursement grant for rear entrance improvements if they also meet all of the following criteria:

- 1) The building must have an existing rear entrance, or a location for a new rear entrance, that is accessible to the public from a dedicated public street, alley, or other right of way, or from a parking lot or walkway that is owned or leased by the City, or from other property that is encumbered by an easement granting public pedestrian access; and
- 2) The rear entrance to be improved must provide public access to a business or businesses within the building.

3. What Grants Are Available?

The maximum amount of the reimbursement grant for a specific property will be set forth in a Facade Improvement Agreement between the City and the property owner or tenant. If the actual costs exceed the original final estimates submitted with the application and used to determine the final total amount of reimbursement within the Agreement, the property owner or tenant will be responsible for the full amount of the excess. The City cannot reimburse more than the total amount specified in the Agreement.

The maximum aggregate amount of all grants approved for a building or property within any five year period shall be limited to \$20,000.00. This limitation applies to all eligible properties regardless of the number or width of qualifying facades. Properties that are listed on the National Registry and/or Locally Designated Landmarks can be eligible for up to an additional \$10,000.00 to be applied towards the restoration of significant architectural structures/features such as marquee signs, boathouses and gazebos.

Reimbursement grants are subject to Federal and State taxes, and are reported to the Internal Revenue Service on Form 1099. You are required to provide your taxpayer ID number or social security number as part of the Façade Improvement Agreement. Property owners and tenants should consult their tax advisor for tax liability information.

A. Exterior Building Facades

Property owners or commercial tenants who install at least \$1,000 of improvements are eligible to receive a matching grant to reimburse 50 percent of the cost of construction of exterior building improvements and 100% of architectural fees, up to \$10,000 per facade for construction and architectural fees combined. A facade is defined as a thirty foot wide span along the front or side of a building facing a public street, measured along the building wall generally parallel to the right of way line. For building fronts or sides exceeding thirty feet, a pro rata amount will be applied.

The amount of any reimbursement grant for architectural services shall be limited to \$4,000 per building. Where architectural services are required, the owner or tenant should retain an architect to prepare a conceptual design and cost estimate for work proposed. If the project is approved by the City, the architect may provide bidding and construction plans and documents, as well as construction supervision. Only those architectural services directly related to the approved facade improvement will be reimbursed.

B. Rear Entrance Improvements

Property owners or commercial tenants who install at least \$1,000 of improvements are eligible to receive a matching grant to reimburse 50 percent of the cost of construction of exterior building improvements and 100% of architectural fees, up to \$10,000 per building for construction and architectural fees combined.

The amount of any reimbursement grant for architectural services shall be limited to \$4,000 per building. Where architectural services are required, the owner or tenant should retain an architect to prepare a conceptual design and cost estimate for work proposed. If the City approves the project, the architect may provide bidding and construction plans and documents, as well as construction supervision. Only those architectural services directly related to the approved rear entrance improvement will be reimbursed.

Landscaping is an eligible improvement for rear entrance improvements only; however, reimbursement for landscaping shall be limited to a) not more than \$1,000 per building; b) only trees, shrubs, and other perennial plants are eligible for reimbursement; and c) all landscape materials for which a reimbursement grant is provided shall be maintained in good condition by the property owner or business tenant for a minimum of five years, as set forth in Section 9 of this Program Description and as provided in the Façade Improvement Agreement.

4. **Eligible Improvements:**

- *Exit doors (exterior) -- installation, repair and replacement of exit doors and hardware to provide public access, or where current doors do not meet the building and fire codes or it will improve the overall appearance of the building.
- *Painting -- painting of the exterior surface of buildings.
- *Shutters and Awnings -- repair, replacement or addition of exterior shutters and awnings (exceptions: mansard roofs, back-lit and/or plastic awnings are not eligible for funding)
- *Signs -- repair and replacement
- *Stairs, Porches, Railings, Exits -- repair and replacement or installation of exterior stairs, porches, railings and exit facilities.
- *Walls -- repair and rebuilding of exterior walls, including: cleaning, sealing, tuck pointing, painting, etc.
- *Windows -- repair of frames, sills, glazing, replacement of glass and installation of new windows.

- *Roofs -- repair and reroofing, where the effects of the repair will be visible from a public street or public parking lot. (In general, sloping roofs would qualify, flat roofs would not).
- *Walkways -- sidewalks, pavers, plazas, and other permanent improvements designed primarily for pedestrian use, only in conjunction with rear entrance improvements.
- *Landscaping, limited to perennial plantings including trees and shrubs, only in conjunction with rear entrance improvements.
- *Lighting -- installation, repair and replacement of lighting mounted on a building that illuminates the façade or signage.

The following items are not eligible for reimbursement grants under the City of St. Charles Facade Improvement Program:

- *Building Permit fees and related costs
- *Extermination of insects, rodents, vermin and other pests
- *Sidewalks -- replacement of private sidewalks, except as specified above in conjunction with rear entrance improvements..
- *Title reports and legal fees.
- *Acquisition of land or buildings
- *Air conditioning and heating facilities
- *Electrical wiring or service upgrade, except electrical work necessary to illuminate an eligible sign.
- *Elevators -- repair or installation
- *Interior floor or ceiling replacement and repair.
- *Plumbing.
- *Refinancing existing debt.
- *Sprinkler systems.
- *Sweat equity.
- *Working capital for businesses.
- *Resurfacing of parking lots.
- *Landscaping., except as specified above in conjunction with rear entrance improvements. (In no case will reimbursement grants be made for temporary landscaping such as annual plantings.)

Improvements not specifically listed as eligible or ineligible are subject to review as to eligibility by the Historic Preservation Commission as an advisory body and approval or disapproval by the St. Charles City Council.

The Historic Preservation Commission and the City Council will consider the architectural appropriateness of proposed improvements using the Design Guidelines established by the City Council and the provisions of Chapter 17.32 of the St. Charles Municipal Code (Historic Preservation Ordinance.) Improvements that are not architecturally appropriate, as determined by the City Council upon recommendation of the Historic Preservation Commission, are not eligible for a reimbursement grant. The Design Guidelines apply to all facade program projects, regardless of whether they are in the Historic District.

5. **Approval of Facade Improvement Agreement:**

Applications will be accepted beginning February 1st of each calendar year. Buildings that are located within the SSA – 1B that have not received a Façade Improvement Program reimbursement grant in the past will be considered first time applicants and be given first consideration. After all first time applicants are processed, the remaining applications that are located within the SSA-1B will be considered in the order in which they were received. After those applications are processed, any applications for properties that are located in the Central Historic District but not within the SSA-1B will be considered in the order in which they were received. In the event that the total amount of the potential reimbursement grants exceeds the amount budgeted for the program for that fiscal year, the applications which cannot be approved due to budget limitations will be carried over for consideration during the following fiscal year. Not more than one Facade Improvement Agreement shall be approved for a building in any fiscal year, and a Facade Improvement Agreement shall not be approved if a Facade Improvement grant was made for the same portion of the building within the previous five years. The earliest final City Council approval will be received is the first Monday in May.

6. Commencement of Work:

After the Facade Improvement Agreement is approved by the City Council, obtain a building permit and begin the work. DO NOT START BEFORE -- YOU WILL NOT BE REIMBURSED FOR WORK DONE PRIOR TO CITY COUNCIL APPROVAL OF THE FACADE IMPROVEMENT AGREEMENT.

7. Completion of Work:

All improvements must be completed within 180 calendar days after the Facade Improvement Agreement is approved, unless otherwise authorized by the City for a maximum of a one (1) year extension. If the work is not complete by the end of the one year extension the City's remaining obligation to reimburse the owner or tenant for the project terminates.

8. Reimbursement Payments:

Upon completion of the work, the owner or tenant must submit copies of all architect's invoices, contractor's statements, invoices, proof of payment, and notarized final lien waivers to the Director of Community Development, as evidence that the owner or tenant has paid the architect and contractor(s). You should use the attached forms for the contractor's statement and final lien waivers. Payment will be authorized upon completion of all work items as originally approved and receipt of all of the required documents.

The Director of Community Development may authorize reimbursement to be made in two payments, if all of the following conditions are present: 1) The first partial payment may be made upon completion of work representing at least fifty percent (50%) of the amount specified in the Facade Improvement Agreement; 2) The architect's invoices, contractor's statements, invoices, notarized final lien waivers and proof of payment for the completed work have been submitted; 3) The remaining work is expected to be delayed for thirty days or more following completion of the initial work due to weather, availability of materials, or other circumstances beyond the control of the owner or tenant.

Reimbursement for architectural services will be made at the same time reimbursement is made for improvements, and only if a Facade Improvement Agreement has been approved by the City Council. Architectural services may be reimbursed, at the sole discretion of the City Council, as follows:

Concept Plans and cost estimates prepared before approval of a Facade Improvement Agreement.

Architectural construction drawings and specifications for the improvement to the extent required by the St. Charles Building Code, prepared after City Council approval of a Facade Improvement Agreement.

Construction supervision conducted after City Council approval of the Facade Improvement Agreement.

Major changes or elimination of improvements must be approved by the City Council. Minor changes must be approved by the Director of Community Development. THIS IS A REIMBURSEMENT PROGRAM -- YOU MUST PAY YOUR ARCHITECT, CONTRACTORS AND SUPPLIERS BEFORE YOU RECEIVE PAYMENT FROM THE CITY.

9. Alterations:

The property owner and tenant shall be responsible for maintaining the facade and rear entrance improvements without alteration for five (5) years unless approved by the Director of Community Development. A restrictive covenant limiting alterations may be required by the City Council at the time of approval of the Facade Improvement Agreement.

