

	AGENDA ITEM EXECUTIVE SUMMARY		Agenda Item number: 4b
	Title:	Historic Commission recommendation to approve changes to the Façade Improvement Grant Program.	
	Presenter:	Rachel Hitzemann	
Meeting: Planning & Development Committee		Date: March 14, 2022	
Proposed Cost: N/A	Budgeted Amount: N/A	Not Budgeted:	<input type="checkbox"/>
Executive Summary (if not budgeted please explain):			
<p>Background: For the past twenty-five 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.</p>			
<p>Discussion Regarding Program Changes: In May of 2021, the Planning and Development Committee reviewed a façade grant application for 11 N 3rd Street. The scope of work for the proposed project included replacement of vinyl siding with James Hardie siding, a more compatible siding to the original structure. The Committee recommended approval of the grant, but expressed displeasure in the funds being used for maintenance of a building constructed in 1987. The Committee directed staff to re-examine the eligibility requirements for grant program.</p> <p>Based on this direction, staff initiated discussions with the Historic Commission regarding potential changes to the program in regards to eligible properties and eligible improvements. The goal of these changes is to make the grant program a more effective tool to advance the City's current interests in the areas of historic preservation and economic development, and to reduce the use of the program to support routine property maintenance in downtown commercial buildings, especially those not considered "Historic".</p>			
<p>Proposed Changes for FY 22-23 Program Year: Existing Program for Commercial & Multi-Family Residential Buildings (\$40,000 budgeted)</p> <ul style="list-style-type: none"> • All properties are eligible, but properties 50+ years of age are given first priority until Sept. 1st of program year. • Restoration projects are given priority over renovation projects. • Material replacements and building upgrades <u>must</u> restore or preserve the historic features or character of the building. • No building additions are eligible for funds, unless work is tied to rear entrance improvements. • No maintenance work is eligible for funds. • 50% reimbursement up to \$5,000 for architectural services. 			
<p>Attachments (please list): PowerPoint presentation, Façade Improvement Grant Program Description</p>			
<p>Recommendation/Suggested Action (briefly explain): Historic Commission recommendation to approve changes to the Façade Improvement Grant Program.</p>			

Historic Preservation & Façade Program Update

Planning & Development Committee March 14, 2022

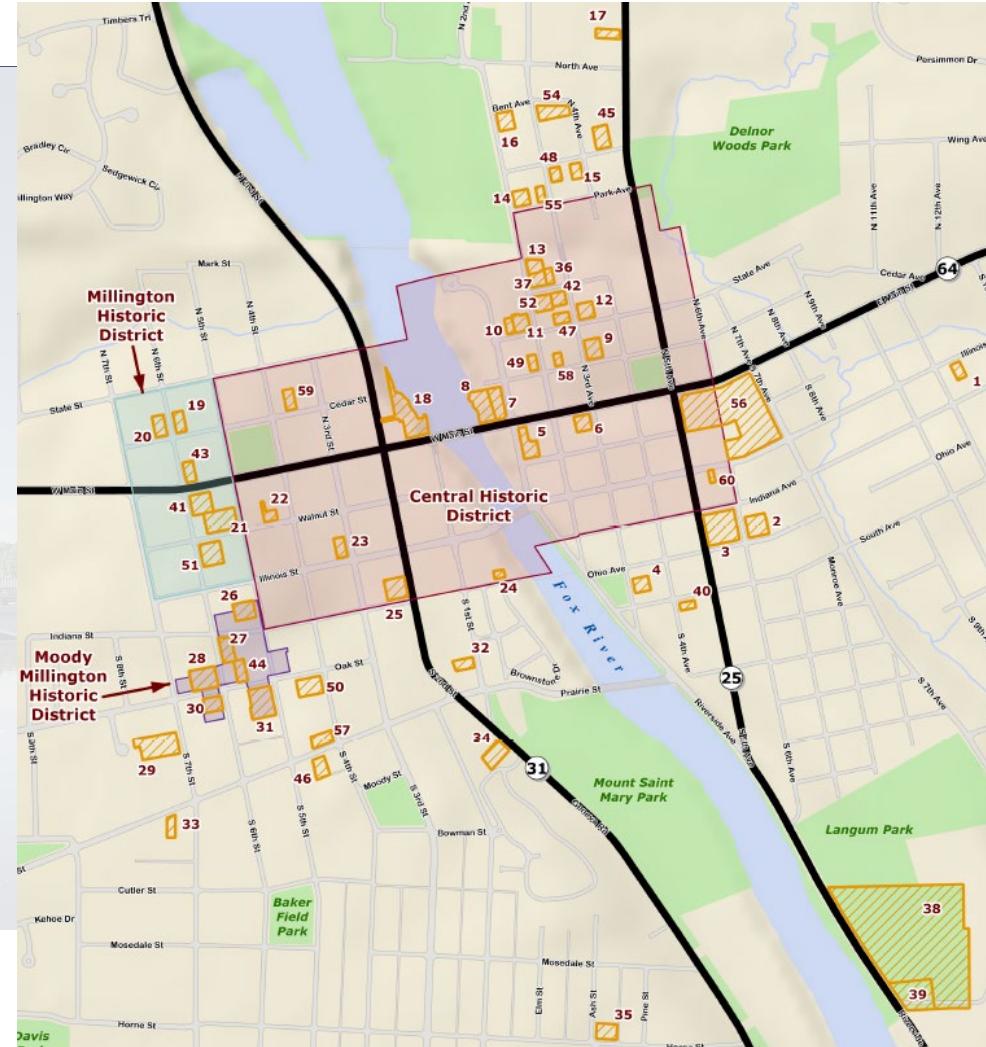


Historic Preservation Initiatives

- Historic Preservation Ordinance
 - **Purpose:** Foster awareness of history and encourage preservation, restoration, and rehabilitation.
 - **Commission:** Seven members whose primary responsibility is to review building permits for compliance with Ordinance.
 - **COAs:** Tool used by Commission to review proposed projects
- Façade Grant Program
 - Supports and incentives preservation initiatives

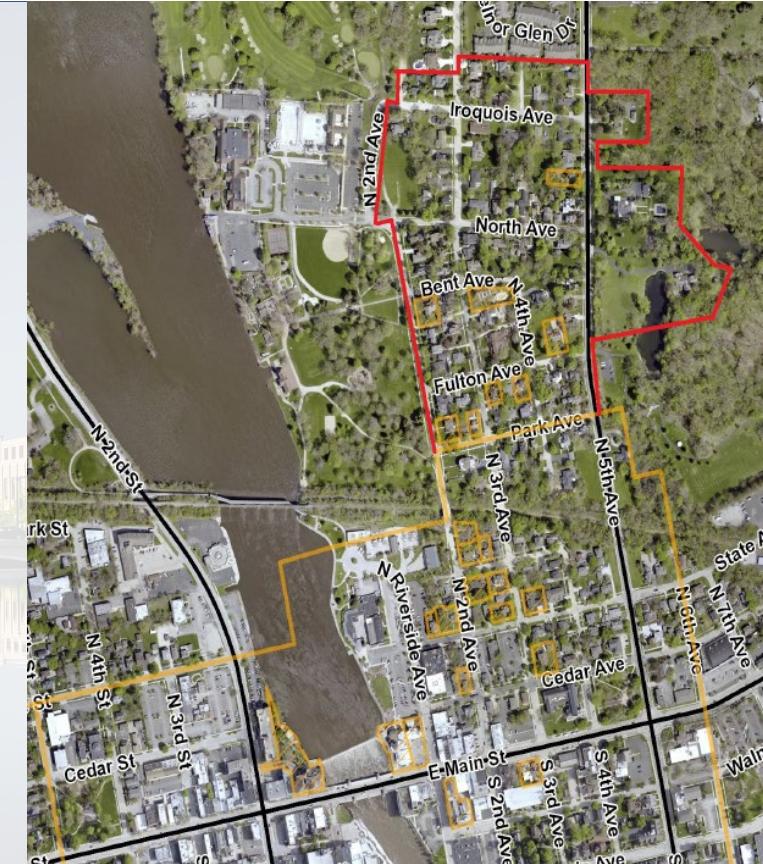
Historic Districts & Landmarks

- Central – 1995
 - Includes most of Downtown
 - 380 structures
- Moody-Millington- 2006
 - West of Central District
 - 17 properties
- Millington – 2017
 - Eight block area
 - 51 properties
- Landmarks
 - 60 local
 - 9 National



Pottawattomie Survey: Underway

- 2019: Commission guided City Council tour and Council supported conducting an Architectural Survey of the area.
- 2021: City received a State Grant to hire a third party firm to conduct a survey.
- 83 properties.
- After the survey is finished, the Historic Commission will review the results and provide a recommendation on whether a Historic District is appropriate for the area.



Survey Area in red

Statistics

- COA Approvals
 - 2019: 45
 - 2020: 55
 - 2021: 74
- COA Denials:
 - 2019: 0
 - 2020: 0
 - 2021: 1

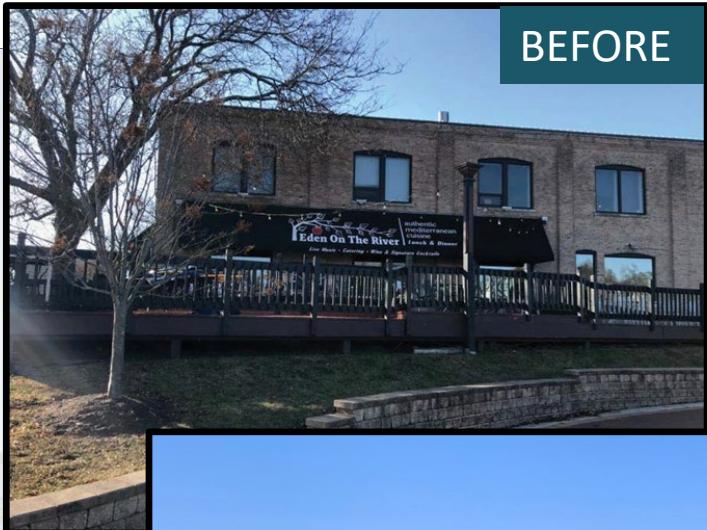
- Façade Grants :
 - 2019
 - Residential: 2, totaling \$10,000
 - Commercial: 3, totaling \$35,000
 - 2020
 - Residential: 1, totaling \$5,000
 - Commercial: 3, totaling \$29,208.5
 - 2021
 - Residential: 1 in progress
 - Commercial: 3, totaling \$30,000

- Landmarks
 - 2019: 4
 - 2020: 4
 - 2021: 1

Façade Grant Overview

- **1994:** Created to assist the core of downtown with façade rehabilitation projects to restore the visible exterior of buildings.
- **2007:** Expanded to allow all commercial properties within the Historic District to be eligible for grant, up to \$20,000.
- **2017:** Expanded to include residential properties in historic districts; eligible for up to \$5,000
- **2021:** P&D Committee directed staff to consider changing eligibility requirements based on building age

Past Projects: 2019



Past Projects: 2020

BEFORE



AFTER



BEFORE



AFTER

BEFORE

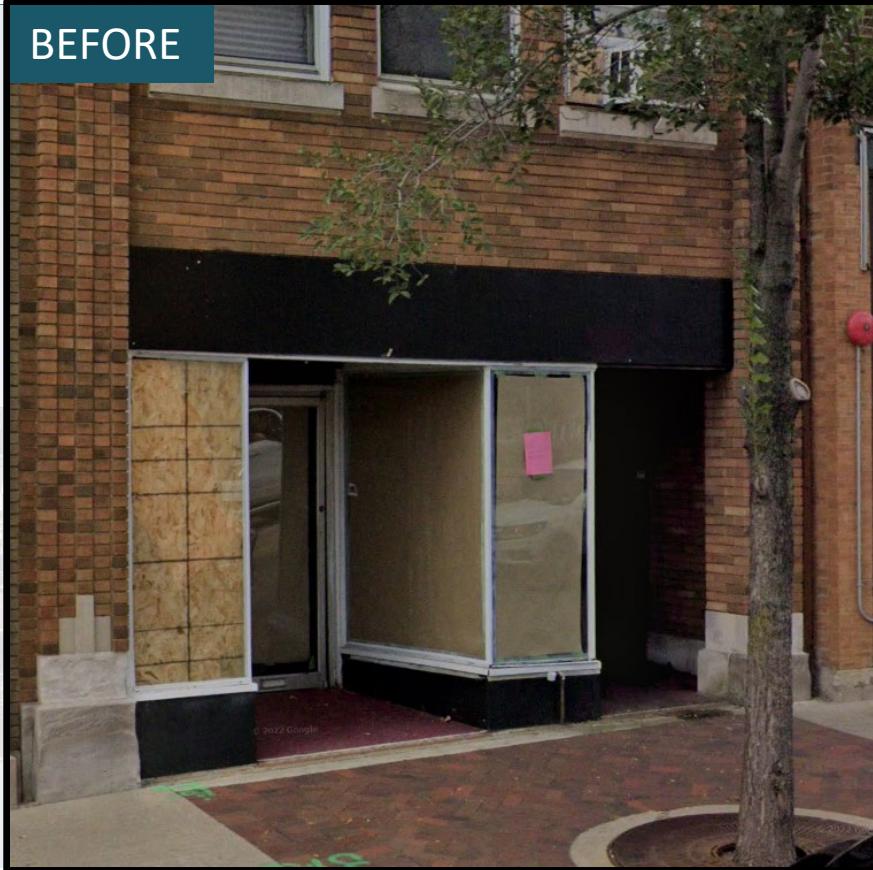


AFTER



Past Projects: 2021

BEFORE



AFTER



Potential Options

	Option 1	Option 2	Option 3
Eligible Properties	<ul style="list-style-type: none">• All properties are eligible• Preference given to 50+ years old	30+ years old	50+ years old
City Allocated Grant Money	<ul style="list-style-type: none">• \$40,000 eligible for all properties	<ul style="list-style-type: none">• \$30,000 for properties 50+ years old• \$10,000 for properties 30+ years old	<ul style="list-style-type: none">• \$40,000 for 50+ years old
Max Amount per Property	\$20,000	<ul style="list-style-type: none">• \$15,000 for properties 50+ years old• \$5,000 for properties 30+ years old	\$20,000

Historic Commission's Proposal

- Historic Commission took elements from all 3 options and suggested the following changes:
 - All properties are eligible, but properties 50+ years of age are given first priority until Sept. 1st of program year.
 - Restoration projects are given priority over renovation projects
 - Material replacements and building upgrades must restore or preserve the historic features or character of the building
 - No building additions are eligible for funds, unless work is tied to rear entrance improvements
 - No maintenance work is eligible for funds
 - 50% reimbursement up to \$5,000 for architectural services

FAÇADE IMPROVEMENT GRANT PROGRAM DESCRIPTION

MAY 1, 2022

COMMUNITY DEVELOPMENT DEPT. /PLANNING DIVISION

CITY OF ST. CHARLES



1. Program Purpose

- The Facade Improvement Program is intended to promote reinvestment and restoration of commercial and residential buildings in the downtown area, with a focus on supporting historic preservation practices.
- The program is intended to assist property owners and commercial tenants to rehabilitate and restore the visible exterior of existing structures.
- 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. Application, Review and Approval Process:

- **Determine if your property is eligible for either the Commercial or Residential Façade Improvement Grant.**
- **Determine if your project is eligible for grant reimbursement.**
- **Define the scope of your proposed improvements.** This will probably involve consulting with an architect or other appropriate design professional (for projects that do not need an architect, consult with a contractor).
- **Contact the City to schedule a preliminary review of the project by the Historic Preservation Commission early in the design process to determine if the project scope and improvements will meet the program requirements.** The Historic Preservation Commission will consider the architectural appropriateness of proposed improvements using Design Guidelines and the Historic Preservation Ordinance (Chapter 17.32 of the Municipal Code). 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 grant projects, regardless of whether they are in the Historic District.
- **The grant Program Year runs from May 1 to April 30 of the following year. Grant applications are accepted beginning in March of each year for the Program Year beginning on May 1.** (Note: The budget for the Program Year will not be finalized until approved by the City Council each year. This typically occurs in early April.)
- **Submit a complete grant application. Attend the following meetings on the dates provided by City staff:**
 - The **Historic Preservation Commission** will review and make a recommendation regarding the grant. They meet on the 1st and 3rd Wednesdays of each month at 7:00pm.
 - The **Planning & Development Committee** of the City Council will review the Historic Commission recommendation at their meeting on the second Monday of the month at 7:00pm.

If recommended for approval, the City Council will then vote on the formal grant agreement at a subsequent meeting. The grant agreement will follow the standard form, which is attached. Attendance at this meeting is not necessary unless requested.

The earliest the grant agreement can be approved by the City Council is the third Monday of May. Work initiated prior to City Council approval of the grant agreement is not eligible for reimbursement.

3. Commercial Façade Grant

- **Eligible Properties:**

Commercial or Multi-Family Residential Buildings (two or more units) located within either:

- Special Service Area #1B
- Historic District or Landmark Site

Properties that are at least 50 years of age are given first priority until Sept. 1st. Applications received for structures less than 50 years of age will not be reviewed until Sept. 1st.

- **Application Priority Hierarchy**

Preference will be given to received applications in the following order:

1. Structures 50+ years of age
 - a. Restoration projects
 - b. Renovation Projects
2. Structures less than 50 years of age

- **Minimum Project Cost:** \$2,500

- **Grant for Front or Side Facades (visible from street):** Maximum grant amount is based upon the frontage of the façade to be renovated, at a maximum of \$10,000 per 30 ft. horizontal length of façade. 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.

- **Grant for Rear Entrance Improvements:** Maximum grant amount of \$10,000, available for buildings with an existing or proposed 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. The rear entrance to be improved must provide public access to a business or businesses within the building.

- **Maximum Grant Limits:**

- Total grant amount during any five-year period is capped at \$20,000.
- For properties on the National Register of Historic Places or Locally Designated Landmarks, the total grant amount for any five-year period is capped at \$30,000.

- **Eligible Improvements:**

- **50% Reimbursement for:**

For Historic structures, maintenance utilizing Historic Preservation practices:

- ✓ Repair or restoration of historic features
- ✓ Replacement of deteriorated historic features with like-in-kind materials to preserve or restore historic features
- ✓ Re-roof or repair of visible roof surfaces with non-standard materials (such as wood shake, slate, or other decorative non-standard materials)
- ✓ Extensive restoration/repair of historic masonry material
- ✓ Painting of exterior surfaces where the surface preparation includes removal of worn/failing paint and intensive surface preparation prior to painting

Building improvements:

- ✓ Exterior building upgrades or enhancements that will restore or preserve the historic character of a building
- ✓ Improvement, replacement or installation of storefront systems, doors, windows and trim materials.
- ✓ Removal of architecturally inappropriate features on buildings

- **25% Reimbursement for Maintenance when done congruently with major restoration or renovation:**
 - ✓ Cleaning, patching, caulking of exterior surfaces.
 - ✓ Re-coating of paint on exterior surfaces (without extensive surface preparation)
 - ✓ Re-roofing visible roof surfaces with non-historic material (such as 3-tab or architectural grade asphalt shingles)
 - ✓ Spot masonry repairs or tuckpointing
- **50% Reimbursement for Architectural Services (Up to \$5,000)**
 - 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.
- **Ineligible Improvements:**
 - Signs and Awnings, unless in connection with other eligible improvements.
 - **Building additions; unless work falls under the rear entrance requirements**
 - Any interior improvement or finishes
 - Any improvements to internal building systems, including HVAC, plumbing, electrical (except for wiring for exterior lighting)
 - Any site improvements, including sidewalks, parking lots and landscaping.
- 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 City Council.

4. Residential Façade Grant:

▪ **Eligible Properties:**

Residential buildings located within a Historic District or Landmark site, rated in the Historic District Architectural Survey as:

- “Contributing” or “Significant” structures
- Non-Contributing structures that, upon completion of the improvements, will be re-classified by the Historic Preservation Commission as “Contributing” or “Significant”

• **Minimum Project Cost:** \$1,000

▪ **Maximum Grant Amount:** \$5,000 for:

- Improvements that will be visible from the public right-of-way
- Improvements to systems that include both the visible and non-visible elevations (such as improvements to siding or windows around entire building)

▪ **Eligible Improvements:**

- 50% Reimbursement for projects falling into one or more of the following categories:
 - Repainting of historic exterior surface materials where the surface preparation includes removal of worn/failing paint and intensive surface preparation prior to painting.
 - Reconstruction of missing historic features. (*Example: Previously existing front porch*)
 - Repairing/stabilizing deteriorated historic features and reusing existing architectural elements. (*Example: Repair or partial reconstruction of a porch or replacement of window components*)
 - Removal of inappropriate features and restoration with original details and materials. (*Example: Removal of non-original aluminum/vinyl siding and restoration of the original siding, Removal of vinyl or aluminum windows and replacement with wood or aluminum clad wood windows.*)
 - Upgrade deteriorated materials with new appropriate materials. (*Example: Replacement of deteriorated wood windows with new wood windows*)
- 100% Reimbursement for Architectural Services (Up to \$2,000)
 - 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.

▪ **Ineligible:**

- Routine maintenance
- Any interior improvement or finishes
- Any improvements to internal building systems, including HVAC, plumbing, electrical (except for wiring for exterior lighting)
- Any site improvements, including sidewalks, parking lots and landscaping.
- Freestanding new construction buildings
- Building additions, unless in connection with improvements to the existing building.

- 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 City Council.

5. Terms and Conditions applicable to all grants:

- **Grant applications will be considered in the order they are received.** In the event that the total amount of the potential reimbursement grants exceeds the amount budgeted for the program year, the applications will be carried over for consideration during the following program year.
- **Not more than one grant shall be approved for a building in any program year, and a grant shall not be approved if a grant was made for the same portion of the building within the previous five years.** For the Residential Grant Program, within the 5 program years following approval of a grant, a grant for the same property will not be considered until September of each program year.
- **The maximum amount of the reimbursement grant for a specific property will be set forth in a Façade 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.
- **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.
- **The following items are not considered “improvements” and therefore they are not eligible for reimbursement:**
 - Building Permit fees and related costs.
 - Extermination of insects, rodents, vermin and other pests.
 - Title reports and legal fees.
 - Acquisition of land or buildings.
 - Financing costs.
 - Sweat equity.
 - Working capital for businesses.
- **Work that has been initiated prior to the approval of the Façade Improvement Agreement by the City Council is NOT eligible for grant reimbursement.**
- **All improvements must be completed prior to the end of the program year on April 30.** If the work is not complete by the end of the program year, the City's remaining obligation to reimburse the owner or tenant for the project terminates. The City may, its sole discretion, grant a single one-year extension due to unforeseen circumstances that have prevented the completion of the project.
- **The property owner and tenant shall be responsible for maintaining the facade improvements without alteration for five (5) years.** A restrictive covenant limiting alterations may be required by the City Council at the time of approval of the Façade Improvement Agreement.
- **Any project changes must be approved by the City.** Major changes or elimination of improvements must be approved by the City Council. Minor revisions must be approved by the Historic Preservation Commission.
- **This is a reimbursement program -- you must pay your architect, contractors and suppliers before you receive payment from the City.**