

MEETING DATE: 08/03/20

ITEM: 10 E

## AGENDA ITEM SUMMARY

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**Subject: Revision to Façade program guidelines**

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### **Background Summary:**

At our last planning session, discussion was held on revising the Façade program guidelines to include a requirement that actual invoices for projects be submitted prior to the balance of Façade funds being disbursed. If the project would come in lower than originally estimated, the funding amount could be adjusted to reflect that. Mark has made these changes in the program guidelines and they are highlighted in the attached document.

We recommend approval of Resolution 138-20 making these changes to the guidelines.

CITY OF CHARLES CITY

**RESOLUTION NO. 138-20**

*RESOLUTION APPROVING CHANGES TO FAÇADE PROGRAM GUIDELINES*

WHEREAS, the City of Charles City, Iowa supports a Façade improvement program to assist property owners within the downtown urban renewal area in restoring and rehabilitating their property

WHEREAS, the council desires to make the following change to the guidelines for this program: actual copies of invoices shall be submitted prior to the final disbursement of funds and if the actual cost is substantially lower than the original estimate, the dollar figure of the grant may be reduced accordingly,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Charles City, Iowa, meeting in regular session on this 3<sup>rd</sup> day of August, 2020, that the changes to the Façade program guidelines are hereby approved.

COUNCIL MEMBER      moved the adoption of the foregoing Resolution;

COUNCIL MEMBER      seconded the motion to adopt, and on roll call the voting was as follows:

AYES:

NAYS:

Passed and approved this 3<sup>rd</sup> day of August, 2020.

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Dean Andrews, Mayor

Attest:

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Trudy O'Donnell, City Clerk



# COMMUNITY REVITALIZATION FACADE IMPROVEMENT PROGRAM 2020



## INTRODUCTION

It is the intent of the Community Revitalization Design Committee and City of Charles City to provide financial incentives to property owners and business people within the Downtown Urban Renewal Area (Riverside TIF District) to assist them in restoring and rehabilitating their property.

## OBJECTIVES

The primary objective of the Facade Improvement Grant Program is to revitalize the Riverside TIF District by preserving and restoring the existing buildings. The purpose of the Facade Improvement Grant Program is to promote the economic development within the Riverside Tax Increment Financing District by providing financial incentives to encourage occupancy of a vacant commercial building, provide financial assistance to avoid the occurrence of a vacancy of a commercial building, or to encourage continued occupancy of a commercial building. Preservation as defined in this policy means such renovation of the existing structure of a building as is necessary to make the building structurally sound and usable for the applicant business but will not include work that is of a routine maintenance nature and is not necessary to the preservation of the building. It is hoped that in addition to preserving the appearance of the buildings, the program will provide examples for the rehabilitation of other properties throughout Charles City.

The grant can equal up to 50 percent of the total project cost up to \$10,000.00. For example, if the total project cost is \$30,000.00, the grant could be as much as \$10,000.00. The grant will not exceed more than 50 percent of the total project cost. The owner is required to contribute a minimum of 10% of the funds necessary to complete the preservation project, and the source of these funds cannot be a loan or grant from the City. The owner must have a commitment for long-term financing, if necessary, for the remaining cost of the project. Subject to recommendation from the Design Committee and approval by the City Council, Community Revitalization will then provide a grant up to and not to exceed 50% of the project costs (capped at \$10,000.00). An initial payment of 35% of the grant shall be provided upon proof of financing by the owner, and the remaining 65% of the grant shall be provided upon completion of the project and proof of actual project cost (copies of invoices). If the actual project cost is substantially lower than the original estimate, the dollar figure may be reduced accordingly from the remaining 65% grant payment. The Design Committee will carefully examine applications to determine which projects will most contribute to the overall design quality of our community.

Community Revitalization’s Facade Improvement Grant will be in the form of a forgivable loan. The grant shall be repaid in an amount and manner hereafter described if any of the following events occurs during the 24-month period immediately following completion of the approved project:

- A. The benefited property is sold or otherwise conveyed by the owner to another individual or entity; or
- B. The business located in the benefited property ceases operation; or
- C. Community Revitalization becomes aware that the applicant made false or misleading statements in the application which were material in making the grant; or
- D. The applicant becomes insolvent

Community Revitalization shall give written notice to the applicant upon determination that one of the forgoing events has occurred, in which case repayment shall be made in 12 equal monthly installments of principal only beginning on the 1<sup>st</sup> of the month next following the date of the notice and continuing on the 1<sup>st</sup> day of each month thereafter until repaid in full. Except for repayment caused by reasons set forth in subparagraph C above, the amount to be repaid shall be calculated as follows:

Amount to be

$$\text{Repaid} = \text{Total Grant} - \left( \frac{\text{total grant}}{24} \right) \times \left( \text{Number of full months from date of project Completion to date of repayment notice} \right)$$

For repayment triggered by reasons set forth in subparagraph C above, the full amount of the grant shall be repaid. If no notice of repayment, as above described, is given to the applicant within the 24-month period after project completion, then the grant shall be deemed forgiven.

Pending forgiveness of the entire grant, or, pending full repayment of the grant, the grant shall be secured by a mortgage upon the benefited premises given by the owner at the time of grant approval and subject to foreclosure upon default in making a required payment. A mortgage shall not be required if applicant has only a leasehold interest in the benefited property.

## **GUIDELINES**

The Facade Improvement Program will provide technical assistance along with a grant to building owners that meet the following guidelines:

- The grant program will be administered by the Design Committee of Community Revitalization. The Design Review Committee will recommend eligibility of all grant applications to the City Council, which has final approval.
- Selection to participate in the program will be based upon the applicant's consistency with the goals of the Design Committee and upon commitment to proceed with the building improvements.
- Applicants must submit a Facade Improvement Grant application along with cost estimates from a contractor specific of all work to be done. Applications are reviewed on a case-by-case basis, pending the availability of funds.
- Work is to be completed and bills submitted prior to the one-year anniversary date of the grant award.
- A complete copy of bills from expenses relating to a particular project must be presented to the Community Development Director before the grant will be awarded in full. The amount of the grant may be adjusted if the actual cost is lower than the estimated cost. A final inspection of the project by the Design Review Committee or its designee (Community Development Director) will be conducted before payment of the grant will be issued. Any deviations from the approved application may disqualify the applicant.
- Recipient of any grant monies will actively support and/or participate in the programs and activities of Community Revitalization.
- Applicant may be required to consult with Main Street Iowa's Design Specialists prior to start of a restoration project. These arrangements will be made through Community Revitalization.

### **EXAMPLES OF ELIGIBLE PROJECTS:**

Signage (addition or removal)  
Awnings (addition or removal)  
Exterior painting  
Repointing  
Cleaning  
Replacement of transom glass  
Removal of aluminum "slipcovers"  
Window repair and replacement  
Replacement of architectural detail  
Upper Story interior rehabilitation  
Emergency Roof Repairs (bldg. viability issues, i.e. leaking)

### **EXAMPLES OF INELIGIBLE PROJECTS:**

Routine roof repair/replacement  
Interior improvements (Main Floor)  
Electrical work (except signage and upper story)  
Installation of inappropriate materials  
(aluminum siding, mansard roofs, etc...)  
Sandblasting  
Window display (merchandising) details  
Adjacent Sidewalk

**Upon approval of Community Revitalization's Design Committee repairs from the ineligible projects list may be used to satisfy the 50% participation of the owner.**

**\*\* For application & assistance, contact Mark Wicks at Charles City Community Revitalization, (641) 228-2335 \*\***