

**DOWNTOWN
FACADE
IMPROVEMENT
PROGRAM**

AMENDED July 13, 2015

Sponsored by:
ALLEGAN
DOWNTOWN
DEVELOPMENT
AUTHORITY

ALL FAÇADE IMPROVEMENTS MUST BE APPROVED PRIOR TO WORK COMMENCING

DOWNTOWN FACADE IMPROVEMENT PROGRAM

The Allegan Downtown Development Authority has created a Downtown Façade Improvement Program that is intended to directly stimulate design improvements to downtown buildings in a coordinated fashion, stressing overall compatibility with the historical significance and uniqueness of Allegan's downtown structures. The appearance of individual buildings, storefronts, signs, alleys, window displays, parking lots and sidewalks establishes the visual character of the downtown and plays a major role in the success of the business district.

The purpose of the façade improvement program is to encourage historically accurate improvements to commercial facades visible from the public right of way. The program funding is intended to provide financial incentives for quality façade development.

It is also the intent of the program to strengthen the economic viability of downtown Allegan by improving the exterior physical appearances of buildings. The perception of the downtown has a significant influence on its economic success. By improving its physical appearance, the downtown will have a much greater potential for attracting and retaining business as well as creating an image of strong economic health and vitality.

The Downtown Façade Improvement Program consists of four different incentives to assist owners and tenants to improve the facades of downtown commercial buildings. Those incentives include the 1) Paint the Town Assistance, 2) Signage Assistance, 3) Design Assistance, 4) the Façade Renovation Assistance.

PROGRAM ELIGIBILITY AND REQUIREMENTS (All Four Programs):

A property must be located within the legal boundaries of the Downtown Development District to be eligible. A building is eligible for the Façade Renovation Assistance, Painting Assistance, Signage Assistance and Design Assistance funds one time within the specified timeframes provided within each assistance description. An owner or tenant with multiple buildings may apply once for each building, again within the given time restrictions. The following criteria will also apply:

1. Only buildings with retail, commercial or professional uses consistent with desired downtown land uses are eligible.
2. Properties must be structurally sound, roof intact, and meet basic public safety codes.
3. If the subject property is within the historic district, all proposed structural improvements that are applicable to the Historic District ordinance, must be approved by the Historic District Commission.
4. Only facades abutting public right of ways are eligible projects. This includes side and rear facades.
5. Building owners or tenants are eligible. If a tenant applies for assistance, they must provide written

proof that the building owner has authorized proposed improvements. All City of Allegan volunteers, committee, board or council members are eligible to apply for program funds.

6. Applicants will be required to complete an application form provided by the City of Allegan and all related paperwork pertaining to the Façade Program.
7. All required municipal/governmental permits must be pursued by the building owner/tenant and must be obtained prior to the start of any construction.
8. Property taxes and other city accounts must be current.
9. The Façade Committee reserves the right to award grants it deems to be in the best interest of the City of Allegan, the DDA and the Façade Improvement Program. The Façade Committee, DDA and City of Allegan reserve the right to nullify assistance awards which are found to be noncompliant with the conditions of this program.
10. Annual program funding will be limited, with projects awarded as funds as available. The Façade Committee will make final determinations on individual project eligibility and can reject any application based upon insufficient program funds.

INELIGIBLE USES OF PROGRAM FUNDS (All Four Programs):

Façade Program funds may not be utilized for any of the following uses:

- a) Refinancing existing debt
- b) Property acquisition
- c) Interior improvements or furnishings
- d) Site plan, building or sign permit fees
- e) Property appraisal costs, legal fees, or loan origination fees
- f) Labor costs paid to the owner/applicant or relatives of the owner/applicant, unless otherwise approved.

PROGRAM GUIDELINES

This section will provide the individual guidelines specific to each of the four following Façade Improvement Programs: Paint the Town, Signage Assistance, Design Assistance and the Façade Renovation Assistance.

1) PAINT THE TOWN PROGRAM

This component will fund assistance up to \$2,000 (award may vary based on building size and location to public right of ways) building owners/tenants for the purpose of having building painted.

Any historical color combination will be reviewed by the DDA Design Committee.

Non-refundable assistance will be awarded at the completion of the project, if completed according to the pre-approved plan. Painting projects must commence within 30 days of approval (unless otherwise approved by the DDA Design Committee) for funding and be completed within 60 days after the painting start date. If the assistance is not used within that time, the funding commitment will revert back to the DDA for reallocation. Assistance payment, based on approved submitted receipts, will be issued to the applicant within thirty (30) days after completion and approval.

Paint assistance is awarded per building, not per building owner, and will be available per building one time per every ten years from the completion of previous use of façade paint assistance.

Painting the Town funds are being provided by the Allegan DDA. Following are additional guidelines specific to the Paint the Town program:

1. Program financing will be in the form of a non-refundable grant.
2. The applicant must complete the program application as provided by the City of Allegan.

Along with the application, the following information must be provided:

- A. Two written quotes for the work with labor and materials broken out into two separate amounts must be provided. If it is the intent of the owner or applicant to complete the work themselves, the City will then reimburse the owner/applicant for labor for up to 75% of the low bid on labor. The intent is to reasonably reimburse owner/applicants for their time spent painting, and guard against owners realizing a profit off of the labor on the painting project.
- B. A signed lease agreement which leases the first 12" of the facade of the building to the City of Allegan DDA for a period of time--equal to the paint warranty and not to exceed 10 years--for the amount \$1.00 total. This agreement will be recorded with the County Register of Deeds.

- C. Applicant must provide a copy of their current insurance coverage to ensure that the subject property is properly insured. The City of Allegan must be named as an additional insured on the applicant's property and liability insurance policy for the length of the above mentioned lease and receive copies of insurance coverage stating such.
- D. The registered property deed with the legal description of the property.
- E. Proof that all property taxes paid to date.
- F. If the tenant is applying, a signed letter from the owner expressing approval of the project must be provided.
- G. **The applicant is responsible for compliance of all local, State and Federal laws. This includes, but is not limited to, lead and asbestos removal. The City of Allegan and the Downtown Development Authority shall not be held responsible for violations.**

2) **SIGNAGE ASSISTANCE PROGRAM**

This component will fund up to \$750 of assistance or 80%, whichever is less, to building owners/tenants for the purpose of fabricating, placing and/or painting no more than two new outdoor signs or for the renovation of existing signage, which conforms with the City of Allegan sign ordinance and, if applicable, Historic District Commission requirements.

Signage assistance is offered per building owner or tenant (not per building). However, if signage assistance is utilized by a previous building owner, the new owner of the same building will not be eligible for signage funding until two years following the completion of the previous signage project.

Non-refundable assistance will be awarded at the completion of the sign project, if completed according to the pre-approved plan. Sign projects must commence within 30 days of approval (unless otherwise approved by the DDA Design Committee) for funding and be completed within 60 days after the painting start date. If the assistance is not used within that time, the funding commitment will revert back to the DDA for reallocation. Assistance payment, based on approved submitted receipts, will be issued to the applicant within thirty (30) days after completion and approval DDA Design Committee.

Signage Assistance funds are being provided by the Allegan DDA. Following are additional guidelines specific to the Signage Assistance Program:

1. Program financial will be in the form of a non-refundable assistance.
2. The applicant must complete the program application as provided by the City of Allegan. Along with the application, the following information must be provided:

- A. A written quote for the work with labor and materials broken out into two separate amounts must be provided. If it is the intent of the owner or applicant to complete the work themselves, the City will then reimburse the owner/applicant for up to 80% of the cost of signage materials. Applicant must provide city staff with proper receipts for materials upon completion of the project.
- B. A signed lease agreement is required which leases any and all signage that is funded by the façade improvement program. The following describes various leasing arrangement scenarios:
- Exterior signage that is affixed to the building (must comply with the Historic District Commission regulations), as well as the first twelve inches (12”) of the depth of the façade of the building that the signage is affixed to, shall be leased by the DDA.
 - Adhesive signage that is adhered to the exterior of the building/window/door (must comply with the Historic District Commission regulations) shall be leased by the DDA. The adhered signage as well as the glass or first twelve inches (12”) of the depth of the façade of the building that the signage is adhered to is leased by the DDA as well.
 - Signage adhered or constructed within an awning (must comply with the Historic District Commission regulations) shall be leased by the DDA. Signage adhered or constructed within an awning is leased, as well as the awning itself.

The lease agreement will be recorded with the County Register of Deeds.

- C. Applicant must provide a copy of their current insurance coverage to ensure that the subject property is properly insured. The City of Allegan must be named as an additional insured on the applicant’s property and liability insurance policy for the length of the above mentioned lease, and receive copies of insurance coverage stating such.
- D. The registered property deed with the legal description of the property.
- E. Proof that all property taxes are paid to date.
- F. If the tenant is applying, a signed letter from the owner expressing approval of the project must be provided.
- G The applicant is responsible for compliance of all local, State and Federal laws. This includes, but is not limited to, lead and asbestos removal. The City of Allegan and the Downtown Development Authority shall not be held responsible for violations.**

3) DESIGN ASSISTANCE PROGRAM

This component of the program is designed to provide funding for renovation design assistance. The objective of this component is to pre-determine the cost of the project and ensure that the project conforms to all DDA, Historic Commission and City of Allegan codes and standards.

Program funds cover 80% of design services, up to \$1,000. The owner/tenant must contribute 20% of total costs, to be paid prior to disbursement of DDA funds. Program funds cover exterior design work only.

Design Assistance funds are being provided by the Allegan DDA. Following are additional guidelines specific to the Signage Assistance Program:

1. Program financing will be in the form of non-refundable assistance.
2. The applicant must complete the program application as provided by the City of Allegan.

Along with the application, the following information must be provided:

- A. The applicant and architect will also be required to execute a “Remuneration Agreement” to access program funds. The following guidelines will also apply:
- B. The registered property deed with the legal description of the property.
- C. Proof that all property taxes are paid to date.
- D. If the tenant is applying, a signed letter from the owner expressing approval of the project must be provided.
- E. **The applicant is responsible for compliance of all local, State and Federal laws. This includes, but is not limited to, lead and asbestos removal. The City of Allegan and the Downtown Development Authority shall not be held responsible for violations.**

Professional design services must be completed within 90 days of execution of “Remuneration Agreement”

To access design assistance program funds, applicants must demonstrate a bona fide desire to implement building improvements and must certify that construction could commence within 120 days of design completion. Time extensions may be granted by the DDA Design Committee upon request. Should a Façade Assistance recipient require an extension, they must provide their request and reasoning in writing to the DDA Design Committee prior to the end of the initial 120 days. Time extensions are not guaranteed, but will be considered on a case by case basis.

Projects participating in the design assistance program will receive priority status for consideration of funding under the façade improvement program, however, in no way does participation in the design assistance program bind the City to provide assistance under the Façade Improvement Program.

Fees will be paid directly to the design firm under a “Remuneration Agreement”, executed by the applicant, architect and City.

DDA funds will be disbursed directly to the architect/engineer upon the completion of services under the approved Design Assistance Remuneration Agreement and upon submission of detailed invoices to substantiate services rendered. If the applicant chooses to engage the professional services of the architect above and beyond the scope of services of the design assistance project, the applicant/client shall be solely responsible to render compensation for such additional services. The DDA shall be held harmless for any disputes which may arise under any contracts between the applicant and architect.

4) FAÇADE RENOVATION ASSISTANCE PROGRAM

This program is designed to provide greater funding to encourage more extensive building restoration and historic preservation projects. Based on available funding, this assistance program will be offered annually and will be considered on a competitive basis under criteria outlined further in this section. Applicants for this funding must commit to making capital improvements or repairs on items that have a useful life of at least 10 years.

ELIGIBLE COSTS FOR FAÇADE RENOVATION ASSISTANCE (Exterior Improvements Only)

1. Repairs or replacement of windows, doors, walls or other appropriate architectural elements
2. Exterior painting (only in conjunction with other major improvements; painting is not to exceed 50% of total project cost)*
3. Awnings
4. Exterior lighting
5. Masonry repair or cleaning
6. Restoration of vintage elements
 - Removal of inappropriate “modern” façade treatments
 - Removal/replacement of inappropriate signs and/or lighting (new signs/lights must be compatible with existing architecture)
 - Repair or restoration of original brick, woodwork or metalwork
7. Materials and labor for work performed in association with above mentioned improvements

INELIGIBLE COSTS FOR FAÇADE RENOVATION ASSISTANCE

1. Expenses incurred prior to approval of site plan by the Façade Committee, HDC, DDA, City Council or any other applicable board
2. Property acquisition
3. Mortgage or land contract financing
4. Loan fees
5. Site plan, building permit fees
6. New construction
7. Consultant fees including architectural, engineering, appraiser, attorney, design or decorator fees
8. Furnishings, trade fixtures, display cases, counters or other items taxed as personal property
9. Reusable or removable items
10. Any portion of expenses for which applicant pays contractor in merchandise or in-kind

services

PROJECT PRIORITIES FOR THE FAÇADE RENOVATION ASSISTANCE PROGRAM

The following characteristics will be utilized to determine priority in the appropriation of project funds to the applications received. This is not an all-inclusive or exclusive list. Instead, this list will be utilized for guidance in the selection process:

- Highly visible projects
- Projects identified on corner lots
- Projects containing a high ratio of private to public dollars
- Projects designed to remove/replace boarded windows
- Projects designed to resolve deteriorated/inappropriate/unsightly conditions that have existed for many years (boarded windows, deteriorated electrical fixtures, etc.)
- Projects which enhance pedestrian movement from the rear to the front of buildings
- Projects designed to restore the historic condition of building façade or posterior (see eligible cost, No. 6)
- Projects which will complete the improvement of a block or portion of a block (ie replacement of an inappropriate façade)
- Projects in which the building is owner occupied

FAÇADE RENOVATION ASSISTANCE AWARD

Façade renovation assistance will be awarded on a one-to-one matching basis between the applicant and the Allegan DDA (ie for every dollar expended on eligible costs by the applicant the DDA will match this with a dollar of assistance).

The minimum total project amount will be considered for assistance is \$1,000 (ie the minimum assistance provided will be \$500).

The maximum allowable amount of assistance will be based upon the following formula:

Number of linear feet of façade frontage at the right of way X number of stories facing public right of way X \$100 = MAXIMUM AMOUNT OF ASSISTANCE

For example, a two-story building facing a local street with a basement level on the rear of the building facing a city parking lot that will be renovating every story of the building front and back with 50 feet of right of way frontage at the front and back of the building would be able to receive a maximum amount of:

50 feet X \$100 X 5 stories facing right of way = \$25,000 (if property owner matches with \$25,000)

The maximum possible amount of assistance for any project will be \$50,000 (ie a property owner must contribute at least \$50,000 of assistance under the program).

Recipients of the Façade Renovation Grant Assistance may not be eligible for additional façade funding within 10 years of the renovation grant award, contingent upon available façade funding and applicability to

all guiding façade program principles.

*NOTE: Applicants may also apply for additional funding under the Paint the Town guidelines for exterior portions of the building that abut the public right of way which will not be funded under the Façade Renovation Assistance. Application seeking such additional funding will only be considered on the remaining availability of funding and the level of interest from other applicants.

PROCESSING OF ASSISTANCE REQUESTS FOR FAÇADE RENOVATION

- A façade improvement application may be obtained from the City of Allegan.
- The application is completed by the property owners or tenant of the building with owner's consent and returned to the City Clerk's office where it will be reviewed for accuracy and compliance and logged into the records of the DDA.
- The application is reviewed by City staff to verify that it is located in the DDA district. Staff will provide a preliminary review outlining how well the project meets the program objectives.
- If the application meets program objectives, the applicant will be notified that his/her project has been accepted for consideration.
- The applicant must submit a detailed plan illustrating proposed improvements.
- In addition to the site plan, a detailed break out of all costs, including signed estimates from two qualified contractors will be submitted by the applicant (a project budget illustrating both private and public expenditures).
- Once a plan is submitted, it will be taken before the DDA Design Committee, DDA and City Council for review.
- If approved, then project construction may commence upon written notification by the City. If the plan is inconsistent with program goals, it will be returned with a request for modifications.

POST-APPROVAL PROCEDURES FOR FAÇADE RENOVATION ASSISTANCE

- The DDA Design Committee, prior to construction/installation, must approve any changes to the scope of work.
- All approved changes in work verification shall be attached to the original site plan in the form of an addendum and dated.
- City staff may conduct periodic inspections to ensure compliance with the site plan and adopted eligible activities.
- Project completion must occur within 120 days of approval. Only under extenuating circumstances, a single extension of time to complete the project can be requested in writing and may be awarded by the DDA Design Committee.
- Upon completion of project improvement, the grant recipient is to provide photographs of the new façade to the DDA Design Committee to ensure that all components of the site plan are met.
- After final project inspection, the DDA Design Committee, DDA and City Council will each review the complete application and consider the approval of the grant reimbursement.
- Façade Renovation Assistance funds will be paid as a reimbursement to the grant recipient(s) at the close of the project upon receipt of proof of payment. Reimbursements will not be made if any recipient(s) grant requirements go unfulfilled. Applicants shall anticipate a minimum of 45 day reimbursement process after proof of payment is submitted to the City of Allegan.

APPLICATION REQUIREMENTS FOR FAÇADE RENOVATION ASSISTANCE

- a. Two (2) contractor quotes construction bids for total project.
- b. A signed Downtown Façade Improvement Program Lease Agreement for the premises to be renovated.
- c. A property deed with the legal description of property.
- d. Proof that all property taxes are paid and current.
- e. Proof of property and liability insurance, with the City of Allegan DDA names as an additional insured on the applicant's property and liability insurance policy for the life of the lease.
- f. If tenant is applying, please provide a letter from the owner expressing approval of the project proposal.
- g. **The applicant is responsible for compliance of all local, State and Federal laws. This includes, but is not limited to, lead and asbestos removal. The City of Allegan and the Downtown Development Authority shall not be held responsible for violations.**

PROJECT REVIEW AND SELECTION PROCESS (All Four Programs):

DDA Design Committee members and City staff will work closely with property owners and tenants to determine initial eligibility under program guidelines. Once the initial scope of work has been determined, staff will present the project to the DDA Design Committee. This committee will meet as needed to provide input, make suggestions to the scope of work and approve or deny individual projects.

EXCEPTIONS:

The City of Allegan and the Downtown Development Authority utilize this document as a guideline for the basis of making decisions. However, because of the nature of the program, the historic nature of the buildings and downtown, and the periodic changes in focus in downtown development, exceptions may be made. The City of Allegan and the Downtown Development Authority reserve the right to approve all applications, and interpret the guidelines in the best interest of the Downtown, at the sole discretion of the City of Allegan and the Downtown Development Authority.

RIGHTS RESERVED:

The City of Allegan and the DDA reserve the right to reject any and all applications. The specific program guidelines detailed herein are subject to revision or amendment by the DDA. The City of Allegan and the DDA may discontinue this program at any time, subject to availability of program funding.