



## FACADE IMPROVEMENT PROGRAM

### Program Guidelines

Adopted by City Council: July 6, 2021

Last Revised: February 21, 2023

#### **PROGRAM PURPOSE:**

The City of Minot (hereinafter "City") is undertaking a Façade Improvement Program (hereinafter "Program") to provide public funds as an incentive to encourage private investment for exterior façade improvements to properties located in the City's Central Business District zoning district. The Program is intended to encourage property owners in downtown to initiate transformational building projects; this Program is not intended to fund general building maintenance.

Specific information regarding properties included in the Central Business District is available on the City's website (<https://city-of-minot-open-data-minotnd.hub.arcgis.com/>) and in the Community Development Department.

#### **PROGRAM GOALS:**

The goals of the Program include:

- Promote private redevelopment and investment in downtown properties (exterior and interior);
- Inspire local commercial development to address market failures;
- Encourage beautification in Minot, generally, and in the Central Business District, specifically;
- Revitalize downtown as a unique cultural and retail hub of Minot;
- Support aesthetic improvements to the Central Business District;
- Increase community support for downtown;
- Reduce vacancies in the downtown;
- Provide a unique experience that draws visitors and residents, and supports other economic development efforts; and
- Improve conditions for the renovation of upper stories for residential and/or commercial uses.

#### **PROGRAM ELIGIBILITY:**

Minimum requirements exist for Program eligibility, as follows:

- Applicant must own the property to be improved;
- Property to be improved must be located in the Central Business District;
- Applicant must be willing to fully comply with the requirements of the Program, including, among other things, a renovation to the property's facade that visually improves the exterior aesthetic of the building and returns the building to its original design, the mandatory financial commitment, compliance with all zoning and building code requirements with regard to the façade improvements, and willingness to allow the City to walk through the entire building to evaluate and recommend potential renovations that would promote additional commercial and residential activities in the downtown;

- Property to be improved must have no outstanding nuisance, dangerous building, public health, or building/zoning code violations; and
- Payment on all property taxes and/or special assessments relating to property to be improved must be current.

### **ELIGIBLE IMPROVEMENTS:**

For purposes of this Program, a facade is generally considered to be the vertical face or faces of a building, along the street and sidewalk frontage. This assures visible impact. Where the owner already has a period-appropriate façade or undertakes all improvements to complete a full façade renewal, the program will consider another building face that the city judges to have a strong visible impact from the street provided that these conditions are properly assured in writing.

In order to qualify for funding under this Program, an applicant must submit a design and construction plan that represents a return to the original design of the facade, or reflects a similar style to the original design (hereinafter referred to as “true-to-period design”). Applicants are encouraged to review the Program Design Standards, which are located on the City’s website (<https://www.minotnd.org/680/Economic-Development>) and in the Community Development Department.

Complete façade renovations or replacements are required; partial improvements to facades are not eligible for funding under this Program. Funding under this Program is only available one time per eligible facade.

#### ***Eligible Reimbursements***

The following list contains improvements that would be considered a component of façade improvements eligible for funding under this Program, so long as the improvements are completed to the exterior of the building, comply with all applicable state and local building codes, and restore the building’s original aesthetic:

1. Window repairs and window replacements (“like for like” appearance requires sign-off by the department). Doors in windows are generally to be treated as windows.
2. Historic fenestration of the building shall be respected (install the right window for the opening);
3. Display windows;
4. Doors (secure, “like for like” wherever possible);
5. Ornamentation (corbels, cornices, mouldings, etc.);
6. Masonry replacement and repair including but not limited to repointing, tuckpointing, stucco, brick, block, ceramic, and tile;
7. Americans with Disability Act (ADA) accessibility (ramps, lifts, powered doors, etc.);
8. Awnings (retractable/roll out and fixed) that mirror window and door openings and marquees;
9. Permanent sign lighting (not located within sign) such as gooseneck lighting;
10. Painting, caulking, and surface preparation of renovated or replaced facade;
11. Restoration and recreation of ghost signs (an old hand-painted advertising sign preserved on a building, often for a business, product, or service that no longer exists);
12. Sealing of stone and brick;

13. Façade lighting;
14. Concealed electrical wiring directly associated with other uses herein;
15. Accommodation for seasonal/holiday LED lighting;
16. Demolition of historically inappropriate materials;
17. Fire escapes;
18. Repair and construction of entryways and vestibules;
19. Gutters, scuppers, and downspouts; and
20. Architectural services and design reimbursement or matching of fees paid, however, in no circumstance may those fees exceed 10% of the reimbursable project costs; if an application is approved for funding, architectural services, and design reimbursement may also include fees accrued by the applicant during the application process.

#### ***Ineligible Reimbursements***

The following list contains costs NOT eligible for reimbursement:

1. Destructive sandblasting of masonry;
2. Routine and periodic maintenance of the property;
3. Signs and billboards;
4. Demolition of historically appropriate materials;
5. Vinyl replacement windows;
6. Replacement of windows that don't fill the original opening (fenestration);
7. Opaque, mirrored, or heavily tinted windows (pedestrians should be able to see in);
8. Use of EFIS, plywood, or faux stone;
9. Roofing;
10. New construction except for handicapped accessibility, vestibules, and fire exits;
11. Mechanical and HVAC repairs and improvements;
12. Security systems, including roll-down bars and gates, and alarm systems;
13. Refinancing of existing debt; and
14. Previously completed projects or projects in which construction has been initiated prior to final approval of any application (as determined by the City).

Improvements that are not listed as eligible or ineligible are subject to review by the Renaissance Zone Review Board (hereinafter "Board"). The Board will make a recommendation to the City Council as to whether or not the improvement would be compatible with the overall goals and purpose of the Program.

#### **FUNDING:**

##### ***Availability of Funds***

Submission of an application is not a guarantee of funding from the Program. All applications are subject to the availability of funds in the Program budget. Applications will be reviewed and routed in accordance with the Program until Program funds are depleted. In the event there are partial but insufficient funds for the requested project's completion, the City may approve a loan amount less than requested.

The City, in its sole and exclusive discretion, reserves the right to discontinue funding the program or to cancel the Program at any time, prior to final approval of any application, without notice to applicants, if sufficient funds for the Program are not available or the City Council, in its sole discretion, determines there is a better, more appropriate use for the allocated funds.

#### ***Forgivable Loan***

Funding under this Program for single facades less than 55 feet wide is generally available in a 75/25 (City/Applicant) split for the total project costs, with a maximum City contribution of \$100,000. The City's funding contribution for this type of project under this Program shall not exceed 75% of the total project costs, or \$100,000, whichever is less.

Funding under this Program for properties with corner buildings (two facades) or single facades that are at least 55 feet wide is generally available in a 75/25 (City/Applicant) split for the total project costs, with a maximum City contribution of \$180,000. The City's funding contribution for either of these types of projects under this Program shall not exceed 75% of the total project costs, or \$180,000, whichever is less.

The funding shall be in the form of a ten (10) year, no-interest, forgivable loan. Conditions of loan forgiveness shall include, at a minimum, maintaining the façade for the term of the loan; securing and keeping in force insurance for the replacement value of the structure; complying with daily lighting requirements from dusk to 10:00 PM; and agreeing to maintain occupancy of first floors of structure or, in the event of a vacancy, active marketing to attempt to maintain occupancy of first floors of structures. Failure to comply with the conditions or other requirements of the loan shall result in the applicant repaying all approved loan funds.

The City may require the loan to be secured by real estate mortgages, liens, company and/or personal guarantees, or any other security instrument the City determines is appropriate. At a minimum, personal guarantees from principals will be required.

#### **APPLICATION PROCESS:**

Interested applicants shall submit application materials and a \$500.00 non-refundable application fee to the Economic Development Administrator made payable to the City of Minot.

Application materials are as follows:

1. Complete the application form;
2. Property address and complete legal description;
3. Proof of ownership;
4. Photos of the original façade of the structure and/or original blueprints (when available);
5. Photos of the current façade;
6. Design drawings produced by a licensed architect or drafting professional showing a true-to-period complete façade renovation;
7. Three bids and/or cost estimates (the City will only fund a project using the lowest responsible qualified bidder/quotation);

8. Written verification by a roofing contractor, licensed architect, or licensed engineer that the roof has an estimated lifespan of 10 or more years from the date of application;
9. Proof of the City's completion of an interior walk through of upper floors and basements to determine necessary renovations to allow for occupiable commercial and/or residential uses; and
10. Any additional information the Economic Development Administrator determines is necessary to determine conformance with the Program.

## **REVIEW AND APPROVAL PROCESS:**

### ***Staff Review and Recommendation***

Upon submission of all necessary application materials and the application fee, the Economic Development Administrator will review the application for compliance with the Program, on a first-come, first-served basis, and will forward a recommendation to the Board at their next regularly scheduled meeting.

### ***Renaissance Zone Review Board***

A hearing will be held before the Board on each application. While reviewing and considering the application, the Board can approve in full, modify or add/remove conditions, or deny the application.

If the Board recommends approval of the application, the recommendation shall be sent to the City Council for final review and approval.

If the Board denies the application, the Board must note the reason for denial. The applicant may appeal the Board's decision to the City Council by filing a written notice of appeal, which states the grounds upon which the appeal is based, with the Economic Development Administrator within ten (10) business days of the Board's decision.

The applicant is encouraged to attend the Board meeting where the project will be reviewed and considered, but their attendance is not mandatory.

### ***City Council***

The City Council shall consider all recommendations to approve an application for Program funding from the Board. The City Council has the authority to approve the recommendation, reject the recommendation, or modify or add/remove conditions from the Board's recommendation. The City Council reserves the right to reject any application for any reason.

In the event of an appeal from the Board, the City Council has the authority to affirm the decision, reverse the decision (with modifications to the applicant's original request or added/removed conditions), or refer the application to the Board for further consideration.

The applicant is encouraged to attend the City Council meeting where the project will be reviewed and considered, but their attendance is not mandatory.

## **POST-APPROVAL PROCESS:**

### ***Approval of Agreement***

After approval of the application and prior to initiation of the project, the City and applicant shall enter into an agreement establishing the terms and conditions. City Council approval of an agreement can occur at the same meeting as the approval of the application.

The applicant may only begin work on the project after the final approval of the application and agreement. With the exception of eligible architectural or design fees accrued during the application process, any work performed or materials purchased prior to the approval of the agreement will not be eligible for reimbursement under this Program.

### **Preconstruction/Kickoff Meeting**

Before beginning work, the approved applicant shall schedule an on-site meeting with the contractor and the Economic Development Administrator or their representative.

### **Modifications/Amendments**

In order to speed approval of modifications in design that arise from the judgment of on-site conditions during construction, the economic development administrator shall be able to approve such changes with the sign-off of three Renaissance Zone Review Members including the Chair or Acting Chair and two members approved by the Chair. Final approval for minor changes during construction may be granted by this method where there is no increase in city funds or a significant reduction of the work to be performed. Increases in funding within the project's maximum limit shall be referred to the city council for approval.

Changes in design, without any change in other obligations, will be secured by amending contracts by the addition of changed specifications, subject to the opinion of legal counsel.

### **Completion of Project**

All work shall be completed within one year 180 days of the City Council's approval of the agreement unless a different completion deadline is approved by the City Council and incorporated into the agreement. The Renaissance Zone Review Board City Council, in its reasonable discretion, may allow a single seven-month extension due to inclement weather or difficulty in obtaining building materials. Other extensions will be sent by the Board with a recommendation to the city council. Failure to complete the project within the time required will result in the agreement being terminated and reimbursement funding will not be provided. Legal agreements may acknowledge the limits of the building season and may start the clock effective no later than the following April 1. Actual work may commence prior to that date.

### **City Inspection**

After completion of the project, the applicant shall immediately notify the Economic Development Administrator and schedule a time for an inspection. If the project is deemed complete and in compliance with the approved application, the Economic Development Administrator shall inform the applicant of that, in writing. In the event that the Economic Development Administrator identifies inconsistencies in the approved plans and actual work completed, the Economic Development Administrator shall notify the applicant, in writing, and provide a timeframe for correction of the required work.

### ***Reimbursement Process***

After the Economic Development Administrator verifies the completion of the project in accordance with the approved application, the applicant may submit requests for reimbursement. Prior to the disbursement of any funds, the applicant shall submit invoices, receipts, bank statements, credit card receipts, or other allowable written proof of project costs. After review and written approval by the Economic Development Administrator and the Finance Department, the City shall distribute the eligible reimbursements to the applicant, up to the amount approved by the City Council.

### ***Compliance Monitoring***

Throughout the ten (10) year term of the agreement, the applicant shall allow and the Economic Development Administrator shall complete annual inspections of the facade. The Economic Development Administrator shall also take whatever steps are necessary to verify compliance with any additional conditions of the forgivable loan and any other term of the agreement. The applicant must comply with any requests from the Economic Development Administrator that will aid in conducting compliance checks with the agreement. In the event the applicant fails to meet the requirements of the agreement at any time during the term of the agreement, repayment of the loan funds will be required after a reasonable cure period.

### ***Facade Maintenance***

Throughout the ten (10) year term of the agreement, the applicant shall maintain the facade in a manner that is consistent with the approved application and design and in accordance with any applicable laws or regulations. In the event that the applicant intends to modify the facade for any reason, including for general maintenance, and the modification will produce visible differences in the approved application and design, the modification must be first reviewed and approved, in writing, by the Economic Development Administrator. In addition, the applicant shall maintain the façade in appearance and, in addition to any other negotiated general appearance maintenance requirements, shall agree to remove graffiti within 48 (forty-eight) hours. Failure to maintain the façade as described above will result in the termination of the agreement between the City and the applicant. In the event the City terminates the agreement under this provision, the applicant shall be required to repay the loan funds.

### ***Sale or Transfer of Real Property***

In the event the applicant sells the underlying real property at any time during the ten (10) year term of the agreement, the seller shall either repay the loan funds to the City or assign, with prior written approval from the City Council, all of the obligations to the buyer of the real property. If necessary, the City may also require appropriate security from the new buyer.

### ***Default***

In addition to mandatory conditions described previously which will result in the termination of the agreement and an obligation for the applicant to repay the loan, the City may include additional events of default that will result in the termination of the agreement, depending on the specific project. Those events may include, but are not necessarily limited to, default on other agreements with the City; misrepresentation of fact in a verbal or written statement(s) or false or inaccurate financial information;

and use of the property for illegal activities. Termination of the agreement may also result in the applicant being barred from future participation in the Program.

***Annual Report***

The Economic Development Administrator shall provide the City Council with Program information and individual project information by September 15<sup>th</sup> of each year that the Program has an active project or budget.