

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: Economic Development

AGENDA DATE: September 11, 2007

CONTACT PERSON/PHONE: Kathryn B. Dodson, PhD, Director 541-4670

DISTRICT(S) AFFECTED: 8

SUBJECT:

Discussion and action on a Resolution establishing the City of El Paso's Facade Improvement Program, adopting Program Guidelines, and authorizing the City Manager to execute any and all documents related to the administration and operation of the Program and to the awarding of matching grant funds.

BACKGROUND/DISCUSSION:

In partnership with the Downtown Management District, (DMD), the City of El Paso would like to implement a grant program for downtown businesses that provides up to \$10,000 per façade, in matching funds. This program aims to improve the aesthetic appearance of properties in the downtown area. To be eligible, buildings must be located in the downtown Historic District, in the downtown Tax Increment Reinvestment Zone or in the Downtown Management District. The grants are available to building owners or tenants who have the consent of the building owner. Property taxes for the building must be current and there must be no code enforcement actions pending against the property to be eligible for the grant. Façade improvement must adhere to the design guidelines in the 2015 Plan or Historic design guidelines, and must be approved by a review committee. The City of El Paso and the Downtown Management District have each designated \$50,000 towards the program. Each grant will fund up to half of the façade improvement cost or a maximum of \$10,000.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

Yes, previous contract for a facade program with DMD was in place in 2003.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

Funded jointly by the City and the DMD with \$50,000 each. City funds have been budgeted in the Economic Development Department 720150035/15462/PED00002

BOARD/COMMISSION ACTION:

Enter appropriate comments or N/A.

*****REQUIRED AUTHORIZATION*****

LEGAL: (if required)  **FINANCE:** (if required) _____

DEPARTMENT HEAD: 

(Example: If RCA is initiated by Purchasing, client department should sign also). *Information copy to appropriate Deputy City Manager*

APPROVED FOR AGENDA:

CITY MANAGER: _____ **DATE:** _____

RESOLUTION

WHEREAS, on October 31, 2006, the City Council of the City of El Paso ("the Council") passed and approved Ordinance No. 016487, incorporating the Downtown 2015 Plan ("the Plan") into the City's comprehensive plan entitled *The Plan for El Paso* and directing the City Manager to prepare an Implementation Strategy for execution of the Plan, with particular focus to phasing, implementation tools, and financing mechanisms to be utilized to carry out the intent of the Plan; and

WHEREAS, the Plan envisioned that the Implementation Strategy would include a package of incentives and policies that will encourage economic growth and renewed investment and improvement in the whole of downtown; and

WHEREAS, the City desires to implement a Downtown Facade Improvement Program ("the Program"), as one of several incentive programs that are part of the Implementation Strategy for the Plan; and

WHEREAS, the Program purpose is to provide matching grants to existing downtown businesses and/or property owners to cure deteriorated conditions and encourage improvement and rehabilitation of their properties in the Plan area; and

WHEREAS, in 2003, the Downtown Management District (DMD) developed and administered a similar facade improvement program in partnership with the City and has agreed to provide technical assistance and a financial contribution to the City's Program; and

WHEREAS, the Council finds that the Program would be in the public interest and serves an important public purpose in that assisting to cure deteriorated conditions, increasing economic development, and making Downtown El Paso attractive and serviceable to all is a public benefit to the citizens of El Paso.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

- I. THAT the City of El Paso's Facade Improvement Program is hereby established; and
- II. THAT the City of El Paso's Facade Improvement Program Guidelines, which are attached hereto as **Exhibit "A"**, are hereby adopted; and
- III. THAT the City Manager is hereby be authorized to execute any and all documents related to the administration and operation of the City of El Paso's Facade Improvement Program and to the awarding of matching grant funds.

ADOPTED this _____ day of _____, 2007.

(Signatures on Following Page)

THE CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

Richarda Duffy Momsen
Municipal Clerk

APPROVED AS TO FORM:



Marie A. Taylor
Assistant City Attorney

APPROVED AS TO CONTENT:



Kathryn Dodson, Director
Economic Development Department



Facade Improvement Program Guidelines

Administered by:

**The City of El Paso
in partnership with the Downtown Management District**

September 2007

Summary

The purpose of the Facade Improvement Program is to provide grant funding to existing business and/or property owners to encourage renovation and rehabilitation of the exterior of buildings in the downtown area. Funding for the program is provided by the Downtown Management District (DMD) (\$50,000) and the City of El Paso (\$50,000). Funds from the DMD shall not be used in areas that are outside the DMD boundaries.

This program aims to improve the aesthetics within the Downtown Study Area as attractive building facades positively impact the marketability and perception of the area. Thus, the Facade Improvement Program consists of a one-dollar to one-dollar match of up to \$10,000.00 for approved improvements. Initial funding consists of \$100,000.00 to be used directly for the reimbursable grants. Grants will be awarded for facade improvements that restore, rehabilitate, enhance or beautify a structure.

Eligible improvements include:

- Signs (new, repairs, replacement, removal)
- Grate and grate box removal or conversion of solid grates to an open mesh style
- Awnings
- Lighting
- Paint
- Removal/replacement of inappropriate or incompatible exterior finishes or materials
- Recessing/reconfiguring entrances
- Removal of extraneous elements
- Door/window replacement or repair
- Exterior cleaning
- Historical architectural elements

Design and permit fees associated with the renovation are also eligible project costs.

The program will be administered by the City of El Paso. An application form is to be submitted with a description of the work to be completed. Applications will be reviewed by a Review Committee consisting staff from relevant City Departments and the Downtown Management District.

For more information contact:

Verónica Rosales, Redevelopment Manager

City of El Paso Economic Development Department

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Phone: (915) 541-4810 or via e-mail at Rosalesv@elpasotexas.gov.

Facade Improvement Program

Program Description

The purpose of the program is to provide funding to existing business and/or property owners to make improvements to the exterior of buildings in the downtown study area identified in the Downtown 2015 Plan and in those areas within the Downtown Management District (DMD) boundary that are not within the Downtown 2015 Plan. The program will provide matching grants for exterior renovation and/or rehabilitation of properties within the eligible area on a reimbursement basis only. Funding for the program is provided by the Downtown Management District (DMD) (\$50,000) and the City of El Paso (\$50,000) for a total initial funding of \$100,000 to be used directly for grants. Funds contributed to the Program by the DMD shall not be used to fund grants in areas that are outside the DMD boundaries.

Program Goals

- 1) Revitalize and improve the appearance of downtown buildings to positively impact the aesthetics, marketability, and perception of the downtown area
- 2) Serve as a catalyst for continued private sector investment through visible improvements
- 3) Offer the private sector an incentive program to invest in downtown buildings

Eligible Applicants

This program aims to improve the aesthetic appearance of properties within the downtown area. Property owners and tenant/business owners of properties located within either the Downtown Management District boundary or the Downtown 2015 Plan are eligible to participate in the program (see Exhibits "A" and "B"). Business owners/tenants must have been at the location for at least one year and have the property owner's express consent for the proposed improvements. To participate in the Program, Applicants must complete and submit the Program application form provided by the Economic Development Department along with the required attachments. Retroactive applications for improvement work that has already been completed will not be accepted. Property taxes must be current, and participants must represent that to the best of their knowledge they have no debts in arrears to the City when a commitment letter is issued. Further, the Applicant must certify that there are no current code enforcement actions pending against the property that would not be mitigated by the project.

Eligible Costs

The Facade Improvement Program is a matching grant program, which means that matching funds must be matched dollar for dollar (1:1 ratio) by the Applicant for qualified expenditures. The maximum grant amount under the Program is \$10,000.00 for approved improvements per project. Grant funds are disbursed on a reimbursement basis only. Labor, design, and material costs are eligible costs. Further, permit fees associated with the proposed renovation/rehabilitation and fees for architectural design and engineering for the project are eligible program costs. In-kind, donated, "sweat equity" or similar no cost to the Applicant improvements, services, or materials will not be matched and are ineligible costs under the Program. Costs incurred for alternations or improvements completed prior to receipt of formal written approval by the Program's Review Committee and issuance of the "Notice to Proceed with Improvements" are not eligible for reimbursement.

Eligible Improvements

Subject to application approval and funding availability, grants will be awarded for facade improvements that restore, rehabilitate, enhance or beautify a structure.

Eligible improvements include:

- Signs (new, repairs, replacement, removal)
- Grate and grate box removal or conversion of solid grates to an open mesh style
- Awnings
- Lighting
- Paint
- Removal/replacement of inappropriate or incompatible exterior finishes or materials
- Recessing/reconfiguring entrances
- Removal of extraneous elements
- Door/window replacement or repair
- Exterior cleaning
- Historical architectural elements

Design Requirements

Applicants are encouraged to promote historic preservation, energy efficiency, and accessibility standards in designing improvements, to the extent that they are financially feasible or required by law. All improvements must conform to applicable city building codes, zoning ordinances, local, state, and laws and to the design guidelines adopted for the area and approved by the Review Committee for the Program. Facade improvements to properties within the designated Downtown Historic District must be completed in accordance with Historic District Guidelines and Applicants must obtain any requisite certifications or other approvals of the City's Administrative Review Process and/or Historical Landmark Commission. All other facade improvements must also be completed in accordance to the design guidelines included in the Downtown 2015 Plan, which is available upon request.

Funding Availability

Funding is limited and grant awards will be subject to funding availability; Project Applicants will prioritized on a first-come, first-serve basis. A commitment letter allocating the project funds for a particular approved project will be issued and a commitment period established so that if funds are not used within that period, program funds can be reallocated for other eligible projects.

Application Process

An application with the following information, at a minimum, is to be submitted for consideration:

- Property address
- Applicant and Property owner name(s), address(es) and signature(s)
- Proof of ownership or if tenant, copy of lease or other property agreement and written consent of Property owner to complete the proposed improvements
- Verification that property taxes on the property are paid and current
- Project Scope description, to include a detailed plan and sketch
- Conceptual or actual building permit plans for the work to be completed
- Hard copy and digital photograph of existing building facade

- Project budget (detailed estimated costs by materials, labor, services and fees)

The required application forms are available at the offices of the City's Economic Development Department and the DMD. Incomplete applications will not be processed and will be returned to the Applicant without consideration.

The Review Committee for the Program will review and approve applications and select grant award recipients on a first-come, first served basis. The Review Committee will be comprised of: Deputy Director for Planning or designee, Deputy Director for Building Permits & Inspection or designee, Historic Preservation Officer or designee, Economic Development Director or designee, and DMD Director or designee. The Economic Development Department will be primary staff for processing applications and for facilitating the Review Committee process. Specifically, Economic Development Department staff will conduct an initial review of the submitted application to determine whether the application is complete and will meet with Applicants as necessary. Applicants may be invited to present their applications before the Review Committee.

The Review Committee will evaluate applications based on the following Review Criteria and Funding Priorities:

- Preference is given to commercial buildings with operating businesses.
- Substantial visible improvement to the appearance of the building, as determined by the Review Committee
- Projects that have significant architectural and/or historical elements must preserve or restore these elements to be eligible for funding through this program.

Applicants will be notified in writing as to whether his/her application has been rejected or approved by the Review Committee via a commitment letter issuance that allocates funds to the project if approved. Upon approval, the Applicant must enter into a reimbursement agreement with the City regarding the terms and conditions of his/her participation in the Program and receipt of the reimbursement grant, to include the following:

1. Project scope, and property location and attachment(s) identifying the specific improvements to be undertaken;
2. Maximum amount of the allowed reimbursement grant;
3. Work commencement date;
4. Submission of building permit(s) and other applicable permits or approvals;
5. Acknowledgment of the reimbursement claim procedure and requisite supporting documentation for reimbursement processing to the City's Financial Services Department (W-9 and vendor forms required);
6. Monitoring and right of final inspection by Economic Development Department or other City personnel;
7. Acknowledgment of change order procedures;
8. Compliance with applicable local, state, and federal laws;
9. Promotional Rights to the City and DMD;
10. Maintenance Requirements and Repayment Penalty for Removal of Improvements within two years; and

11. The City's and the DMD's standard contract terms and provisions (e.g., liability, indemnification, termination, and insurance requirements)

Following execution of the reimbursement agreement and the City's receipt of copies of any required building permits or approvals, the City will issue a "Notice to Proceed with Improvements" that outlines the approved work. The project must begin within 45 consecutive calendar days from the date of the Notice and must be completed within 180 consecutive calendar days, except where the Review Committee has granted in writing the Applicant's written request for an extension stating a reasonable cause for the delay. Applicant may only employ licensed and bonded contractors and subcontractors to perform the proposed improvement work. As appropriate, Economic Development Department staff and/or authorized City personnel will monitor the construction process. The Review Committee must approve in writing any change orders to the proposed improvement work.

Requests for reimbursement will only be processed after the rehabilitation/improvement work is completed and approved following a final field inspection by Economic Development Department staff and/or authorized City personnel in order to verify compliance with the project scope. Further, reimbursement under the Program means that no payment will be issued until the Applicant has paid for the improvement work in full. All expenses must be paid by check. Reimbursement claims must be accompanied by the following supporting documents: proof of payments (e.g., cancelled checks, paid invoices/receipts of eligible expenses), statements from architects, contractors and/or subcontractors acknowledging that all payments have been received, notarized final lien waivers from all contractors and/or subcontractors, if applicable, proof of final government inspections and a hard copy and digital "after" photograph of the facade improvements. Applicant must complete, sign and submit a request for reimbursement in order for disbursement of funds per the City's Financial Services Department guidelines (Forms required include a W-9 and a Vendor Form). Required reimbursement forms will be issued along with the commitment letter. A photocopy of the front and back of all cancelled checks must be submitted for reimbursement along with an invoice marked "paid." All invoices must clearly indicate the work that was performed, the amount of the invoice as well as the corresponding check number(s). All payments are subject to the review and approval of the Economic Development Department or authorized City personnel. Please allow eight weeks for receipt of the reimbursement check.

Maintenance Requirements

By accepting grant funds, the Applicant commits to properly maintain all facade improvements, clean and free of graffiti for a minimum of 2 years at the Applicant's own cost and expense. Any damage to the facade is to be repaired immediately by the Applicant so that the property remains in good condition and positively contributes to the downtown area. Applicant will be strongly encouraged to touch up painted areas and perform any other repairs needed on an ongoing basis and to maintain building appearance including the cleaning of any awnings at least once a year. Applicant also agrees to return a pro-rated amount of the grant money received if the improvement is removed within 3 years.

Promotional Rights

By accepting grant funds, Applicant authorizes the City and DMD to promote the project and property including, but not limited to, displaying a sign at the site during and after construction indicating participation in the Program, and using photographs and descriptions of the project

and property in the City's and DMD's printed promotional materials, press releases, and websites.

Program Partners

The partners for the program are the Downtown Management District (DMD) and the City of El Paso. The City of El Paso will administer the program and coordinate review of projects. Both the El Paso Downtown Management District and the City of El Paso will undertake marketing and outreach.

Exhibit B - Downtown 2015 Plan Boundary

