

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

DEPARTMENT: Economic Development

AGENDA DATE: Public Hearing: December 22, 2009 (Regular)

CONTACT PERSON NAME AND PHONE NUMBER: Kathy Dodson, (915) 541-4670

DISTRICT(S) AFFECTED: 8

SUBJECT:

Discussion and Action on a Resolution that subject to passage of the Ordinance amending the Final Project Plan and Final Reinvestment Zone Financing Plan related hereto, the Program Guidelines for the Tax Increment Reinvestment Zone No. 5 (Downtown) Commercial Façade Improvement Grant Program are revised to enhance project aesthetics, as recommended by the Economic Development Department. (District 8) [Economic Development, Kathy Dodson, (915) 541-4670]

BACKGROUND / DISCUSSION:

The Tax Increment Reinvestment Zone No. 5 Commercial Façade Improvement Grant Program Guidelines and Reinvestment Zone funding of \$32,000 was adopted by City Council on April 7, 2009. This resolution adopts the revised program guidelines with changes to the design requirements as recommended by the Reinvestment Zone Board. Funding is to increase by \$25,000 to fund additional grants as the original funding has been allocated. The additional funds can be used for program applications in 2010. Five projects were funded with the original Reinvestment Zone funding allocation of \$32,000 in 2009.

PRIOR COUNCIL ACTION:

The original Tax Increment Reinvestment Zone No. 5 Commercial Façade Improvement Grant Program Guidelines were adopted by City Council on April 7, 2009.

AMOUNT AND SOURCE OF FUNDING:

Item will be funded from existing TIRZ Fund Account No. 502215 / 07412 / 72153041 / 72300 (TIRZ No. 5 Fund). Project No. 1 funding to be amended to add \$25,000 to previously funded \$32,000 to bring the total for this project to \$57,000

BOARD / COMMISSION ACTION:

Tax Increment Reinvestment Zone No. 5 Board unanimously approved on November 12, 2009.

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

DEPARTMENT HEAD:



(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

Information copy to appropriate Deputy City Manager

RESOLUTION

WHEREAS, by Ordinance No. 017081, adopted March 10, 2009, El Paso City Council adopted as the final Project Plan and Reinvestment Zone Financing Plan for the Tax Increment Reinvestment Zone Number Five, City of El Paso, Texas (the "Zone") in accordance with the Tax Increment Financing Act (the "Act") for the purposes of development within the Redevelopment Districts in the Downtown 2015 Plan; and

WHEREAS, on April 7, 2009, by Ordinance No. 017102, City Council adopted an amendment to the Final Project Plan and Final Reinvestment Zone Financing Plan to include approved projects eligible for tax increment finance funds under the plans, including Project No. 1: Commercial Façade Improvement Grant Program, following adoption of the amendment by the Board of Directors of the Zone (the "Board"); and

WHEREAS, on November 12, 2009, the Board adopted an amendment to the Final Project Plan and Final Reinvestment Zone Financing Plan to include additional funding in the amount of \$25,000 for additional eligible project costs for Project No. 1: Commercial Façade Improvement Grant Program and recommended revisions to the Program design requirements in order to enhance project aesthetics; and

WHEREAS, subject to City Council approval of the amendment to the final Project Plan and final Reinvestment Zone Financing Plan and passage of an Ordinance related thereto, the City desires to revise the Program Guidelines of the Commercial Façade Improvement Program for the Zone, as recommended by the Economic Development Department.

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

That the Program Guidelines for the Tax Increment Reinvestment Zone No. 5 (Downtown) Commercial Façade Improvement Grant Program, attached as **Exhibit "A"**, are revised as recommended by the Economic Development Department, subject to passage of the Ordinance amending the Final Project Plan and Final Reinvestment Zone Financing Plan for the Zone related hereto.

ADOPTED this ____ day of _____, 2009.

THE CITY OF EL PASO

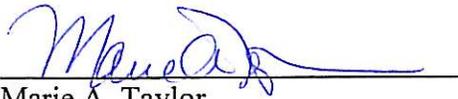
John F. Cook
Mayor

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

ATTEST:

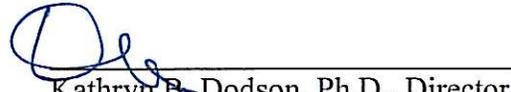
Richarda Duffy Momsen
Municipal Clerk

APPROVED AS TO FORM:



Marie A. Taylor
Assistant City Attorney

APPROVED AS TO CONTENT:



Kathryn B. Dodson, Ph.D., Director
Economic Development Department



Commercial Façade Improvement Grant Program Guidelines

Tax Increment Reinvestment Zone No. Five (Downtown)

The City of El Paso

April 2009

Amended December 2009

Summary

The purpose of the Commercial Façade Improvement Grant Program is to provide matching grant funding to existing business and/or property owners to encourage renovation, restoration, preservation, and rehabilitation of the exterior of buildings in the Tax Increment Reinvestment Zone No. 5, City of El Paso, Texas (the "Zone"). Funding for the program is provided through the use of limited funds from the Tax Increment Revenue Fund for the Zone. The initial funding authorization consists of \$32,000.00 to be used directly for the reimbursement grants. The initial program funding shall be limited to façade improvements to business properties located in the original boundaries of the Zone, as identified in Exhibit A.

This Program aims to improve the aesthetics within the Zone, as attractive building façades will positively impact the marketability and perception of the area. The Program consists of a one-dollar to one-dollar match of up to \$10,000.00 for approved improvements. Reimbursement grants will be awarded for façade improvements that restore, preserve, rehabilitate, enhance or beautify a structure in accordance with program requirements. Removal and replacement of inappropriate or incompatible exterior finishes or materials and restoration of distinctive architectural details of existing buildings are priority projects for funding. Projects that do not incorporate these elements will not be considered.

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's Economic Development Department. 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 El Paso Downtown Management District (DMD).

For more information contact:

Verónica R. Soto, AICP, Redevelopment Manager
City of El Paso Economic Development Department
2 Civic Center Plaza • El Paso, TX 79901
Phone: (915) 541-4810 or via e-mail at SotoV@elpasotexas.gov

Commercial Façade Improvement Grant Program

Tax Increment Reinvestment Zone No. 5 (Downtown)

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 Zone. The Program will provide matching grants for exterior renovation, restoration, preservation, and/or rehabilitation of commercial properties within the eligible area on a reimbursement basis only.

Program Goals

- 1) Revitalize and improve the appearance of downtown buildings to positively impact the aesthetics, marketability, and perception of the Zone
- 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
- 4) Restore distinctive architectural details of existing buildings by removing inappropriate or incompatible finishes.

Eligible Applicants

This Program aims to improve the aesthetic appearance of commercial properties within the Zone. The initial funding allocation for this Program consists of \$32,000.00 to fund reimbursement grants for façade improvements to business properties located in the original boundaries of the Zone, as identified in Exhibit A. If additional funds are allocated for this Program, property owners and tenant/business owners of properties located within any part of the current Zone boundaries, as identified in Exhibit B will be eligible to participate in the Program. 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 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 façade improvements that restore, preserve, 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. Façade 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. In addition, the following paint and color palette guidelines apply.

Paint and Color Palette Guidelines:

An appropriate color scheme on a building façade accentuates its architectural details and enhances the character of the historic elements of the facade. The details of exterior walls, window and door openings, trim, scale and texture of exterior materials can be enhanced or obscured by appropriate and inappropriate paint colors selected for a building. To this end, Façade Improvements shall select and locate colors that are appropriate to the style, period and type of building; colors selected shall contribute to restoring the historic character of the building by reflecting the historical age, period and style of a building, accentuating architectural features of the design and representing the current owner's taste and contribute to the overall positive appearance of the façade in the area.

Original stone or masonry surfaces should be maintained and not be painted, unless severe deterioration of the brick or stone can be shown to require painting and other consolidation or stabilization methods cannot be shown to be appropriate. If masonry was previously painted, it is often not appropriate or possible to remove paint, appropriate repainting can be considered.

Brick color should be selected from the historic architectural style of the buildings found in the El Paso Downtown Plan area and specifically the Downtown Historic District.

Selection and location of paint colors based on research of historic finishes is encouraged. Paint colors should be complementary to each other and used to accentuate a building's significant features. Paint colors should pull together all building elements, including the cornice, upper façade, windows, storefront, and doors. Storefront colors were traditionally chosen in a contrasting shade lighter or darker than the primary building color. If more than 10% of the painted storefront requires painting, then building colors should be selected from an appropriate color palette. Limit trim paints to three compatible shades chosen from the appropriate color palette. Commercial buildings typically had their body color defined by the material the building was constructed of (i.e. brick) while a trim color was utilized for defining windows, doors and other architectural elements. Body and trim colors should not be similar in hue or tone intensity (i.e. 2 shades of colors that are closely related like green and red or 2 dark or light shades of color that are similar in darkness or lightness). A third color, commonly called an accent color, was quite often utilized to highlight a particular feature of a building facade.

Additional considerations for Color Palettes:

The following paint manufacturer's preservation color palettes for Historic Landmarks and buildings within Historic Districts have been approved in Texas communities:

- Sherwin Williams - Preservation Palette
- Pittsburgh Paints - Historic Paints
- Do It Best Paints - American Historical Restoration Colors (Exteriors only)
- Valspar - American Tradition Historic Colors (Lights only/Light Features)

Applicant should provide a color palette consisting of at least three palettes for consideration and approval by the committee.

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 and only projects that restore significant architectural details and remove incompatible or inappropriate finishes will be considered. 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. 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. 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 do not restore architectural details of facades with significant architectural elements will not be considered.** Projects must maintain or restore architectural details of facades, especially those with historically significant architectural elements.

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;

10. Maintenance Requirements and Repayment Penalty for Removal of Improvements within two years; and
11. The City'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. 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 3 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 Zone. 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 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 printed promotional materials, press releases, and websites.

Exhibit A – Tax Increment Reinvestment Zone Boundary

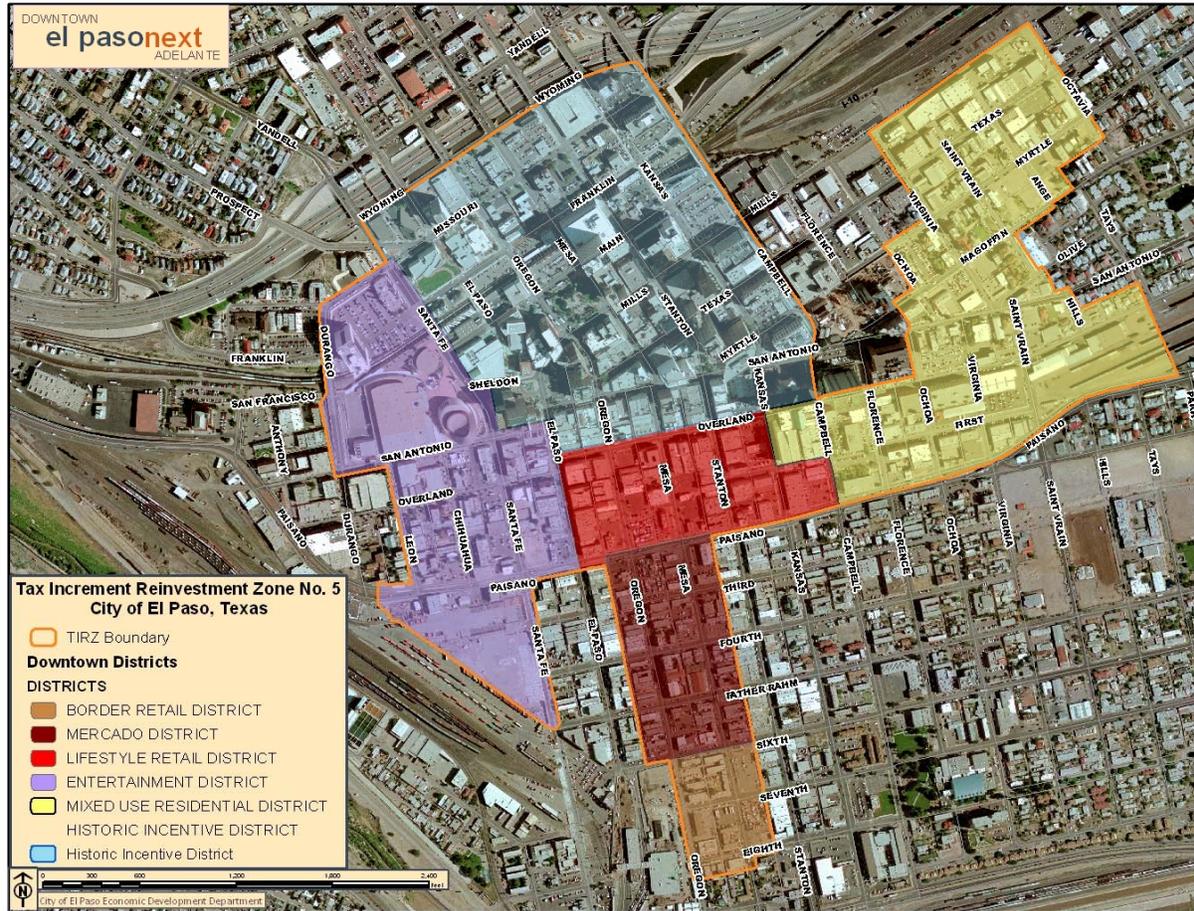
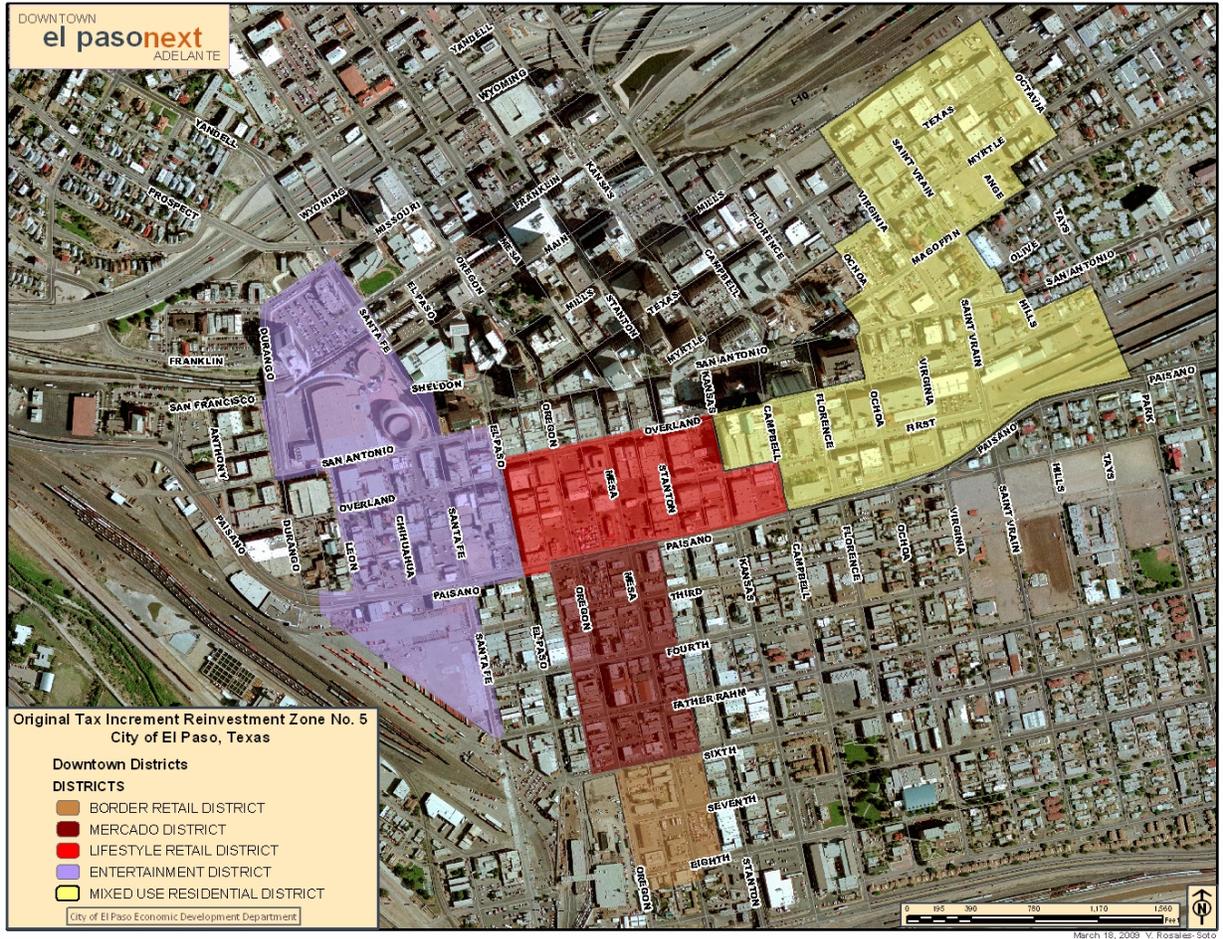


Exhibit B - Original TIRZ No. 5 Boundary





City of El Paso

Façade Improvement Program Overview

November 2009



Overview

2007: Initial Funding of \$100,000 in April 2007 for a grant program for tenants or property owners within the Downtown Plan area and/or the Downtown Management District (DMD) area. Funding from City and DMD.

2008: Reinvestment Zone Board recommends and Council approves funding \$32,000 from TIRZ Fund in February 2008 for TIRZ Commercial Façade Program. Eligibility limited to TIRZ boundaries only. (First use of TIRZ funds for program)

2009: Reinvestment Zone Board recommends increasing funding by \$25,000 from TIRZ Fund on November 2009 for TIRZ Commercial Façade Program and changing the design requirements.



2007-08 Facade Grant Program Funding from City and DMD

- Applications received: 13
- Applications approved 12
- Average grant amount: \$6,940

2008-09 TIRZ Commercial Facade Grant Program

- Applications received: 14 (seven applications outside TIRZ)
- Applications approved: 5
- Average grant amount: \$6,965



Changes to Design Guidelines

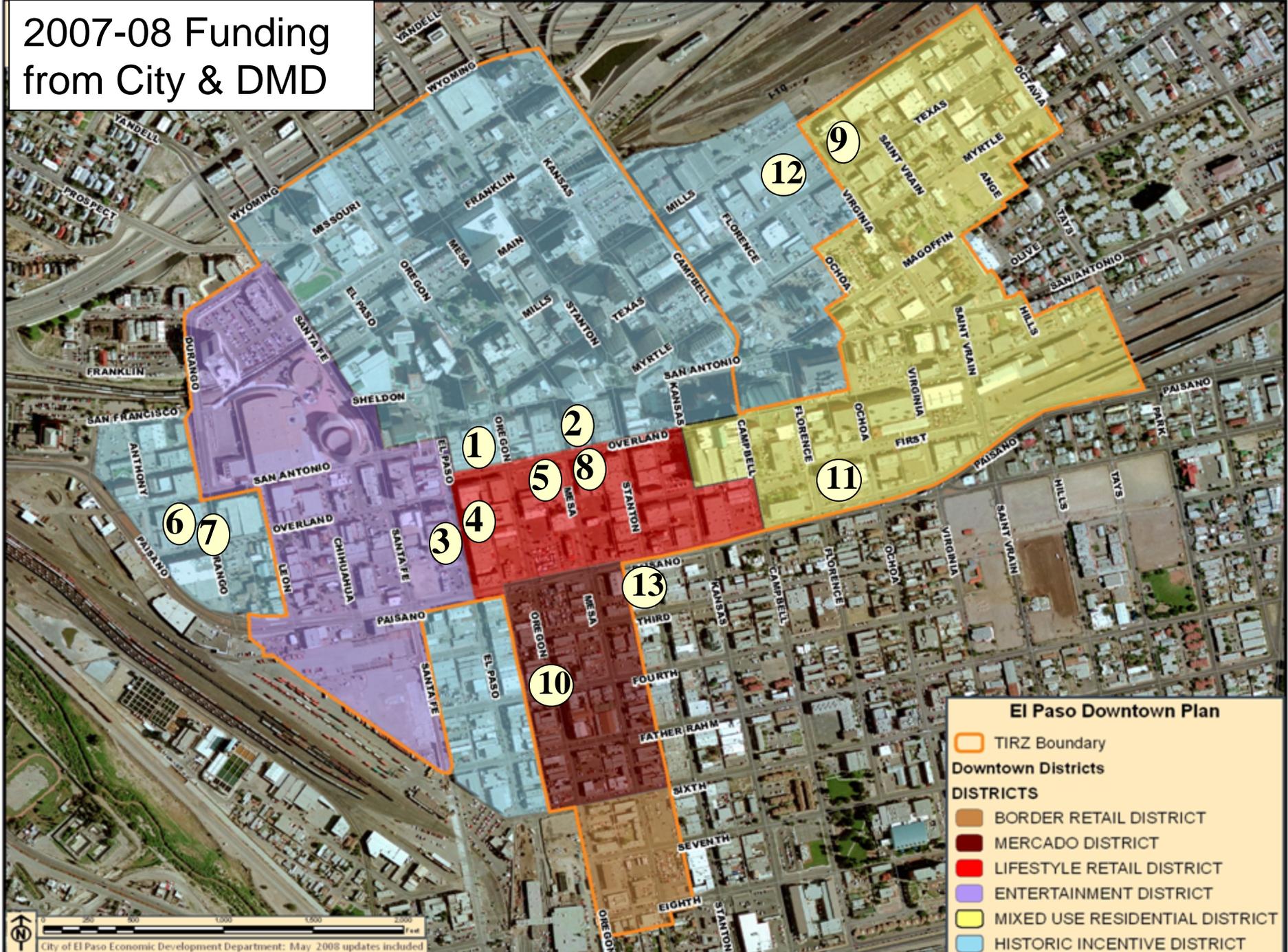
Fourth Program Goal added:

- Restore distinctive architectural details of existing buildings by removing inappropriate or incompatible finishes.

Added Paint and Color Palette Guidelines to:

- Have appropriate color scheme on a building façade
- Have original stone or masonry surfaces be maintained and not be painted unless severe deterioration of the brick or stone can be shown to require painting and other methods are not appropriate
- Encourage selection and location of paint colors based on research of historic finishes

2007-08 Funding from City & DMD



El Paso Downtown Plan

- TIRZ Boundary
- Downtown Districts**
- DISTRICTS**
- BORDER RETAIL DISTRICT
- MERCADO DISTRICT
- LIFESTYLE RETAIL DISTRICT
- ENTERTAINMENT DISTRICT
- MIXED USE RESIDENTIAL DISTRICT
- HISTORIC INCENTIVE DISTRICT



2007-2008

Before



After



106 E. San Antonio



2007-2008

Before



After

315 S. El Paso





2008-2009 – TIRZ FUNDING



Approved Project:
Pending Work Completion

912 Texas Ave



PROPOSED ELEVATION

SCALE: 1/8"=1'-0"



2008-2009 – TIRZ FUNDING



Approved Project:
Pending Work Completion



216 W. Overland