

City of Washburn

Downtown Building Facade Renovation Loan Program Policy Guidelines

- I. **PURPOSE:** The City’s intent in establishing this loan fund is to encourage downtown business owners to undertake business facade improvements. Physical improvements to structures downtown will assist in spurring economic vitality downtown. By improving the exteriors of commercial buildings downtown, the City will enhance the appearance of the downtown and the community as a whole overall. The resulting effect will be the attraction of new businesses to downtown and to the community as well as the retention and expansion of existing businesses.
- II. **OBJECTIVES:** The Building Facade Renovation Loan Program has the following objectives.
- A. To renovate or rehabilitate commercial properties so as to prevent or eliminate deteriorating conditions.
 - B. To attract and retain businesses downtown.
 - C. To retain jobs and bring additional employment opportunities to the City.
 - D. To make use of funds the City has set aside for the enhancement of the City’s downtown, which is deemed an asset of the City.
 - E. To spur activity which will provide return to the City by way of physical improvements accomplished which may not otherwise have occurred.
- III. **PROJECT & APPLICANT ELIGIBILITY:**
- A. General and Designated Area:
The Façade Renovation Loan Program only applies to the exterior facades, signs and architectural features for properties on Bayfield Street between 8th Avenue West and 1st Avenue East that are 50 percent or more commercial and only to those exterior facades, signs and architectural features of such buildings that are visible from Bayfield Street.
 - B. Minimum Requirements:
 - 1. Projects shall occur within the established designated area.
 - 2. Projects must commence within six (6) months of approval and shall be completed within one (1) year of the grant approval date. In rare cases, likely due to extenuating circumstances, the WDA may allow completion extensions upon request of the applicant. The WDA reserves the right to eliminate project funding if not completed within the specified time period and is not obligated to granting time extensions.
 - 3. Projects shall comply with all applicable City building and zoning standards and requirements.
 - 4. Concurrent applications from the same applicant, unless for separate properties, shall not be allowed. An applicant may apply for another project

after any existing project by the same applicant is completed to the satisfaction of the WDA.

- C. Eligible Activities Included but not limited to:
1. Repair/replacement of the original building's materials and decorative details.
 2. Cleaning of exterior building surfaces.
 3. Tuck pointing and masonry repair.
 4. Painting of exterior building surfaces.
 5. Repair/replacement or addition of entrances, doors, display windows, transoms, or windows.
 6. Removal, repair/replacement of existing signs and awnings.
 7. New signage and awnings.
 8. Landscaping improvements.
 9. Permanent exterior lighting.
 10. Qualified professional design services.
 11. Other activities as designated by the Washburn Development Authority.
- D. Non-Eligible Activities Included but not limited to:
1. Interior improvements.
 2. Purchase of property.
 3. Construction of a new building.
 4. Fixtures and equipment.
 5. Removal without replacement of architecturally significant features and design elements.
 6. Sidewalk repairs.
 7. Correction of code violations.
 8. Any roof repair or replacements, except in cases where a new roof "style" is a critical component of the façade restoration or replacement project.
 9. Compensation for time and labor spent by applicant or members of applicant's immediate family. (*Note that one needn't be the building owner to apply.*)
 10. Other activities as designated by the Washburn Development Authority.

IV. PROGRAM TERMS & CONDITIONS:

- A. General Requirements
1. Applicants must include detailed drawings and specifications with application. Eight (8) copies of drawings/design plans must be submitted. The WDA may require drawings to be submitted by an architect. The plans must include:
 - a. Detailed site plan using adequate scale to be easily and clearly understood. Ideally, said plan shall be drawn to a minimum scale of 1"= 100'.

- b. Elevations of any façade proposed to be altered, ideally drawn to scale at least 1/8"=1'; each elevation drawing should include notations of proposed materials, color, finishes and details. The drawing should clearly show proposed signage (if any). Perspective renderings of the proposed project and / or photos of similar structures may be submitted, but not in lieu of adequate drawings showing the actual intended appearance of the buildings.
 - c. Current condition photos to provide adequate "before and after" shots.
 - d. Construction / reconstruction time schedule, noting start and completion date.
2. Applicants must submit at least one contractor proposal or estimate from supplier; however, it is suggested that the applicant pursue multiple proposals for their own protection and peace of mind. The WDA retains the right to request additional proposals. The property owner is not required to utilize a contractor to have the work completed. The WDA does not assume any liability to the work of any contractor that is chosen by the property owner.
 3. Applicants, if tenants, must have the written permission and approval from the respective property owner.
 4. Applicants must take out the appropriate building or sign permits. Fee waivers shall not be allowed, unless approved by the Common Council. Loan funds cannot be used to pay for permit fees.
 5. Applicants who are delinquent with their property or personal tax, utility payments, or have outstanding municipal code violations are not eligible until said issues are resolved.
 6. Payment shall be made on a reimbursement basis upon completion of construction/installation.
 7. Minor changes to the project will require submittal and approval by the City Administrator. Significant project changes, as determined by City Administrator, will require approval of the WDA.
 8. The WDA reserves the right to cancel any loan agreement if any of the conditions of the program guidelines and agreement are not met.
 9. Applicants shall provide a Certificate of Insurance with their application showing proof of property insurance for fire and all hazards. The City shall be designated a loss payee up to the amount of the loan.

B. Approval Authority

1. The Washburn Development Authority (WDA) will have the ultimate authority to approve or deny applications on a case-by-case basis and may impose certain design conditions on approved projects.

C. Expiration

The façade loan improvement program will expire if one of the following occurs:

1. When the funds have been spent, unless additional funding has been authorized by the City Council.
2. When the WDA and/or City Council chooses to eliminate or amend the program.

V. **LOAN TERMS:** All loans granted under this program shall be subject to the following terms and conditions:

- A. The minimum loan granted under this program shall be \$1,500 and the maximum loan shall be \$5,000 per building.
 1. The WDA reserves the right under this program to exceed the maximum loan amount of \$5,000 per building on a case by case basis when: the size of the building coupled with the proposed project would result in a significant impact on the downtown that would exceed the typical project under the program, and the project proposed goes beyond maintenance to improving the architectural value of the building to the downtown as determined by the WDA.
- B. The amount of the loan will be established as a matching amount to the amount of funds the owner/applicant is investing in the project on a cash basis which shall be documented through paperwork submitted to the City following completion of the work. Permit fees are not an eligible expense. The City will provide the loan proceeds as a reimbursement following completion of work that was approved by the WDA following submission of documentation by the owner/applicant to the City.
- C. The loan shall be at 0% interest.
- D. The full balance of the loan shall be due immediately upon sale of the property or within 10 years of the approval date, whichever event happens first. The loan may not be assigned without the express written consent of both parties. The loan may be prepaid in whole or in part at any time.
- E. Loan approval shall expire six months following the date the WDA approves the loan unless the project has commenced.
- F. Projects must be completed within one year of WDA approval.
- G. Project participation may be limited based on the availability of program funds.
- H. Applicants will be required to sign a note and a mortgage as a condition for receiving loan funds. The mortgage will be recorded against the property at the Office of the Register of Deeds.

VI. **FAÇADE RENOVATION LOAN PROGRAM PROCEDURES:**

- A. Applicant meets with City staff for initial project discussion.

- B. Applicant submits grant application to WDA, and required contractor proposal/quote to staff (according to Sec. IV.A.2. in these guidelines), containing all of the requirements specified in these guidelines. Applications must include detailed drawings and specifications. Eight (8) copies of drawings and specifications must be submitted. The WDA may require drawings to be prepared by an architect.
- C. WDA reviews plans and approves or denies loan request. If approved, the WDA may place conditions on the proposed project.
- D. If denied, applicant may submit a revised application and repeat process.
- E. Applicant submits building and/or sign permit with final design plans as required by City code.
- F. Building Inspector reviews and approves any required permits.
- G. A "loan document" is drafted by City staff that identifies the terms of the agreement. All parties execute said letter. A note and mortgage are drafted which the applicant signs.
- H. Construction/Installation begins. Applicant has six (6) months from the execution date of the loan to begin implementation of approved improvements. Any plan changes would require approval according to Sec. IV.A.8 in these guidelines.
- I. Construction/Installation is completed within one (1) year of loan agreement signed.
- J. Applicant contacts Building Inspector to request project review to see if all code requirements have been met.
- K. Applicant provides itemized paid invoices for the project, and any outstanding bills which are also eligible for payment under the loan agreement, to City staff, along with the completed "Project Close-Out" section on the application form. While a construction lien waiver is not required, it is recommended that the applicant consider obtaining appropriate construction lien waiver(s) from the contractor(s) for the project.
- L. After WDA approves reimbursement claim, the City Clerk-Treasurer forwards payment directly to the applicant.

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