



## **Building Façade Improvement Program GUIDELINES**

The Building Façade Improvement Program is designed to retain and enhance the original architectural character of buildings in the downtown area. Many of Jackson's downtown buildings are significant historic structures and warrant preservation of their original character. Several other buildings, though not designated as "Historic Structures", reflect the period in which they were constructed in Jackson's history through their design.

Therefore restoration is the preferred treatment for any building to which the facade program is applied. The application of the program will result in the return to the original appearance of the structure through the use of authentic materials and the faithful replication of missing parts and careful restoration of deteriorated components of the building. This approach will be most applicable to historic structures in which there has been little change to the appearance of the building over time. This approach *may* be applied to any structure, but *shall* be applied to any structure, which has Local, State or Federal historic designation. Structures, which have historic designation, shall be rehabilitated using the Secretary of the Interior's Standards for Rehabilitation.

In summary, in terms of design, facade projects shall reflect the original appearance of the building to the maximum extent possible. Buildings, which are designated as historically significant, shall be eligible only for completion under the "historically accurate rehabilitation" program approach.

Note: The Façade Review Panel may make a recommendation to the Board of Directors for exemption from the strict application of these design principles. Exemptions may be granted on a case-by-case basis where it can be demonstrated that adherence to these design principles is not feasible. In these instances, the Façade Review Panel shall advise the Board of Directors on its recommendations regarding granting the loan based on the minimum deviation necessary to facilitate the facade improvement.

### **PROGRAM GOALS**

The goals of the Building Façade Improvement Program shall be as follows:

1. To improve the physical appearance and promote the positive image of downtown Jackson.
  - A. To encourage historic preservation for historically significant structures through restoration of the building facade to return the appearance of the structure to that of an earlier time period in its history.
  - B. To facilitate the renovation of structures to respect the original character of buildings through the financing of improvements which are sensitive to historic details and materials.

2. To provide an incentive to fill vacant buildings, especially with quality retail operations in street-level space and residential and office use of upper-floor space.
3. To support and expand the tax base in the Central Business District. The program is intended to strengthen the economic viability of downtown Jackson by providing financial incentives for improvement of the exterior appearance of buildings through the recognition that the design of buildings reflects their period of construction, and that this design reflects the Jackson Community's individuality, identity, character and heritage.

It is not the intent or purpose of the program to subsidize routine building maintenance projects such as painting and stand-alone improvements such as awnings or sign installation. Rather, the purpose of program assistance is to alter and improve the overall appearance of a building's facade.

#### **SOURCE OF PROGRAM FUNDING**

This program is sponsored by the Jackson Downtown Development Authority (DDA). The source of funding for the program is tax increment financing revenue made available under Michigan Public Act 197 of 1975 and City Ordinance 92-16, as adopted by the Jackson City Council in October of 1992. Other funding sources may be used and could call for additional requirements from the applicant. Those requirements will be provided to applicants when they receive their application.

#### **PROGRAM ELIGIBILITY**

A property must be located within the legal boundaries of the DDA District to be eligible for assistance. Both owners of buildings and tenants (with owner permission) are eligible. All property taxes on a building must be paid in full at the time of application. Public properties are not eligible for assistance under the program. Tax paying properties shall receive priority consideration for participation in the program.

#### **TYPE OF FINANCIAL ASSISTANCE**

Financial assistance through the program will be in the form of an interest free, "deferred" loan, forgivable over a five-year period. A lien will be placed on the subject property at the time of closing on the deferred loan.

A recipient of program assistance shall retain ownership of the property and remain current on the payment of taxes and any debt service tied to the conventional financing of the project in order to qualify for "forgiveness" of the loan. If these requirements are met, a recipient shall receive forgiveness of 20 percent of the total loan each year up to 100 percent forgiveness after a full five- year period. If a transfer of ownership of the subject property occurs, the new owner shall assume any outstanding debt obligation incurred under the program or the owner selling the property shall repay to the program any debt outstanding at the time of the sale.

The administration of program loan proceeds will occur in one of two ways. If program funds are matched by a loan from a financial institution, then project funds will be administered by that institution via standard banking industry loan procedures and requirements. The program will assume a subordinate collateral position to a conventional

lending source. If program funds are matched by owners' equity, then the recipient will be required to retain the services of a title company to administer funds and ensure the completion of work on the project.

**LIMITS ON ASSISTANCE AND MATCHING REQUIREMENT**

There shall be a limit of \$15,000 in program funds per project per property during a five-year period for facade improvements through the Façade Improvement Program. There shall be a minimum matching financing requirement of 50 percent per project. In other words, matching funds must equal at least the amount of the funds provided for the program.

An owner of multiple, eligible properties may apply for assistance for more than one project for separate properties during a five-year period. In cases where properties having the same owner adjoin each other or share a common contiguous facade, the DDA reserves the right to accept or reject multiple applications for program assistance.

**ACCEPTABLE FORMS OF MATCHING FINANCING**

To comply with the matching financing requirements of the program, the following, documented forms of project support by the applicant are acceptable:

1. Capital provided by owner, tenant or private investor; or
2. A conventional loan

Please note: Matching funds cannot be used for multiple programs and “sweat equity” is not allowed.

**ELIGIBLE USES OF PROGRAM FUNDS**

Front, rear and side facade projects are eligible for program assistance, but front and highly visible rear facades will be considered highest priority. The following expenses are eligible when included within the scope of an overall facade improvement project:

- A. Painting, when in conjunction with other work
- B. Non-Historic facade removal
- C. Fees paid to Engineers and Architects (up to 50% of cost or \$1000, whichever is less) This does not include the amount paid to an architect if project is selected.
- D. Signage (not to exceed 50% of cost or \$500, whichever is less), when in conjunction with other work
- E. Facade cleaning
- F. Exterior lighting
- G. Awnings
- H. Doors/Entryways
- I. Second floor entryways/exits and exterior stairs for residences
- J. Window repair/replacement
- K. Storefront construction
- L. Carpentry
- M. Handicap accessibility

**INELIGIBLE USES OF PROGRAM FUNDS**

**NOTE:** Any façade treatment that would accelerate the deterioration of the existing structure or result in a non-durable / high maintenance facade is ineligible.

The following expenses are explicitly **ineligible** for program assistance:

- A. Expenses incurred prior to application or payment of previous debt
- B. Property acquisition
- C. Any interior improvements
- D. Mortgage or land contract refinancing
- E. Loan fees
- F. Site plan, building and sign permit fees
- G. New building construction
- H. Appraiser and attorney fees
- I. Wages paid to applicant or relatives of applicant
- J. Purchase of personal property such as furnishings in a store
- K. Site improvements
- L. Payment of taxes
- M. Any roof work
- N. No use of funds for payment of contractors in merchandise or services by applicant
- O. Routine facade maintenance

### **REVIEW PROCESS**

Each application will be reviewed by a panel which consists of the DDA Design committee, City of Jackson Chief Building Official with the assistance of the DDA staff.

Applications will be discussed, evaluated and scored according to the guidelines and review criteria. Panel recommendations are submitted for final approval by the DDA Board of Directors.

The Façade Improvement Program is a two-step process. To be eligible an applicant must first submit a completed application obtained from the DDA along with the requirement attachments. This initial application will be reviewed by the review panel in Phase I.

Once the preliminary application is approved, a completed project design, scope of work and required attachments will need to be submitted. The review panel will look for projects that demonstrate merit, sound planning and management, qualified contractor involvement and impact. (see review criteria) Each application will be discussed, evaluated and scored according to guidelines and review criteria for a total of 100 points. This is Phase II.

### **APPLICATION INSTRUCTIONS**

#### **Phase I:**

Applicant submits a full completed application obtained from the DDA.

Required attachments (each of the following **MUST** be included with your application)

Project description (no more than 1 page)

Basic drawing of the work to be performed  
2 color photographs of the current building façade.

## Phase II

(DDA approval required to move onto this phase): Project Description, Management & Feasibility: Describe your project in depth, its management and feasibility. Provide a clear project description and scope of work. Including:

- A. Applicant shall enlist the services of an architect or appropriate design professional to prepare design drawings and the scope of work for the façade project. Design work performed by an architect, previously approved, by the Façade Loan Review Committee, shall be eligible for reimbursement up to \$1,000. This amount is above and addition to the maximum total loan amount of \$15,000. Architects are selected by the applicant.
- B. Applicant will furnish a bid from a licensed and insured contractor including an itemized list of the proposed work indicating the cost of labor and materials separately, as well as the starting and ending dates for the project. Applicants are encouraged to obtain multiple bids.
- C. The applicant selects a contractor and enters into contract depending upon DDA approval.

If you are awarded a grant, you must: Confirm project plans and provide a revised budget, if changes are anticipated or your award is less than your request. Sign a contract detailing the use of the funds. Credit the DDA in all project publicity. Complete a final report within two weeks of the completion of the project.

## Scoring (100 points maximum)

- A. **(0 to 30 points)** Design of the project meets recommendations set forth in the Design Guidelines that are attached to this document as an addendum. Design guidelines are based on the premise that retaining and enhancing the original architectural character of buildings in the downtown area are more appropriate to achieving the goals of the Program.
- B. **(0 to 10 points)** Will the façade project result in increased occupancy?
- C. **(0 to 10 points)** Whether building has historical designation or significance
- D. **(0 to 10 points)** Is the façade project a part of a larger building renovation/rehabilitation project?
- E. **(0 to 5 points)** Is the budget appropriate to do this project?
- F. **(0 to 5 points)** Does the budget show the amount paid to contractors is fair and reasonable?
- G. **(0 to 10 points)** How much more matching funds, above 50% of the project, are being contributed to the project?

- H. **(0 to 20 points)** What side of the building does the project address (front, side, back, a combination)?

**Total maximum points = 100.**

### **PROGRAM ADMINISTRATION**

The program shall be administered by the DDA administrative staff with the cooperation and assistance of City of Jackson staff. The program will be promoted and will accept applications until the stated date. At that time, only complete applications will be considered for approval based on the selection criteria.

### **DEFAULT AND REMEDY**

The following shall constitute an event of default and the entire principal amount outstanding on a deferred loan awarded through this program shall become due and payable at once at the option of the DDA, as promissory note holder, if:

1. The borrower fails to pay, when due, any taxes or special assessments on the subject property; or
2. The borrower expends note holder's loan funds for uses inconsistent with eligible program uses or items not specified in borrower's loan application to the DDA; or
3. The borrower transfers ownership of subject property to another party, unless transferee agrees to assume any outstanding debt to note holder

Projects must be completed within 180 days of the date they received approval or the funds will be returned to the Authority to disperse to the next most qualified applicant. Applicant may request an extension in writing to the DDA Board of Directors prior to the 180-day deadline.

### **RIGHTS RESERVED**

The DDA reserves the right to reject an applicant up to the time the DDA closes on its loan. The specific program guidelines detailed herein are subject to revision with the approval of the DDA Board of Directors and the Jackson City Council. The DDA and the city of Jackson may discontinue this program at any time, subject to any prior loan agreements.

Reference Materials: The Secretary of Interior's Standards for Rehabilitation  
Downtown Jackson Façade Study and Use Recommendations 1985

Reviewed and approved by the DDA Board of Directors, May 14, 1998  
DDA Board of Directors, May 12, 2011