



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 structured as follows:

- Properties are eligible for a matching grant and loan combination up to a maximum of \$15,000 for every seven (7) years.
- The property and/or business owner may receive up to a \$5,000 matching grant.
- Additionally, up to a \$10,000 zero interest loan, amortized over seven (7) years for approved exterior property improvements may be awarded.
- Payments on the \$10,000 loan will be required for the first five (5) years on an annual basis. The last two years of the loan will be "forgiven" if the first five (5) years are paid in full and on time.
- Applicants must match the grant and loan amounts dollar for dollar.
- Approved projects must be completed within 180 days after receiving DDA approval. If the project is not completed in the allotted amount of time, the DDA reserves the right to deny funding for the project.
- Requests for time extensions must be submitted in writing before the end of the grace period and will only be approved upon the expressed written consent of DDA staff.

- Any changes made without the approval of the Design Committee may disqualify the loan and/or grant and full, immediate repayment could be required.
- 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 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 seven-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 seven-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 in 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
DDA Board of Directors, November 12, 2015

APPLICATION FOR DOWNTOWN BUILDING FACADE LOAN
Jackson Downtown Development Authority

DATE OF APPLICATION _____

1. APPLICANT'S NAME: _____
2. APPLICANT'S HOME ADDRESS: _____
3. TELEPHONE NUMBER: _____
4. APPLICANT IS: _____ PROPERTY OWNER _____ TENANT _____ OTHER (Specify) _____
5. ADDRESS OF PROPOSED FAÇADE PROJECT: _____
PROPERTY IS LOCATED WITHIN DDA DISTRICT: _____ YES _____ NO
6. CITY PROPERTY CODE NUMBER(S): _____
6. BUSINESS TAX IDENTIFICATION NUMBER: 38- _____
7. TITLE HOLDER OF PROPERTY: _____
8. TITLE HOLDER'S ADDRESS: _____
9. TITLE HOLDER'S TELEPHONE NUMBER: _____
10. ORIGINAL COST OF PROPERTY TO TITLE HOLDER: \$ _____
DATE PURCHASED: _____ PRESENT MARKET VALUE: _____
TAXABLE VALUE: _____

Note: If there are co-owners of the property, please attach a separate sheet, which provides each owner's name, address, telephone number and percent of ownership. If you are applying for a deferred loan as a tenant of the property, you must attach a letter from the property owner stating permission for program participation.

11. MORTGAGE INFORMATION

HOLDER OF MORTGAGE: _____
DATE OF MORTGAGE: _____ ORIGINAL AMOUNT: \$ _____
CURRENT BALANCE: \$ _____ DATE OF MATURITY: _____
TERMS OF PAYMENT: _____

12. UNPAID TAXES ON PROPERTY:

<u>Taxing Unit Owed</u>	<u>Type of Tax</u>	<u>When Due</u>	<u>Amount Delinquent</u>	<u>Tax Lien on Property?</u>
_____	_____	_____	_____	_____

13. BUILDING INFORMATION:

Number of Floors above grade: _____ Year of construction: _____

Construction of exterior walls:

____ Solid Masonry ____ Concrete ____ Steel beam with siding material ____ Wood Frame

____ Other (specify): _____

Present use (if use is mixed, indicate percentage of type of use):

____ Retail ____ Storage ____ Manufacturing ____ Office ____ Residential

____ Other (specify): _____

Level of Occupancy: _____ Fully-Occupied; _____ % Occupied; _____ % Vacant

Note: you are required to submit with your application photographs of the facade of the building before the improvement project.

14. PROPOSED START DATE: _____ COMPLETION DATE: _____

15. WHAT WILL BE THE USES OF THE BUILDING AFTER COMPLETION?

1ST Floor: _____

2nd Floor: _____

3rd Floor: _____

Other floors: _____

17. PROJECT COSTS: Please complete Application Form A, "Sources and Uses of Project Financing"

18. PROJECT DESCRIPTION:

Do you plan to restore the storefront to its original design/character? Yes No

If yes please provide a photograph of the original façade design.

Please give a brief yet detailed description of the improvements you would like to have done to your façade. (If necessary please attach additional sheets):

Which improvements are you planning for your storefront?

Please check all that apply.

- Exterior Walls/Brickwork _____
- Windows _____
- Doors _____
- Painting of exterior surfaces _____
- Cleaning and/or repainting of brick or stone _____
- Brick, masonry, stone, or tile work _____
- Entrance/Exit improvements (including ADA) _____
- Awnings (must meet Design Guidelines criteria) _____
- Exterior Architectural Features _____
- Architectural or storefront lighting _____
- Interior rolling security gates _____
- Seasonal (sidewalk café)(must meet café app. criteria) _____
- Roof work relating to other storefront improvements _____

Please describe any other issues that will be addressed:

19. OTHER REQUIRED DOCUMENTATION (Please attach):

- a. Proof of property and liability insurance
- b. Property deed and mortgage survey or legal description of property
- c. Copies of any lease(s) associated with property
- d. Proof of property taxes paid

Note: You may be asked to provide full financial information in support of your deferred loan application.

Be prepared to submit:

- a. Most recently filed income tax returns for your business
- b. Most recently filed personal income tax returns

20. APPLICANT CERTIFICATION AND UNDERSTANDING

The undersigned Applicant certifies that all information in this application, and all information furnished in support of this application, is given for the purpose of obtaining a building facade improvement deferred

loan for eligible program uses only and is true and complete to the best of the Applicant's knowledge and belief. Verification of any of the information contained in this application may be obtained from any source.

The Applicant understands that he or she will be responsible for all closing costs, including but not limited to, recording fees, and title search fees associated with obtaining a deferred loan through the program. It is understood that the applicant should have the basic elements in place to close on a DDA deferred loan within 60 days of DDA board approval: Project design plans and construction bids must be final and matching financing must be available. It is also understood that projects approved must be completed within 180 days of board approval, unless an extension is submitted and approved by the Board.

The Applicant further certifies that he or she has read and understands the Downtown Building Facade Improvement Guidelines, including the additional reporting requirements of the Davis Bacon Act if funding is used towards labor. If a determination is made by the Downtown Development Authority that loan proceeds will not or cannot be used of the purposes described herein, the Applicant agrees that the proceeds shall be returned forthwith, in full, to the DDA, and acknowledges that, with respect to such proceeds so returned, he or she shall have no further interest, right, or claim. It is understood that all DDA loan commitments are contingent upon the availability of program funds.

Date

Signature

Date

Signature

APPLICATION FORM A
Sources and Uses of Project Financing

A. Financing Sources: There is a matching financing requirement for the Downtown Building Facade Improvement Program of at least fifty percent of overall project costs. Matching financing may take the form of a conventional loan or capital provided by the property owner, tenant or private investor(s), or a combination of these sources. Please specify below how you intend to finance your facade project, including the use of deferred loan funds obtained through the program.

<u>Source</u>	<u>Amount</u>	<u>Terms of Repayment</u>	<u>Maturity Date</u>	<u>How Endorsed, Guaranteed or Secured</u>
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____

Statement of Understanding

Jackson Downtown Development Authority Façade Improvement Program

By signing below, the applicant/property owner acknowledges and agrees to the following terms:

1. I (we) understand that the submission of this application does not guarantee funding for the Jackson DDA Façade Improvement Program.
2. I (we) certify that all information provided in this application is true and accurate to the best of our knowledge.
3. I (we) agree that, if this application is approved, the work described will be completed.
4. I (we) agree that, sealed architectural renderings will be provided.
5. I (we) agree that, if funding is received, it will be used for the project listed within this application.
6. I (we) understand that the grant funds from the Jackson DDA will be provided after project construction has been completed, and after paid invoices and approvals have been submitted to the Jackson DDA.
7. I (we) understand that failure to comply with the agreed upon construction timeline will result in a retraction of grant funding and elimination of grant eligibility for one year.
8. I understand that the Jackson DDA reserves the right to photograph buildings receiving façade improvement funds and provide information to various media sources.
9. I (we) the property owner(s) certify that I am (we are) not delinquent in city, county, state, or federal taxes.
11. I (we) understand that the property may not be in the process of sale during the façade improvement process.

Signature of Applicant(s)

Date

To be completed by the property owner if the applicant does not own the property. Notarized letter from the property owner, approving the project described in this application, should also be attached.

I certify that I am (we are) the property owner of _____ and I/we authorize the applicant to participate in the Jackson DDA façade improvement program and complete the project described in this application.

Owner(s)

Date

Signature of Property