

ITEM #: 40
DATE: 05-09-23
DEPT: P&H

COUNCIL ACTION FORM

SUBJECT: AMENDMENT TO THE DOWNTOWN AND CAMPUSTOWN FAÇADE GRANT AWARDS

BACKGROUND:

Downtown:

The Downtown Façade Grant Program was introduced in 2000 to facilitate private improvements to downtown retail and other commercial storefronts. The City Council historically has annually budgeted \$50,000 as matching funds for eligible projects. The program has allowed for up to \$15,000 of dollar-for-dollar matching funds per front façade and up to \$1,000 for additional architectural services. This program is available to property owners within the area generally described as from 6th Street to the railroad tracks, Duff Avenue to Northwestern Avenue, and along Kellogg Avenue to Lincoln Way (Attachment A).

The program requires compliance with specified Design Guidelines that can be found on the Planning Division website at this [link](#). The program requirements include a prerequisite of a ground floor use of office or retail trade. Additionally, grant eligibility includes a requirement for proposed improvements to retain the historic façade or for the removal of non-compliant elements consistent with the guidelines or to pursue eligibility under the other façade guidelines.

The program does not allow for maintenance activities or replacement of compliant elements with new in-kind elements as eligible activities on their own. Proposed improvements are intended to have a significant positive visual impact on the building and the overall district. Last year, Council amended the eligibility criteria to include historically significant, character-defining features, such as original leaded transom windows.

Campustown:

The Campustown Façade Program was established in 2015 with the intent to enhance the appearance of Campustown commercial buildings. An approved Idea Book lays out specific design focus that the City would like to promote by building off of the existing character by focusing on five concepts: Transparent, Social, Diverse, Identifiable, and Historic. This program supports enriching the individual detail and character of each building within the context of a pedestrian oriented commercial district.

This program has one a rolling application throughout the year; applications are considered upon submittal. The grants are for up to \$15,000 of matching funds at a 1 to 1 ratio of applicant expense to City expense. Each project may be awarded up to two façade grants when there are multiple facades with a project. The program also includes the allowance for up to \$2,000 in additional funding for design fees when a project includes a licensed design professional. Façades eligible for funding must be street facing and improvements must be permanent improvements to the façades. Full program documentation can be found at this [link](#). Campustown has a rolling application period due to limited number of requests per year.

The City Council historically has budgeted \$50,000 each fiscal year for the Campustown Façade Program.

PROPOSED MODIFICATIONS:

In 2022, Council discussed increasing both the individual award amount that each façade grant receives as well as the yearly funding appropriated. Each grant currently awards a maximum of \$15,000. The Downtown Grant can receive \$1,000 for design services, the Campustown Grant can receive \$2,000.

The decision to increase the amount was postponed until the next budget was adopted, when the increased amounts were formally adopted. **The recently adopted FY2023-34 budget increased the Downtown Façade program annual budget to \$75,000. The Campustown budget remains at \$50,000.**

With the increase in the budget for the Downtown program, staff now is seeking guidance regarding any changes the City Council would desire to the overall façade programs. Staff is proposing to standardize the grant award for both the Downtown and Campustown programs at a maximum grant amount of \$23,000 with a 1 to 1 match ratio requirement. Additionally, each project that employs a licensed architect can receive an additional \$2,000, as is currently the allowance within Campustown, while the grant for design services in the Downtown will remain at \$1,000.

The proposed amounts will allow for three full grant awards per year Downtown and two within Campustown, which reflects the number of grants that historically have been awarded each year.

ALTERNATIVES:

1. Approve the following changes to the Downtown Façade Grant Program and the Campustown Façade Grant Program:
 - a. Increasing the individual grant award amount to \$23,000 as matching funds, and

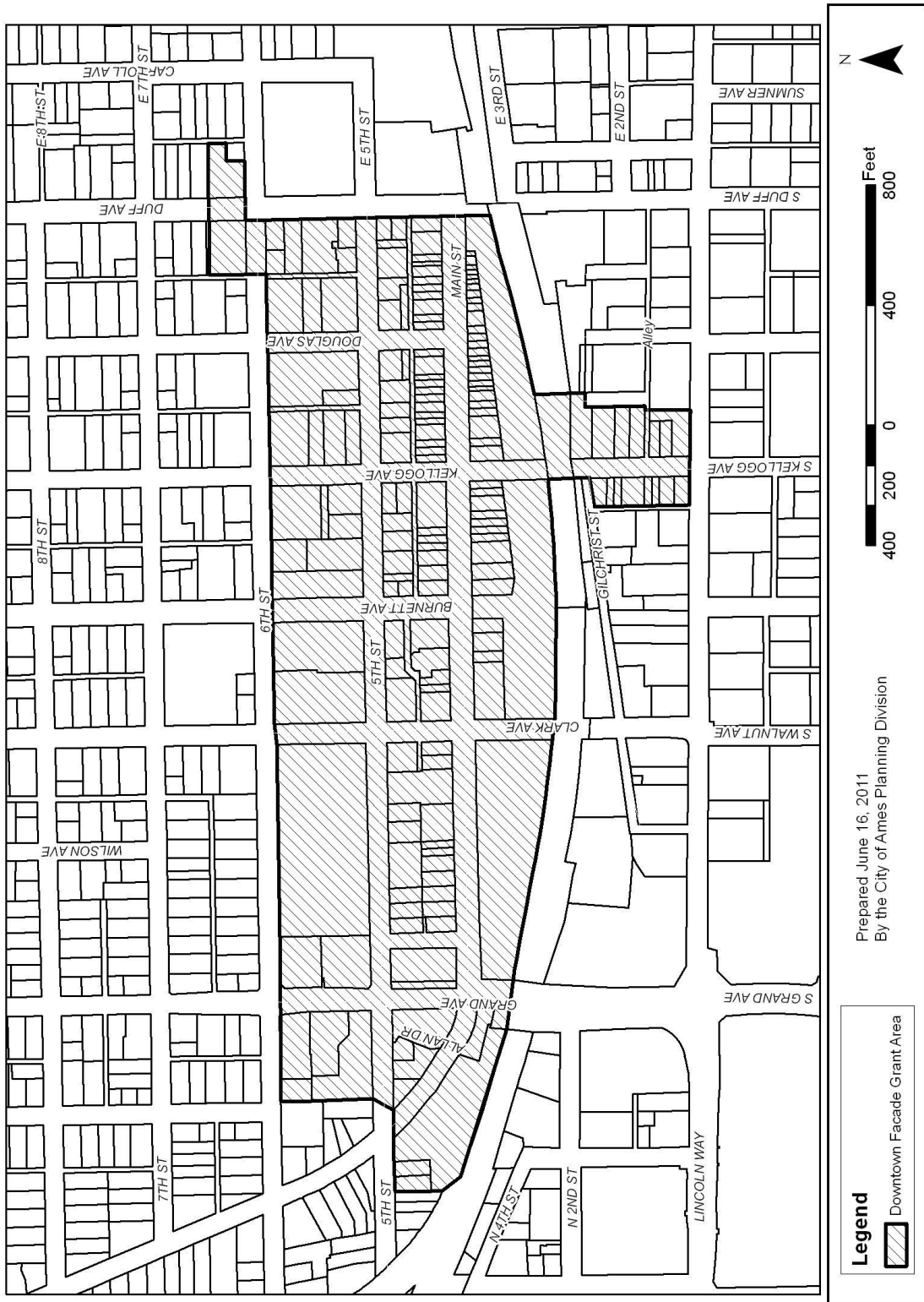
- b. Increasing the design services grant to \$2,000 for the Downtown Façade Grant Program. (This will maintain the design services grant at \$1,000 for the Downtown program.)
2. Approve changes to the Downtown and Campustown Façade Grant Programs in different amounts than recommended by the City staff.
3. Maintain the current maximum grant awards and design service grant awards.

CITY MANAGER'S RECOMMENDED ACTION:

These programs have helped to transform the façades of dozens of buildings over the course of their respective existences. As construction and labor costs have risen, the incentive of the Façade Grant Programs has lessened. Increasing the amount of the grants will help them to stay relevant and to achieve the goals of the Downtown Design Guidelines and the Campustown Idea Book. Increasing the value of the grant award may also permit the City to emphasize additional and higher quality elements within each façade rehabilitation project. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1 as stated above.

Downtown Facade Grant Area

Attachment A Eligibility Map



Attachment A Eligibility Map

