

COUNCIL ACTION FORM

SUBJECT: FACADE GRANT PROGRAM - EVALUATION OF STRUCTURAL CONDITION

BACKGROUND:

As part of the City's downtown facade grant program, structural inspections are conducted by Inspection Division personnel after a facade grant has been awarded. This inspection evaluates whether the building's condition is such that it is a prudent use of facade grant monies.

Most frequently, the inspection reveals that the building is in safe condition and the facade enhancement process may continue. On rare occasions, a building has been found to be structurally at risk to an extent that it meets the City's dangerous building ordinance. Whether the building is in apparent good condition or whether it qualifies as a dangerous building, our existing processes are adequate. If the inspection conducted by City staff determines that the building meets the criteria of the dangerous building ordinance, our ordinance allows for the hiring of a structural engineer funded by the City. **Staff has encountered a problem with our current process when there are significant indicators of structural failure to raise questions regarding facade grant funding, but without sufficient evidence to meet the criteria of a dangerous building.**

City inspectors are not licensed structural engineers and are not qualified to perform the analysis provided by licensed structural engineers. Recently, two buildings on Main Street which had been approved for facade grants were inspected and found to have significant indicators that raised concern about the condition of the building in areas where facade improvements are planned.

To address these concerns like these prior to release of the grant monies, the City could request the respective property owner to hire a structural engineer at the owner's expense. Another option would be for the City to hire, at its expense, the services of a licensed structural engineer.

In the past the Council has authorized hiring of a licensed structural engineer for these types of evaluations when structures were deemed to be dangerous buildings. Council direction is not sought to determine whether or not the City should also expend funds to conduct this type of evaluation in instances, not where the structures meet the dangerous building threshold, but rather where stronger structural assurance is prudent prior to release of facade grant funding. Such reports in the past have ranged in cost from \$600 to \$1,000.

ALTERNATIVES:

1. Authorize use of funding from the facade grant program for the City to hire a structural engineer to evaluate a building's condition to determine whether it is sufficiently safe to proceed with the facade improvement project.
2. Authorize funding from another City source, such as Council contingency or the Building Inspections Program, for the City to hire a structural engineer to evaluate a building's condition to determine whether it is sufficiently safe to proceed with the facade improvement project.
3. Direct staff to require property owners to hire a licensed structural engineer to evaluate the building's condition to determine whether it is sufficiently safe to proceed with the facade improvement project.
4. Take no action, and proceed with all approved facade grants without structural evaluation.

MANAGER'S RECOMMENDED ACTION:

The facade grant program was recently modified to include an inspection of the building prior to the release of grant funds. This is a prudent step to insure that citizens' funds are invested wisely to enhance our community's Main Street. When the building is either in very good condition or very bad condition, our existing processes work quite well. However, when staff identifies facade grant projects that show significant structural deterioration, it would be prudent to hire a professional engineer to provide analysis and expertise not available through City staff. Authorizing funding from the facade program itself seems to be an appropriate source for these relatively small expenses.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving use of facade grant monies for the City to hire a structural engineer to evaluate a building's condition to determine whether it is sufficiently safe to proceed with the facade improvement project.

The Façade Grant Program currently pays an applicant up to \$1,000 for design/engineering costs, along with up to a \$15,000 matching grant. This additional obligation could increase the City's costs for this program for an additional \$1,000 per applicant in those instances where there are signs of structural deterioration that need an expert's guidance.