

**COUNCIL ACTION FORM**

**SUBJECT: AMENDMENT TO THE DOWNTOWN FAÇADE GRANT PROGRAM REGARDING GRANT ELIGIBILITY FOR THE REHABILITATION OF HISTORICALLY SIGNIFICANT, CHARACTER-DEFINING FEATURES**

**BACKGROUND:**

The Downtown Façade Grant Program was introduced in 2000 to facilitate private improvements to downtown retail and other commercial storefronts. The City Council annually budgets \$50,000 as matching funds for eligible projects. The program allows 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 6<sup>th</sup> Street to the railroad tracks, Duff Avenue to Northwestern Avenue, and along Kellogg Avenue to Lincoln Way (Attachment 1).

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. If grant requests exceed the available funding, the program criteria for front façades includes preference for façades that have not received funding in previous rounds. Attachment 2 provides an overview of the intent and process for the façade grant program, and Attachment 3 outlines the scoring criteria. Attachment 5 is the specific Eligibility Criteria.

The program is designed to operate with two application cycles. The first cycle is typically in the summer. If there are funds remaining after first round awards, then a second application round occurs in the winter/spring. The summer grant round is intended to provide funding for new projects with one grant per building. The second round is intended to fund both new projects and potentially second façades for properties that have previously received a grant.

Staff has regularly had inquiries from property owners about including a variety of work within the scope of the grant that relates to historic features. Often this work is viewed as maintenance and is not eligible for the façade grant. As a result of the listing of Downtown on the National Register of Historic Places, staff recommended as part of its work plan

that City Council consider changes to the façade program that may help maintain the integrity of existing, historic, character defining features.

**Council gave direction on May 24<sup>th</sup> to proceed with amending the program to include eligibility for the rehabilitation of historically significant, character-defining features within the priorities of Downtown Façade program.** This category of façade improvement for historic rehabilitation is proposed to include the repair of original windows, including transom prism glass, and distinctive features such as cornices that might be at risk of removal (Attachment 4).

**The intent of the modification to the façade grant program is that it will incentivize property owners to retain and rehabilitate important architectural elements related to a front façade rather than replace them.** For example, in 2021, it was estimated that restoring and rehabilitate a prism glass transom window on the Octagon would cost \$15,000. Replacing the transom with modern glass would cost roughly \$5,000. Neither rehabilitation nor replacement of a feature already complying with the *Downtown Design Guidelines* are grant-eligible as they are considered maintenance. If the restoration were an eligible expense with the 50% match requirement, the building's owners could only receive a \$7,500 in grant funding.

#### **CURRENT GRANT APPLICATION PROCESS:**

Two grant periods are planned for each fiscal year, funds permitting.

##### First Grant Period

For this first grant period, preference for grant awards will be given to:

- façades that have not received any previous grant funding
- front façades

##### Second Grant Period

If the entire budget is not committed in the first grant period in each year, a second grant period will begin in October for projects to be implemented the following spring. While façades on Main Street and front façades for which no previous grants have been awarded will still receive first preference in this second grant period. All downtown grant requests will be considered and potentially approved if funds remain after all first-preference proposals are awarded.

#### **PROPOSED PROGRAM AMENDMENT:**

At the May 24<sup>th</sup> meeting, Council directed staff to amend the Downtown Façade Program by tying grant-eligible rehabilitation work to a non-rehabilitation grant for the first round of funding (fall) and allowing for a stand-alone rehabilitation grant in the second round of funding (spring). Restated, this means:

- Fall: The rehabilitation grant may only be applied for in conjunction with work eligible for the standard grant, meaning in combination with an already eligible

activity. Two grants may be awarded for a total of \$30,000 for one façade (\$15,000 for compliance with *Downtown Design Guidelines* and \$15,000 for rehabilitation of historically significant, character-defining features).

- Spring: The grant option also applies to historically significant, character-defining features by themselves, and need not be in conjunction with other work. Grants can be awarded independently for significant features, for a maximum of \$15,000.

No other changes to the Downtown Façade Grant Program are proposed, including for administration, documentation, and scoring system

**Attachment 2 gives an overview of the current and proposed grant processes.**

**ALTERNATIVES:**

1. The City Council can approve the change to the Downtown Façade Grant Program to include funding for historically significant, character-defining features as described within Attachment 2.
2. The City Council can deny the change to the Downtown Façade Grant Program to include funding for historically significant, character-defining features.
3. The City Council can direct staff to make additional changes to those proposed here.

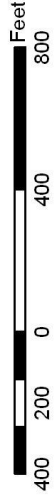
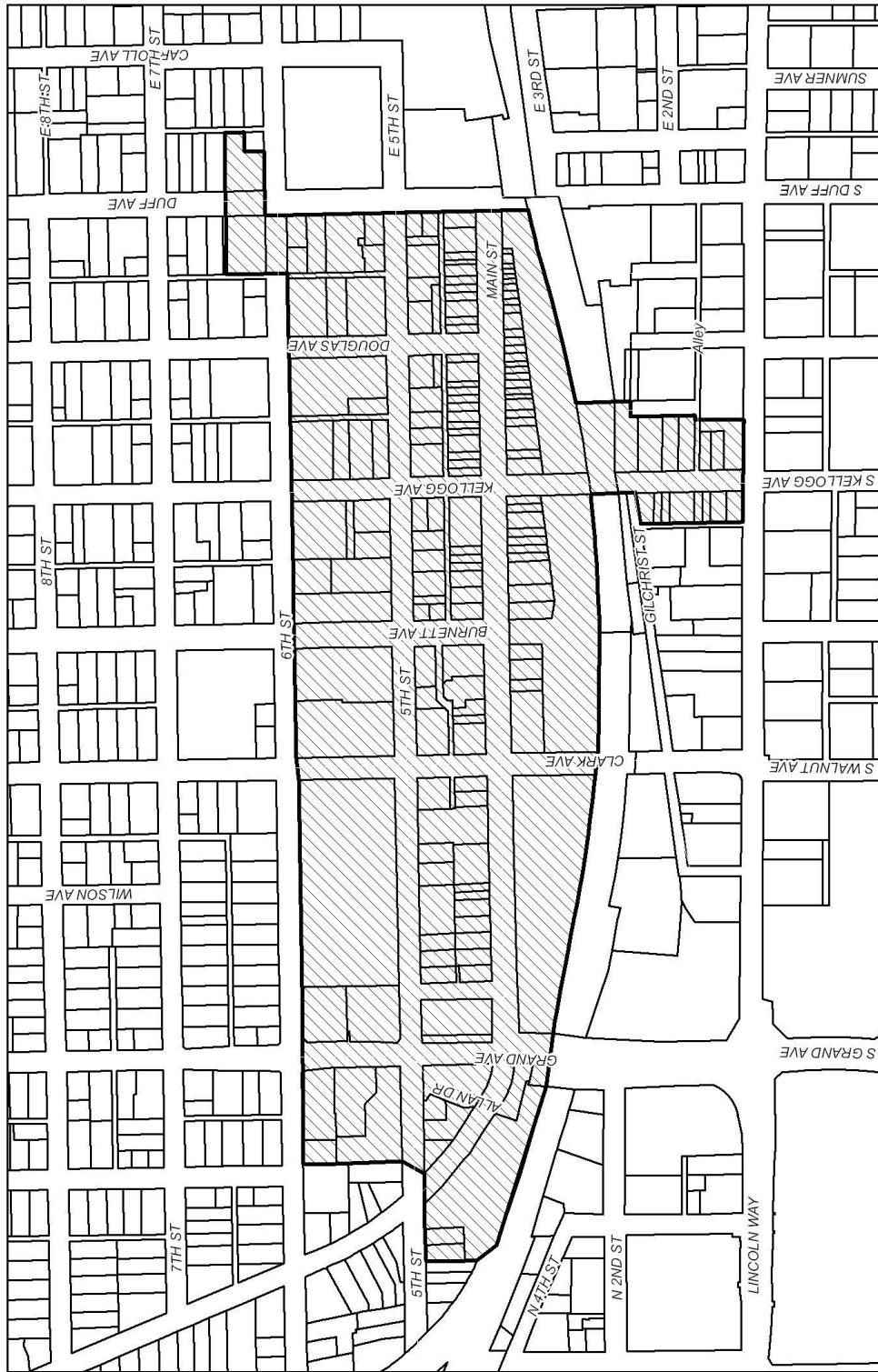
**CITY MANAGER’S RECOMMENDED ACTION:**

As currently structured, the Downtown Façade Grant cannot be used for maintenance. Rather, the grant is intended to bring non-compliant façades into compliance with the adopted Downtown Ames Design Guidelines. This has meant that certain historic features have been lost from several buildings, including prism glass transoms windows from the Sheldon-Munn Hotel. Staff supports the modification to the grant program to include historically significant, character-defining features as this will promote the preservation of building façades in Ames.

**Therefore, it is the recommendation of the City Manager that the City Council act in accordance with Alternative #1.**

# Attachment 1 – Eligibility Map

## Downtown Facade Grant Area



Prepared June 16, 2011  
By the City of Ames Planning Division

**Legend**

 Downtown Facade Grant Area

## **Attachment 2 – Revised Downtown Façade Grant Review**

### **Requirements for Downtown Design Guidelines Façade Grants**

- The building must be located downtown within boundaries established by City Council.
- The ground floor must be Office Uses or Trade Uses as defined by the Ames zoning ordinance.
- The façade design must comply with Downtown Design Guidelines
- Improvements to historic façades shall include replacing non-compliant elements with compliant elements. This does not permit approval of grants for maintenance activities.
- Residential structures and buildings owned by the government, churches and other religious institutions are not eligible.
- No façade grant shall exceed \$15,000.
- The Ames Planning Division shall administer the Grant Program and prepare eligibility requirements, terms, and application forms for the program as necessary to implement the Façade program effectively.

### *Downtown Design Guidelines Program Logistics*

The following process for review of applications for façade grants provides time to inform all potential applicants of the opportunity, to work with applicants, applicants to prepare submittals and for staff to review applications and report to City Council. Two grant periods will be planned for each fiscal year.

#### First Grant Period

For this first grant period, preference for grant awards will be given to:

- façades that have not received any previous grant funding
- front façades

#### Action Steps:

- Staff will inform all property and business owners of grant availability, process, and deadlines.
- Staff will work with applicants to define the project, ensure that it meets the guidelines, and assure that it is feasible and can be completed within the time frame.
- Applications will be accepted in the summer, as early as June.
- Staff will review and score applications and report to City Council in late summer for awarding grants.
- Projects may then start in the fall and be potentially completed before the holiday shopping season or completed the following year.

#### Second Grant Period

If the entire budget is not committed in the first grant period in each year, a second grant period will begin in the winter for projects to be implemented the following spring/summer. While façades on Main Street and front façades for which no previous grants have been awarded will still receive first preference in this second grant period, all downtown grant requests will be considered and potentially approved if funds remain after all first-preference proposals are awarded.

## Requirements for Rehabilitation of Historically Significant, Character-Defining Features

- The work must retain and restore the architectural feature related to the building's historic significance. Examples include original windows, transoms, decorative cornices. Maintenance activities of a building are not eligible.
- The architectural features must relate to the front façade.
- The building must be a contributing structure to the National Register Ames Main Street Historic District or otherwise an individually listed Historic Resource on the National Register.

### *Rehabilitation Program Logistics*

Two grant periods will be planned for each fiscal year.

#### First Grant Period

The Rehabilitation Grant may only be applied for in conjunction with work eligible for the standard grant. A property may be awarded a total of \$30,000 for one façade (\$15,000 for compliance with *Downtown Design Guidelines* and \$15,000 for rehabilitation of historically significant, character-defining features). Only one Rehabilitation Grant may be approved for a property in this round.

#### Action Steps:

- Staff will inform all property and business owners of grant availability, process, and deadlines.
- Staff will work with applicants to define the project, ensure that it meets the guidelines, and assure that it is feasible and can be completed within the time frame.
- Applications will be accepted in the summer, as early as June.
- Staff will review and score applications and report to City Council in late summer for awarding grants.
- Projects may then start in the fall and be potentially completed before the holiday shopping season or completed the following year.

#### Second Grant Period

A Rehabilitation Grant applies to historically significant, character-defining features by themselves, and need not be in conjunction with other work. Grants can be awarded independently for significant features, for a maximum of \$15,000.

#### Conditions of Grant Approval for All Grants

- Grantees must receive a notice to proceed from the City prior to starting work.
- Grantees must apply for a notice to proceed within nine months of approval of the grant.
- Construction must be completed within one year of issuance of the notice to proceed.
- Any required building code and/or safety improvements to a structure must be completed before grant work proceeds or before grant funds are paid.
- If a Grantee does not move forward with a project consistent with the Program's Eligibility and Terms, including the program logistics, the award will be considered forfeited.

## Attachment 3: Scoring Criteria

For each category, the following criteria shall be used to award points:

### **VISUAL IMPACT**

**Maximum Score 30 Points**

- Improvements apply to more than one story on one façade
- Improvements apply to more than one 25-foot wide bay on one façade
- Improvements will create more visual significance because:
  - key, highly visual elements of the building are being improved
  - the building is prominently visible due to its location (E.g., it serves as a focal point from a street, is at a prominent intersection, or is larger than other buildings around it)

### **FINANCIAL IMPACT**

**Maximum Score 30 Points**

- Matching funds exceed the minimum dollar-for-dollar match
- The project includes improvements being made to
  - ensure public safety,
  - establish or preserve the building's structural integrity
  - resist water and moisture penetration
  - correct other serious safety issues
- The façade project is part of a larger project that improves other exterior or interior parts of the building
- The project helps to make use of space that has been unoccupied or used only for storage

### **EXTENT OF IMPROVEMENTS**

**Maximum Score 20 Points**

The number points granted in this category shall be based upon the number of elements from the Downtown Design Guidelines being improved. More improved elements deserve more points.

#### HISTORIC FAÇADES (such as Café Diem):

- Display windows
- Transoms
- Masonry (includes removing cover-up)
- Upper floor windows
- Parapet and cornices
- Awnings and canopies
- Entrance
- Kickplate

#### OTHER FAÇADES (such as Wheatsfield):

- Quality materials
- Façade modulation
- Fenestration
- Roof
- Awnings
- Building entrances

### **HISTORIC DESIGN**

**Maximum Score 20 Points**

- Project includes historically appropriate materials and restoration techniques
- Project goes beyond basic rehabilitation and re-establishes a more historically accurate appearance than other projects

**Attachment 4**  
**Examples of Historically Significant, Character-Defining Features**



Octagon Transom





## **Attachment 5**

### **Downtown Façade Grant**

*Eligibility & Terms*

#### **1. Eligibility Requirements**

- Eligible participants include the owners and/or tenants of buildings located inside the boundaries of the project area for the *Downtown Design Guidelines*, which contain Office Uses or Trade Uses as defined by the Ames zoning ordinance.
- Ineligible participants include the owners and/or tenants of residential structures and buildings owned by the government, churches and other religious institutions, to the extent prohibited by State and Federal guidelines.
- Concurrence of the property owner is required, in writing, before improvements proposed by the tenant can be considered for approval.
- Improvements must be made to one or more of the façades of a building and the design of such improvements must comply with the current *Downtown Design Guidelines*.
- For Historic Façades, grant money will be provided for replacing existing compliant elements only when the proposed project also includes replacing non-compliant elements with compliant elements. This is distinguished from Rehabilitation Grants.
- For other existing buildings whose design is not consistent with the Historic Façades as described in the *Downtown Design Guidelines*, grant money may be provided for additions or alterations that comply with the section “Other Buildings” in the current *Downtown Design Guidelines*.
- Grants may be offered if all non-compliant elements of the entire façade or of all façades intended to be improved are not to be improved under one grant project. However, the improvements must contribute to a project that, when complete, will be generally consistent with all design standards. To determine this, an application must include elevation plans for all façades intended to be improved showing how they are intended to look when complete.
- For all projects for which all improvements will not be completed under the grant, the scope of proposed improvements for the grant shall be visually significant in the context of how the whole building is intended to look when all improvements to the façade are complete. The City may approve a grant based upon a proposed improvement’s contribution to the finished product, and may deny a grant for improvements that, while compliant in part, are not visually significant in terms of how the overall building is intended to ultimately look when all improvements to the façade are complete.
- If a project is phased, a grant shall be offered only to those improvements that are done in correct sequence of construction. For example, a finished project may require installing or changing windows, in some cases siding is installed after windows are in place. In such cases the windows would need to be replaced before grant monies may be expended on siding materials.

## 2. Terms of the Grant Agreement

- **Accounts and Records.** The grant recipient shall maintain books, records, documents, and other evidence pertaining to all costs and expenses incurred and revenues acquired under the grant to the extent and in such detail as will properly reflect all costs, direct and indirect, of labor, materials, equipment, supplies, services, and other costs and expenses of whatever nature for which payment is made with the proceeds of the grant. The grant recipient will retain these records for three years from the date City makes payment of the grant.
- **Administrative Costs.** No grant proceeds shall be used for administrative expenses.
- **Amendments.** These Program guidelines, terms and conditions may be amended from time to time by the Façade Program Coordinator for reasons of operational efficiency or unforeseen circumstances that may arise or conflict with applicable City or State regulations affecting the administration of the Program.
- **Amount of the Grant.** The maximum amount of the grant will be \$15,000. (Exceptions may be approved by the City Council on a case-by-case basis.)
- **Complaint/Dispute Resolution Process.** Any dispute arising between the grant recipient, property owner(s), consultant(s), or contractor(s) regarding the grant application, its terms and execution of work under the grant will be resolved through the Façade Grant committee and the Façade Program Coordinator. The decision of the Façade Grant committee will be final and binding on all parties.
- **Cost Sufficiency.** The City does not make any warranty, either expressed or implied, that the proceeds of the grant available for payment of the costs of the project will be sufficient to pay any specific portion of the costs that will be incurred in that connection. The City is under no obligation to advance funds in addition to those specified in the grant approval by City Council.
- **Disbursement of Grant.** Grant funds shall be disbursed to the grant recipient only upon the satisfactory completion of the project in accordance with a design for the project that has been approved by the City. The amount of the payment to the grant recipient will be one-half of the total cost of the work approved for the grant as documented by the bills submitted by the grant recipient, but shall not exceed the total grant amount approved by the City Council.
- **Fees of a Design Professional.** When included in the grant application, the City shall make a grant of up to \$1,000 to reimburse the grant recipient for the documented fees of a design professional other than the grant recipient or family member of the grant recipient.

The applicant may also be eligible for Main Street Iowa Design Assistance. Contact the Main Street Cultural District for further information.

- ***Inclusions and Omission.*** The requirements and regulations for Program administration outlined in the grant design guidelines, terms and conditions are designed to supplement and amplify the provisions as set forth in the applicable zoning and building code regulations administered by the City of Ames. These regulations, utilized together with the grant guidelines, terms and conditions, provide the basis for Program administration. The lack of any item to be included in these guidelines, terms and conditions shall not relieve or release the grant recipient(s), property owner(s), consultant(s), contractor(s) or City from the responsibilities under the provisions outlined in the applicable zoning and building codes and Program guidelines, terms and conditions.
- ***Matching Funds.*** The grant recipient's expenditures for the project from sources other than the proceeds of the grant shall equal the amount of the grant proceeds.
- ***Notice to Proceed.*** After the City has approved all design elements, all required permits and received the W-9 form, the City will issue a Notice to Proceed. No work funded by the grant shall proceed until on or after the date of the Notice to Proceed. No reimbursement from grant funds will be made for work carried out before the date of the Notice to Proceed.
- ***Permits.*** All pertinent permits must be obtained and all work must comply with City, State, and Federal regulations.
- ***Report of the City Building Official.*** The City Building Official shall determine if the work conforms to all applicable codes and regulations, and that any and all pre-existing code defects in the building façade have been corrected to conform to all appropriate codes.
- ***Request for Payment.*** The grant recipient shall submit to the City on a form provided by the City a listing of all bills for the materials and work completed and a statement that all work under the approved grant has been completed and that the listing is complete. The grant recipient shall also submit evidence as may be reasonably required to substantiate all payments that are requested, such as lien waivers or conditional lien waivers.
- ***Statement of Work and Services.*** The grant recipient will perform the work in a satisfactory and proper manner, as determined by the City conforming to the approved application, project budget, and project schedule.
- ***Tax Payer Identification Number.*** After City Council awards grants, all grant recipients are required to provide to the City a copy of Internal Revenue Service Form W-9 Request for Taxpayer Identification Number and Certification. The City will only issue a Notice to Proceed after it receives the W-9 Form.
- ***Time of Project Completion and Fund Request.*** The work approved for the grant shall be completed within twelve months of the date of the "Notice to Proceed." The grant recipient shall request grant funds only after the project has been completed in accordance with the approved application.
- ***Use of Grant Funds.*** The grant funds shall not be spent on any other purpose(s) than the activities approved in the application.
- ***Failure by the grantee to comply with terms of eligibility may result in forfeiture of award.***

