

Staff Report

**REQUEST TO MODIFY DOWNTOWN FACADE GRANT FUNDING ELIGIBILITY FOR
MAINTENANCE ACTIVITIES AND REAR FACADES**

August 13, 2024

BACKGROUND:

On June 25, 2024, Council received a letter from Scott Moorman of Moorman Clothiers, requesting that the Downtown Facade Grant Program be made available for use on the rear of the Moorman's building at 226-228 Main Street (Attachment A). Council directed staff to place the item on a future agenda for discussion of the Facade Program requirements as it related to this request. **Staff has since followed up with Scott Moorman about the planned project and learned the project would consist of maintenance and rehabilitation of the existing rear facade.** This is discussed in greater detail below in relation to the Facade Program criteria and eligibility.

The Downtown Facade Grant Program was created in 2000 to facilitate private improvements to Downtown retail and other commercial storefronts. The program provides money to eligible properties within the boundary area (Attachment B) to bring front facades into compliance with the adopted guidelines. The Downtown [Design Guidelines](#) for building facades can be found on the Planning Division webpage. The most recent [application packet](#) from Spring 2024 that describes the program requirements is also available online.

The guidelines focus on traditional commercial storefronts, specifically within the period of historical significance from the 1920s to 1940s for the district. In addition to historic facades, the program has an "other facade" design guideline option for non-traditional buildings, such as the Wheatsfield building on Northwestern. The program is structured around improvements to front facades. The rears of the buildings are not included within the design guidelines and have never been eligible for a grant.

City Council has from time to time revisited the Downtown Facade Program and its requirements. Staff believes the most significant Council decisions about the program and how it currently operates include:

- 2011/12 updates to project eligibility for front facades, two grant application periods, and creation of scoring criteria for competitive grant reviews;
- May 2022 review of the program for historic preservation, resulting in the creation of a new Historic Feature rehabilitation grant option; and
- May 2023 decision to increase the per grant funding from \$15,000 to a maximum of \$25,000.

Although not directly part of the Facade program, City Council also reviewed Downtown stakeholder feedback about building and business owner interests in August 2023 and then modified the Urban Revitalization Area (URA) tax abatement program in August 2023 to distinguish facade program participation from receipt of property tax abatement incentives.

The current Facade Program utilizes matching grants to encourage building owners to make changes to the non-compliant facades that will bring traditional structures into line with the historic character of Downtown. **A building is only eligible for the grant if changes needed to be made to update its appearance for removal of non-compliant elements or for rehabilitation of historic character defining features, such as original wood windows.** Replacement of like for like features that are already compliant elements are not eligible.

Maintenance of a building facade as a standalone activity is not eligible. However, maintenance activities could be funded if associated with eligible work. For instance, repointing of mortar could be funded if done in conjunction with the removal of facade elements that did not comply with the Downtown guidelines.

Moorman Clothiers-226 Main Street

In August 2011, Moorman Clothiers was awarded a grant to remove noncompliant features the facade of the two buildings. The two buildings which make up Moorman Clothiers had been visually unified with a design that obscured the traditional commercial character. The grant paid to have the facade on the ground floor removed and the brick facade underneath repaired (Attachment C). The grant was for the full amount: \$15,000 for the work and \$1,000 for design services.

Staff spoke with Scott Moorman about his June request to Council for the rear of Moorman Clothiers (Attachment D). He outlined the following as his intent for the property for the back of the building at 226 Main Street:

- Paint a mural
- Repoint the brick (the brick facade at the rear is not original to the building)
- Structural repairs
- Repair the stucco on the east and west sides
- Replace the windows

Mr. Moorman explained that no design changes were proposed to the existing facade. Staff notes that after the conversation that the scope of described improvements are not eligible activities, regardless of them being on a front or rear facade.

Mr. Moorman also stated that he would like to see other properties on the south side of Main Street have funds available for work on the rear of those structures.

OPTIONS:

Mr. Moorman's request relates to two specific program eligibility restrictions regarding grants: The first issue is whether maintenance activities could be eligible, and the second is whether rear facade improvements could be eligible. Both issues would need changes to accommodate Mr. Moorman's request. Staff believes City Council should consider the two issues separately to determine if Council desires to proceed with any changes to the Downtown Facade Program. Once decisions about the two primary issues are answered, program details about minimum design requirements, scope of work, timing, and grant amounts could then be addressed.

Option 1- Add a Maintenance option for the exterior maintenance of buildings and maintain the other Downtown Facade program requirements.

This option expands the types of activities that could be funded to include general maintenance of the

building. In previous discussions about the program, the Council received requests to incorporate maintenance or other building improvement grants and Council did not choose to proceed with addressing these activities within the Facade Grant program.

Adding maintenance could include a wide range of work ranging from structural improvements, roof repairs, tuck pointing of brick, to painting or replacing windows. Some activities are critical to the maintaining the integrity of a building while others are more routine building maintenance or cosmetic in nature. With this option, a building owner would not be obligated to make any other facade improvements to remove noncompliant elements or enhancing the appearance of the building. **Ultimately, Council would need to provide direction regarding how to balance supporting the City's downtown interests versus property owner responsibilities to maintain property, the type of work that would be eligible, the extent of work, meaningful maintenance of building, partial or one facade allowed, what types of buildings would be eligible (historic or not), amount of a matching grant, competitiveness to other grant priorities, etc.**

This type of program modification would likely warrant prioritization in staff's Work Plan.

Option 2- Maintain the existing Downtown Facade Grant Program, and create new design guidelines for the facade grant to apply to the rear of buildings.

The current design standards and scoring criteria do not lend themselves to evaluating changes to the rear facade of buildings. The use of the rear of building varies greatly between businesses and their location in downtown along alleys or the CBD parking lot. **Input from Council regarding this type of change would be needed for factors related to design requirements or guidelines, whether the building would have to have a compliant front facade first, and prioritization compared to front facades. Additionally, the interface of some properties along the CBD lot may also be influenced by the outcome of the Downtown Master Plan being undertaken by Downtown Ames. This could impact priorities of the program in upcoming years.**

This type of program modification would likely warrant prioritization in the Work Plan to define priorities of the City and building owners.

Option 3- No Action

If City Council determines that the program as it is currently structured addresses the City's priorities for Downtown improvements, no changes are needed to the program at this time.

STAFF COMMENTS:

The goal of the Downtown Facade Grant Program is to facilitate improvement in Downtown Ames and reinforce its historic character. Since its inception, the Downtown Facade Grant Program has awarded three loans and 53 grants, four of which were later withdrawn by the applicants. Along with other City investments Downtown, the program has had a noticeable impact on Downtown, including the Moorman's Clothier building that is part of this discussion.

Mr. Moorman's current request brings up two issues that Council has at times had previous requests for to expand the Facade program to include additional activities or maintenance and/or rear facades. Rear facades that add usability to a building would be similar to the goal of the front facade grants in expanding commercial activity and attractiveness. However, staff believes there are balancing issues with the City's priorities of front facades as the defining character of Downtown and the high degree of variability in rear building usage. Staff also believes that the upcoming Downtown Plan may outline

goals for businesses and building investments and the future of the CBD lots that could influence this discussion as well, especially when considering the limited financial resources of the City to address all of the investment requests of Downtown.

Staff believes providing maintenance grants is a different priority than that of the current Downtown Facade program. The current program focus is on making improvements to a building to realize a City goal, where the property owners otherwise is not required to improve the look of their building. Maintenance and other types of improvements grants are more difficult to distinguish as a City goal compared to individual responsibilities that apply citywide when there are not unique building requirements Downtown. There are no property or building maintenance grants within the City as a model for this type of request. Adding maintenance activities as an eligible activity will need a robust discussion to help define parameters of City support. Staff identified an initial list of issues as part of the Option 1 discussion.

With either or both options, staff believes business and property owner outreach would be needed to discuss the various interests and limitations of the facade program. Discussion of other funding mechanisms besides grants may also be necessary to address the breadth of requests for Downtown. New requirements or guidelines would have to be drafted for administration of the grant program. If Council chooses to proceed with either option, the next step would be to return to Council with a more defined set of parameters for Council to then direct staff regarding how to proceed with outreach and the timing of amendments as it relates to the Work Plan.

ATTACHMENT(S):

[Attachment A.pdf](#)

[Attachment B.pdf](#)

[Attachment C.pdf](#)

[Attachment D.pdf](#)