

LOVELAND DOWNTOWN
PARTNERSHIP &
DOWNTOWN
DEVELOPMENT
AUTHORITY

**FAÇADE IMPROVEMENT -
REIMBURSEMENT PROGRAM**

Approved 12/15, Revised 3/16

Façade Improvement – Reimbursement Program

MISSION OF THE DDA

To strengthen, develop and promote the economic well-being, safety and vitality of the Downtown District. As a self-governing agency of the City, the DDA facilitates, plans and executes development and capital improvement projects. We commit to fulfill our mission collaboratively, ethically and professionally, while preserving the unique and historic character of the District. (March 2016)

GOALS

- Promote/support private development
- Create an exciting, active and vibrant downtown
- Improve the diversity and attractiveness of the Downtown District
- Environmentally restorative, responsible & accountable
- Design and build circulation systems, minimize auto/pedestrian conflicts, maximize convenience
- Enhance and honor the historic character

FAÇADE REIMBURSEMENT PROGRAM

The Downtown Development Authority (DDA) Board of Directors authorizes funding, subject to availability and Board approval, to be used to encourage property owners within the DDA District to renovate the facades of their buildings. The program provides for a reimbursement of 50% of eligible project costs for the first \$25,000 of qualified investment, up to a maximum of \$12,500; and an additional 25% of eligible project costs, for project values exceeding \$25,000, not to exceed a total reimbursement of \$31,250.

Proposals are considered on a case-by-case basis and evaluated based on the ability of the project to further the goals of the DDA. Funding is at the discretion of the DDA Board. The funding may only be used on eligible facades that are adjacent to or visible from public rights of way such as a street or alley way, typically to create façade features that would be infeasible without DDA funding and for which the DDA is able to secure an interest therein.

HOW TO APPLY

A. Meet with Staff:

Applicants must meet with DDA staff at least three (3) weeks prior to the DDA Board meeting at which the project will be reviewed. Applicants must assemble a packet of information for staff to review at this meeting. The packet must include the following to be considered a complete proposal:

1. A completed application. The application form is attached to this document.
2. A narrative describing the project. The narrative should address the following topics:
 - a. A brief history of the site/building
 - b. A description of the work proposed
 - c. Responses to how the proposed project meets each of the evaluation criteria listed below in "EVALUATION CRITERIA"
 - d. The amount of funding requested from the DDA Board
3. Current photo(s) of the property and if applicable, historic photos.
4. Color façade elevation drawings with proposed materials called-out/labeled. These must be developed by a licensed professional architect.
5. A detailed cost breakdown of the proposed façade improvements prepared by the design architect and/or contractor. "Eligible costs" refer only to costs associated with work proposed on the façade(s). These may include: applicable deconstruction and construction activities including tools and equipment; materials and labor for facades; replacement/repairs of doors and windows; restoration of historic materials, brick masonry, façade lighting fixtures, etc. Eligible costs may also include General Contractor's general conditions, and soft costs such as architectural, structural, electrical, or mechanical design fees, construction site amenities, survey and staking, traffic controls, and profit and overhead. DDA funding for soft costs may not exceed fifteen percent (15%) of total project costs.
6. The investment from the DDA may not include any interior work, taxes, fees, permits or insurance.

Staff will advise the applicant whether the submittal is complete or if other information is needed for Board consideration. Staff will schedule the project for an upcoming Board meeting if the proposal is complete. Generally, the DDA Board meets the 2nd and 4th Mondays of each month.

B. Prepare Board Packet

Upon approval by DDA staff, applicant must provide a digital copy (.pdf) plus color paper copies – if requested, of the packet submittal to the DDA offices not later than the Monday two weeks prior to the scheduled DDA Board meeting.

C. Attendance by Owner and Representatives at the Board Meeting

The project owner or authorized representative will be required to make a brief (5 – 10 minute) presentation to the DDA Board. This presentation should highlight the aspects of the project in the context of the downtown environment. Please note that board members will receive the application and documentation in advance of the board meeting and will be familiar with the details of the project.

EVALUATION CRITERIA

- A.** Properties that have received prior DDA façade reimbursement or tax increment investment for façade improvements are **not** eligible for this reimbursement program for the same façade, **except** for buildings that are designated as historic landmarks on the National, State or local register.
- B.** A historic landmark building with a previous tax increment investment is eligible to receive a façade reimbursement if requested reimbursement funds are used solely for rehabilitation or preservation of historic materials such as stone, brick masonry, doors and windows (no routine maintenance expenses such as re-painting will be accepted); and it has been at least 10 years since execution of the previous TIF investment agreement.
- C.** Properties with more than one façade adjacent to or visible from a public right-of-way (includes roads and alleys) are eligible for façade reimbursement money on facades other than the façade that has already been funded by the DDA.

D. The DDA Board will look specifically at the following criteria in its evaluation of submittals:

1. **Quality of materials:** The DDA strongly encourages the use of real or authentic building materials in the construction of the facade. For example, real stone not faux stone, real brick masonry, and true cementitious stucco not an EIFS-type system.
2. **Pedestrian friendly street presentation:** The façade should be designed and scaled so that pedestrians enjoy passing the building and looking at and into it. Blank façade walls with minimal articulation and limited variation in materials are not acceptable.
3. **Timeless design:** The design should be of such quality and appeal that 100 years from now the building will have historic relevance and interest to the general public. Creative, bold, contemporary design is acceptable if it is timeless in quality. The DDA discourages facades that will lose appeal after five or ten years.
4. **Sensitivity to the historic fabric of the building and immediate environs:** The DDA does not require historic rehabilitations but property owners should be aware that façade changes to some buildings downtown may require review/approval by the Loveland Historic Preservation Commission (HPC). All landmark buildings must receive HPC approval of the proposed façade changes prior to being scheduled with the DDA Board.
5. **Green building principles:** Although green building practices may not always have much application in a façade improvement, the DDA actively encourages these practices wherever possible. The DDA Board looks for green building principles that meet or exceed the City of Loveland’s adopted code minimums, certifying the construction through the U. S. Green Building Council’s LEED rating program, Energy Star, Sustainable Sites Initiative or through an equivalent green building rating system such as the International Green Construction Code or Green Globes.

6. **Deconstruction:** The DDA Board requires contractor documentation of deconstruction methods that achieve the goal of minimizing construction and demolition waste from entering the landfill.
7. **Prior Maintenance:** The DDA Board may also require demonstration of prior maintenance on building.

WHAT HAPPENS AFTER APPROVAL

- A. **Extension.** If the DDA Board approves a reimbursement, the commitment is valid for one (1) calendar year from the date of the approval. The project owner or authorized representative may request from the Board of Directors one 12-month extension of the commitment. The extension request submitted to the DDA Executive Director, describing the reason for the delay, must be submitted in time to be considered by the Board at a regular monthly meeting held prior to the expiration of the commitment term, which at the latest would be 10 business days prior to the date of the regular monthly meeting scheduled to occur in the final month of the commitment. If granted, construction on the project must commence within the 12-month extension period or the DDA commitment will expire. If the project owner or authorized representative fails to make an extension request prior to the expiration of the commitment term, or is unable to commence construction on the project after being granted a 12-month extension, a new project proposal will need to be presented to the Board for consideration. This new proposal may be the same as the original or modified.
- B. **Project Commitment.** A meeting with the DDA staff and the project owner or authorized representative will be necessary after the board approves the reimbursement investment. Staff will prepare a notebook detailing all of the steps necessary for the project to receive the funds. At this meeting the DDA will provide to the applicant a **Project Commitment**.
- C. **Façade Agreement / Grant of Easement.** Upon completion of the project and submission of all DDA requirements for project reimbursement a **Façade Agreement** and **Grant of Easement for Facades** will be drafted by DDA legal counsel. The easement terms are based on the value of the DDA funding commitment. The easement is passive. It requires the owner to maintain the façade, to get DDA approval of subsequent changes, and it gives the DDA the ability to make repairs and lien the property if the façade is not maintained.
 1. Terms of the agreement and easement are typically based on the following schedule:

<u>Project Cost</u>	<u>Easement Period</u>
From \$1 to \$25,000	5 years
From \$25,001 to \$50,000	10 years
From \$50,001 to \$100,000	15 years

DDA funds will not be released until construction is 100 percent complete and all DDA requirements for project reimbursement are satisfied per the Project Closing Instructions.

Façade Monitoring Program

The Façade Agreement with the DDA, obligates property owners to maintain the improvements in substantially the same condition as existed at the time of the completion of the project, until the end of the easement term. In order to ensure that the DDA investments in these facades are being properly maintained, the DDA has established the **Façade Monitoring Program**. Under this program, properties are inspected every other year to determine if the maintenance obligations of the building owners are being met, if changes have been made to the facades without DDA approval and to create a benchmark for future monitoring.

The protocol adopted by the DDA board is as follows:

- Inspect only those properties that have an active easement
- Determine if the façade has been changed since completion or last inspection
- Determine if there are any maintenance issues that need to be corrected

Notification to the Property Owner will follow the following steps:

1. First Notification:

- Explain the Façade Monitoring process
- Remind the owner of their obligation to maintain the façade
- Document the findings of the inspection (including photos)
- Ask that corrections be made within four (4) weeks
- Call owner two (2) or three (3) weeks after sending letter for a follow-up

2. Second Notification:

- Sent as a certified letter to the property owner
- Requires demonstrable action by the owner within fourteen (14) days
- Include a section from the Grant of Easement that states:
 - Owner must maintain the façade per the reimbursement Agreement
 - If not, DDA may complete the work
 - DDA will assess the cost against the owner and lien the property
- Call or visit the owner before sending the 2nd notification

3. Third Notification:
 - Sent as a certified letter from legal counsel
 - Reference will be made to the two previous notifications
 - Will state that unless immediate action is taken to correct the outstanding issues, the DDA will have the work done with all costs assessed to the owner and a lien will be placed on the property
 - Call or visit the property owner before sending the 3rd notification letter

4. LIEN, PROCESS FOR PLACING LIEN ON PROPERTY THROUGH LARIMER COUNTY

5. LIEN RELEASE, assuming all known issues are remedied.



Letters of appreciation will be sent to those property owners who do not have maintenance issues, informing them that they passed inspection and thanking them for maintaining the facades.

Project Commitment Terms

The Downtown Development Authority (DDA) Board of Directors makes this preliminary commitment to participate in the _____ project based upon the following terms:

1. The commitment by the DDA is for a period of twelve (12) months commencing on the date the Board of Directors votes in favor of participation. Construction on this project must commence within twelve (12) months. If this project is being funded from administrative resources, it is contingent upon re-appropriation of funds to the Loveland Downtown Partnership by the Loveland City Council if the twelve (12) month period extends into the next budget year.

Funding type: TIF Façade Reimbursement **Administrative (Other)**

2. The project owner must provide the DDA with periodic updates, the frequency to be determined on a case-by-case basis.
3. DDA legal fees will be deducted from the gross DDA commitment to the project at the lesser of either the actual cost of the legal services or 5% of the total DDA commitment to the project.
4. The project owner or authorized representative may request from the Board of Directors one twelve (12) month extension of the commitment. The extension request submitted to the DDA Executive Director, describing the reason for the delay, must be submitted in time to be considered by the Board at a regular monthly meeting held prior to the expiration of the commitment term, which at the latest would be ten (10) business days prior to the date of the regular monthly meeting scheduled to occur in the final month of the commitment. If granted, construction on the project must commence within the twelve (12) month extension period or the DDA commitment will expire. If the project owner or authorized representative fails to make an extension request prior to the expiration of the commitment term, or is unable to commence construction on the project after being granted a twelve (12) month extension, a new project proposal

will need to be presented to the Board for consideration. This new proposal may be the same as the original or modified.

5. If there is a change in project ownership, the continuation of this commitment requires notice to the DDA, and the Board may, at its sole discretion, require reconsideration of the DDA commitment.

6. If the funding is for a TIF project, a reduction in the private investment for taxable improvements as identified on the Larimer County Assessor tax increment worksheet, here declared at \$_____ of more than ten percent (10%) requires reconsideration of the Authority's commitment by the Board of Directors.

7. For projects requiring execution of a façade agreement and grant of façade easement, the DDA requires the project owner or authorized representative to pay the costs of a simply title search or title insurance policy, as may be determined by the DDA, including mechanics lien coverage, and the Clerk and Recorder's fees for recording of the facade agreement and grant of facade easement, unless otherwise agreed. The DDA may select the preferred title company, and shall advise the applicant. Upon completion of the project, the property owner will be required to submit certain financial information to the DDA and if required to the title company, including, but not necessarily limited to, those items used in the evaluation in connection with the request for mechanic's lien coverage

8. This commitment is contingent upon the completed project being consistent in scope, use, and design with that presented to the Board at the time this commitment was made. If there is a change to the scope, use, and design from what was presented to the Board, the owners(s) must present such changes to the DDA staff before making changes to what was approved by the DDA Board. Failure to notify the DDA Executive Director may jeopardize funds. The Executive Director is authorized to make decisions regarding minor changes. Significant changes, as determined by the Executive Director, may require Board action.

9. This commitment is expressly contingent upon the fulfillment of all the terms of, acceptance of, and execution of an agreement between the Downtown Development Authority and the project owner(s).

10. For projects with off-site public improvements, constructed in whole or in part with DDA funds, this commitment is subject to provisions in the agreement that will be executed between the project owner and the DDA, which allow the DDA to receive third-party reimbursements for the public improvements it has funded in accordance with the reimbursement policies established by the City of Loveland.

DDA Commitment

\$ _____

Release of Funds

Release of funds is contingent upon owner submission of all DDA requirements for project reimbursement, including actual cost accounting of eligible materials with documentation; if appropriate – the evidence of certificate of completion or certificate of occupancy issued by City of Loveland; acceptance of public improvements within the rights-of-way by the City of Loveland, certificate of liability insurance and grant of façade easements by the owner, and where applicable, contractor documentation of deconstruction as a method for minimizing construction and demolition waste from entering the landfill.

The date of this commitment is: _____

Project Address: _____

Authorized Applicant Signature

Date

Printed Name

Date

Loveland Downtown Development Authority (DDA)

Executive Director

Date

Printed Name

Project Evaluation and Funding Guidelines

THE LEVEL OF DDA FUNDING, IF ANY, IS AT THE DISCRETION OF THE BOARD OF DIRECTORS BUT SHOULD BE CONSISTENT WITH ITS ASSESSMENT OF HOW THE PROJECT OR PROPOSAL MEETS OR EXCEEDS THE CRITERIA LISTED BELOW. NOT ALL OF THE CRITERIA APPLY TO EVERY PROJECT OR PROPOSAL. EMPHASIS CAN CHANGE OVER TIME. DDA FUNDING MUST BE FOR QUALIFIED PUBLIC OR PUBLIC-RELATED IMPROVEMENTS.

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2. **Pedestrian friendly street presentation:** The façade should be designed and scaled so that pedestrians enjoy passing the building and looking at and into it.
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4. **Sensitivity to the historic fabric of the building and immediate environs:** The DDA does not require historic rehabilitations but property owners should be aware that façade changes to some buildings downtown may require review/approval by the Loveland Historic Preservation Commission (HPC). All historic landmark buildings must receive HPC approval of proposed façade changes prior to being scheduled with the DDA Board.
5. **Green building principles:** Although green building practices may not always have much application to facades, the DDA actively encourages them, and they should be incorporated into the design wherever possible. The DDA

Board looks for green building principles that meet or exceed the City's adopted code minimums, certifying the construction through the U. S. Green Building Council's LEED rating program, Energy Star, Sustainable Sites Initiative or through an equivalent green building rating system such as the International Green Construction Code or Green Globes.

- 6. **Deconstruction:** The DDA Board wants to see contractor documentation of deconstruction with the goal of minimizing construction and demolition waste from entering the landfill.
- 7. **Prior Maintenance:** The DDA Board may also require demonstration of prior maintenance on building.

FUNDING GUIDELINES

The Downtown Development Authority (DDA) Board of Directors authorizes funding, subject to availability and Board approval, to be used to encourage property owners within the DDA District to renovate the facades of their buildings. The program provides reimbursements of 50% of eligible project costs for the first \$25,000 of qualified investment, up to a maximum of \$12,500; and an additional 25% of eligible project costs, for project values exceeding \$25,000, not to exceed a total reimbursement of \$31,250.

Proposals are considered on a case-by-case basis and evaluated based on the ability of the project to further the goals of the DDA. Funding is at the discretion of the DDA Board. The funding may only be used on eligible facades that are adjacent to or visible from public rights of way such as a street or alley way, typically to create façade features that would be infeasible without DDA funding and for which the DDA is able to secure an interest therein.

Closing Instructions for Project Owners

The following are items you will need to submit to the DDA before the Project Agreement and Façade Easement documents can be finalized by the DDA's legal counsel, and before the DDA will release funds committed to your project.

While you are working on your project, you can submit the following:

- 1. Full name and address of the person or entity (and tax ID number) that owns the project.
- 2. If the project owner is a legal entity such as an LLC, LLP, etc. please provide a copy from the specific section of the Articles of Organization, Operating Agreement or Statement of Authorization that identifies the managing person(s) that has the authority to execute instruments, or bind the entity.
- 3. Statement that identifies the full legal description of the property as found on an officially recorded document by the Larimer County Clerk and Recorder. Make sure this statement reflects the legal description that will apply when your project is complete.

When you have completed your project, please notify the DDA Executive Director via email that construction is complete and submit the following:

- 4. Copy of Certificate of Occupancy or Certificate of Completion issued by the City of Loveland.
- 5. Detailed accounting of the actual costs of construction, prepared by your contractor or architect/designer, for items that are eligible for DDA reimbursement. The actual cost spreadsheet should be submitted in the same format, or as close as possible, and with the same level of detail as the estimate of costs that were presented in the proposal approved by the DDA Board. Copies of bills submitted to the contractor by sub-contractors shall also be submitted as proof of actual expenditure.

- 6. A site visit will be conducted by DDA staff to ensure that the project was constructed according to the design the DDA Board approved. Staff will email an inspection summary to the owner. A response to any issues raised will be needed.
- 7. Name and address of the entity (with Tax ID number) or person (with Social Security number) to be identified as the payee on the reimbursement check. (Please contact DDA staff if more than one payee.) Submit a W-9.
- 8. Copy of current year Certificate of Liability Insurance (Acord 25). This certificate should identify property and casualty minimum coverage limits equal to the full insurable value of the property and façade improvements, and general liability coverage in connection with the property and façade improvements in amounts equal to the maximum amount of recovery against public entities and employees under the Colorado Governmental Immunity Act (C.R.S. 24-10-101 et. Seq.) The certificate must also identify the Loveland LDP & the DDA, 350 North Cleveland Avenue, Loveland, CO 80537; and the City of Loveland, 500 E 3rd Street, Loveland, CO 80537, as additionally insured.
- 9. It is required that project owners cover expenses for the title search, and if required, for the title insurance premium, and Larimer County Clerk/Recorder recording fees for the agreement and façade easement. You will be notified in the days leading up to the final closing date of the amounts needed to cover these expenses.

If you have any questions about these instructions, please call the DDA Executive Director or Project Coordinator at 970-744-4794. Please be aware that the drafting of the legal agreement may take between 6-8 weeks.

Administrative Review Practices for Building Alterations

Legal language in the DDA façade easements states that no alterations of the façade improvements, including alteration of or additions to the signage or canopies shall be made without express written approval of the DDA.

Staff initiates an administrative review when an owner notifies the DDA of proposed changes to ensure that the request is consistent with the historic character of the approved design or is compatible with the character of the redeveloped properties within the downtown and specific areas where it is located.

If staff has concerns about incompatible alterations, or the proposed alterations exceed simple modifications to the building, then staff is obligated to bring the proposal to the Board for review in a timely manner.

In the case of minor alterations, the decisions to approve the proposed changes rests with the administrative review by DDA staff.

Façade Reimbursement Program APPLICATION

DATE OF SUBMITTAL:	
TARGET DDA BOARD MEETING DATE:	
APPLICANT NAME (INCLUDE DBA):	
IS APPLICANT THE PROPERTY OWNER?	<u>YES</u> <input type="radio"/> <u>NO</u> <input type="radio"/>
ADDRESS (STREET, CITY, STATE, ZIP):	
PHONE:	<u>BUSINESS</u> <u>CELL</u>
EMAIL:	
PROPERTY OWNER NAME (IF DIFFERENT FROM APPLICANT)	
ADDRESS (STREET, CITY, STATE, ZIP)	
PHONE:	<u>BUSINESS</u> <u>CELL</u>
EMAIL:	
PROJECT PROPERTY ADDRESS	

EXAMPLE

APPLICATION (con't)

ARCHITECTS NAME		
ADDRESS		
PHONE	<u>BUSINESS</u>	<u>CELL</u>
EMAIL		
CONTRACTORS NAME		
ADDRESS		
PHONE	<u>BUSINESS</u>	<u>CELL</u>
EMAIL		

EXAMPLE

PROJECT TYPE:

- | | |
|--|---|
| <input type="radio"/> HISTORIC REHABILITATION
<input type="radio"/> RESIDENTIAL
<input type="radio"/> CORNER PROPERTY
<input type="radio"/> ALLEY-FACING FAÇADE | <input type="radio"/> COMMERCIAL
<input type="radio"/> COMMERCIAL AND RESIDENTIAL
<input type="radio"/> STREET-FACING FAÇADE
<input type="radio"/> STREET AND ALLEY-FACING FACADES |
|--|---|

TOTAL PROJECT IMPROVEMENT COSTS: \$ _____

TOTAL FAÇADE COSTS \$ _____
 (Please attach detailed cost break down on a separate page)

FAÇADE FUNDING REQUESTED FROM DDA: \$ _____

APPLICANT SIGNATURE _____
DATE

TITLE

PROPERTY OWNER SIGNATURE _____
DATE
 (If different than Applicant Signature)

TITLE