

# City of Ellsworth Façade Improvement Program Guidelines

As amended by the City Council on July 19, 2010

**(1). Introduction**

This document establishes the guidelines and procedures of the City of Ellsworth applicable to providing Façade Grants under the Ellsworth Façade Improvement Program to rehabilitate commercial and mixed-use properties within the Ellsworth Urban Core area.

**(2). Purpose**

The Ellsworth Façade Improvement Program is designed to improve the visual quality of commercial properties, enhance the physical appearance of storefronts, maintain the vitality of the urban core, and provide retail and other commercial opportunities.

**(3). Project Area**

Properties eligible for funding must be located within the area referred to-as the Ellsworth Urban Core. The Ellsworth Urban Core, as adopted by the City Council, is delineated on the attached map.

**4). Funding and Administration**

The Ellsworth Façade Improvement Program is a matching grant program. City funding will come from a Maine Community Development Block Grant (CDBG).

The City of Ellsworth will administer the Ellsworth Façade Improvement Program in compliance with the Maine Department of Economic and Community Development rules and regulations and with these policies. Funded projects must conform to all local codes and ordinances, as well as with all requirements established by the U.S. Department of Housing and Urban Development pertaining to the CDBG program administered by the State of Maine.

**(5). General Requirements**

- a. A Façade Improvement Grant may be made to a commercial or mixed-use property, as long as the first floor/street level is for commercial use.
- b. The applicant for a Façade Improvement Grant may be the owner of the property or the lessee. A lessee will be required to have the building owner co-sign the application.

**(6). Eligibility**

- a. The City shall have the authority to determine the eligibility or ineligibility of all proposed work. The City will require that all applicable City, State and Federal codes and requirements be met.
- b. Grant funds will be used for improvements to the principal or street-facing facades.
- c. Funds will be awarded only for exterior work which will result in the significant improvement or enhancement of the building façade.
- d. As determined in a case-by-case basis, funds may be used for 1) rear facades which contain a building or business' primary entrance; 2) non-primary facades which are also visible from the public right-of-way or other public areas such as public parking lots; and 3) some limited interior code violations which have a direct relation with the exterior façade project.
- e. Properties with multiple business tenants shall, to the greatest extent possible, aim to apply the same façade improvement principle across the entire property concurrently and as one project.
- f. Eligible uses of funds may include, but are not limited to: cleaning and/or re-pointing of bricks; cleaning and/or painting of wood surfaces; cleaning and repair or installation of siding; removal of "modernization" efforts and/or inappropriate non-historic alterations and additions; restoration of original/historical windows, doors, and trim whenever possible; roofing visible from street-level; main access improvements to storefronts; signage; awnings/canopies; removal or repair of fire escapes; exterior code violations; and exterior lighting.
- g. Ineligible uses include, but are not limited to interior repairs; structural repair; purchase of commercial property/equipment; and new construction.
- h. Alterations and improvements costs made prior to receiving a "Notice to Proceed with Improvements" are ineligible for reimbursement but per section 8, a portion may be eligible for match consideration.
- i. To be eligible a building will need to meet the CDBG National Objective of Slum and Blight and MRSA Title 30-A, Chapter 205, 5202.

**(7). Priorities and Funding Levels**

- a. CDBG funds must be used to improve one or more of the conditions which caused a Slum and Blight determination before less critical work can be done.
- b. High priority projects are eligible properties located within the Ellsworth Urban Core and having lot frontage on High Street between Main Street and Myrick Street; Downeast Highway; on Main Street between the Union River Bridge and Oak/High Street, and Water Street. The level of funds provided for high priority projects shall not exceed 75% of the total cost of approved façade improvement work to a maximum of \$15,000 per single business. In a multi-tenant commercial property, \$15,000 is allowed for each business, **up to a maximum** of \$45,000 per property.
- c. Medium priority projects are eligible properties located within the Ellsworth Urban Core and having lot frontage on the following roads: Main Street east of High Street;

- Oak Street; State Street; Bridge Hill and Bucksport Road; Surry Road; Christian Ridge between the Bucksport Road and Tax Map 26 lot 30; State Street, and Bangor Road. It also includes the portions of the Ellsworth Downtown not included as High Priority as described above. The level of funds provided for medium priority projects shall not exceed 75% of the total cost of approved façade improvement work to a maximum of \$10,000 per single business. In a multi-tenant commercial property, \$10,000 is allowed for each business, **up to a maximum** of \$30,000 per property.
- d. Low priority projects are eligible properties that do not qualify as high or medium priority projects but that are located within the Ellsworth Urban Core. The level of funds provided for low priority projects shall not exceed 75% of the total approved façade improvement work to a maximum of \$5,000 per single business. In a multi-tenant commercial property, \$5,000 is allowed for each business, **up to a maximum** of \$15,000 per property.

**(8). Matching Requirements**

- a. The applicant must provide a 25:75 ratio match, i.e. the applicant will provide \$25 of his/her funds for each \$100 of Façade Improvement Program expenditure.
- b. Alterations and improvements made more than 12 months prior to receiving a “Notice to Proceed with Improvements” are ineligible for match consideration.
- c. Alterations and improvements made less than 12 months prior to receiving a “Notice to Proceed with Improvements” may be eligible, as determined on a case-by-case basis, for match consideration if directly related to the approved work.

**(9). Criteria**

The Façade Improvement Review Committee will consider the following criteria when reviewing applications: location; removal of blighted conditions; support for prior or proposed public/or private investment; enhancement of the pedestrian environment; renovation of prominent locations; improvements that facilitate the retention of businesses; and improvements which will lead to occupancy of existing vacant buildings.

**(10). Application Review and Grant payment Procedures**

- a. The City of Ellsworth will receive and review Façade Improvement grant applications during the application period to be set by the Ellsworth City Planner. Upon determination that an application is complete, the Ellsworth City Planner will submit the application to the Façade Improvement Review Committee for review.
- b. The City reserves the right to reject any and all applications or to request more information from an-applicant when it is determined that it is in the best interest of the City to do so.
- c. A complete Façade Improvement Grant application shall consist of the following:
- 1) A completed and signed application form;
  - 2) A description of all proposed work;
  - 3) A cost estimate that itemizes all work to be done.

- d. After initial selection and before receiving final approval, the applicant may be required to provide a sketch plan of the proposed improvements.
- e. Upon completion of the work and certification from the Ellsworth City Planner or designee that the work has been completed consistent with the application, the recipient shall submit a request for reimbursement along with paid bills/invoices for the approved work to the Ellsworth Finance Director. The Ellsworth City Planner certification of work completeness does not take into consideration the quality of the work.
- f. The purpose of the Façade Improvement Program is not to improve properties with the intent of resale at a higher price, but to provide a “hand up” to businesses in need. Therefore, if the subject property is sold within five years of project completion, the owner shall pay the City the following amount back:
  - Within 1 year → Owner pays back 100% of grant award to City
  - Within 2 years → Owner pays back 80% of grant award to City
  - Within 3 years → Owner pays back 60% of grant award to City
  - Within 4 years → Owner pays back 40% of grant award to City
  - Within 5 years → Owner pays back 20% of grant award to City
  - After 5 years → there is no repayment

**(11). Program Income**

[See Generated Income Policy regarding any returned grant funds.]

**(12). Historic Preservation**

When public funds are involved in any Façade Improvement Program, a review process must be completed with the Maine Historic Preservation Commission (MHPC) pursuant to Section 106 of the National Historic Preservation Act. The purpose of the review is to identify architectural properties that may be potentially eligible for listing in the National Register of Historic Places. To complete the review, the MHPC requires information about the age of the building, a current photograph, and a description of the proposed work. If the MHPC determines that a building is potentially eligible for listing in the National Register of Historic Places, the MHPC will work with the applicant to ensure that the work is consistent with the historic character of the building. It is the intent of the City to assist property/business owners with the MHPC review process.

Also, all properties falling under the purview of City of Ellsworth Ordinance, Chapter 39 – Ellsworth Historic Ordinance will need approval of the Ellsworth Historic Preservation Commission prior to receiving a “Notice to Proceed with Improvements.”

**(13). Construction**

- a. **Procurement Standards and Wage Rates.** Federal requirements for competitive procurement of supplies/contractors apply to all façade activities. This means that a business/property owner will have to obtain and document price quotes from at least three vendors for supplies and/or at least three contractors for jobs.

The Davis-Bacon Act requires that construction contracts in excess of \$2,000 pay applicable wage rates for each trade working on a project. These wage rates must be part of the project's bid process and contract between the business owner and the contractor.

Davis-Bacon wage rates may apply in cases where the estimated total façade improvement costs equals or exceeds \$2,000. As part of the Façade Grant application process, the City of Ellsworth Planner will work with the business/property owner to determine whether the federal requirements do apply, and if so, determine how the business/property owner will take steps to meet them.

In general, the Davis-Bacon wages will apply to contracts for construction services and/or construction trades such as HVAC/plumbing, electrical, or carpentry where the total cost of wages for labor will total more than \$2,000. The wage rates would also apply to construction contracts where the total of labor costs and materials is more than \$2,000. Wage rates do not apply to a project if materials are purchased and paid for with CDBG funds and labor to install the materials is paid for under a separate contract with non-CDBG funds.

- b. Timely Performance.** All projects assisted by the Façade Improvement Program must be completed in a timely manner. The contract will allow a maximum of 12 months for completion. When it can be demonstrated that circumstances clearly beyond the borrower's control prohibit completion in 12 months, the Ellsworth City Planner may grant one six-month extension. Failure to complete the projects in a timely manner will result in a cancellation of the contract, de-obligation of any unexpected fund, and at the discretion of the City, recapture of expended funds.
- c. Permit requirements.** The applicant will be responsible for securing all required construction, electrical and other permits from the City of Ellsworth.
- d. Debarment Check.** All contractors will be reviewed to determine that they are not on the HUD debarment list. Debarment is the ineligibility of a contractor to engage in any federally-funded projects because of previous federal labor standards violations.

**(14). Additional Requirements**

- a. Equal Employment Opportunity.** The borrower shall comply with all applicable provisions of federal statutes and regulations concerning equal employment opportunities for persons engaged in façade improvement work undertaken in connection with program assistance.
- b. Records.** The grantee shall keep such records as may be required by the City in connection with the work to be assisted.

- c. Civil Rights.** The grantee shall not discriminate upon the basis of race, color, sex, marital status, handicap, religion or national origin in the sale, lease, rental, use or occupancy of the property to be assisted.
- d. Interest of Public Body.** The grantee shall allow no member of the governing body of the City of Ellsworth and no employees of the City of Ellsworth to have any interest, direct or indirect, in the proceeds of any grant or in any contract interest into the grantee for the performance of work financed, in whole or in part, with the proceeds of the grant.
- e. Property Taxes.** Financial assistance will not be provided if property taxes are in arrears.
- f. Displacement of Tenants.** No financial assistance will be provided if the project involves the permanent and involuntary displacement of tenants unless the applicant agrees to provide financial assistance to the tenants at levels consistent with the Federal Relocation and Real Property Acquisition Act, as amended. Such assistance granted will not, however, be counted in the private match requirements. Temporary relocation may be permitted with costs allowable as a project costs.