Flat Rock
Downtown Development Authority

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Commercial Façade Rehabilitation Program Application

Revised May 2018

FLAT ROCK DOWNTOWN DEVELOPMENT AUTHORITY

Commercial Façade Rehabilitation Program

PROGRAM GUIDELINES

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SECTION I. OVERVIEW OF PROGRAM

A. Purpose, Goals and Objective of the Program

The purpose of the Commercial Façade Rehabilitation Program is to provide financial assistance to property and/or business owners with the renovation of commercial buildings and structures within the City of Flat Rock Downtown Development Authority area as depicted on the attached map. The program will fund grants and/or loans to eligible commercially zoned and developed parcels of land located in the Downtown Development Authority area.

The goal of this project is to facilitate commercial revitalization; stimulate private investment; to preserve and beautify the commercial corridors; to upgrade the physical image of the Downtown Development Authority area; and to generate shopping and a pleasant walking environment by improving the visual aesthetics of the Downtown Development Authority area with enhancements in design, color schemes and building facades through the use of Downtown Development Authority funds.

The program objective is to provide financial assistance to property and business owners to make listed façade improvements within the Downtown Development Authority area and to assist in the revitalization of the City's commercial building stock.

B. Source of Funds for this Program

The source of funds for this program is the Flat Rock Downtown Development Authority ("Authority") from its Tax Increment revenue. Funding available for façade improvements will be determined by the Authority each budget year, as approved by the Flat Rock City Council.

C. Summary of Assistance Available

Assistance shall be available to eligible property and/or business owners within the Downtown Development Authority area, in the form of a grant and/or loan. The Authority will review each application to assure that the rehabilitation work proposed will accomplish the goals set by the Authority. All grants and loans will require majority approval by the Authority in order to obtain assistance.

Program funds may not be used to pay for architectural services, site plan review, or building and permit fees associated with the façade rehabilitation work proposed.

Concept design assistance may be provided on a case-by-case basis as determined by the Authority. Assistance will be provided in one or a combination of the following:

1. Grants. Matching grants may be available to all property/business owners who meet the program requirements. Grants shall be provided as a project rebate in an amount not to exceed $10,000 for building facades that face onto a public right-of-way. Additionally, other building facades which may be indirectly visible and could be a benefit to the overall building may be eligible as determined by the Authority.
2. Loans. In addition to the grant, loans may be available under the Commercial Façade Rehabilitation Program. The loan will carry with it an interest rate of no more than the interest rate published by the Wall Street Journal as the prime rate of interest, but not less than two (3%) percent per year as determined by the authority. The maximum loan amount cannot exceed fifty (50%) percent of the total material and labor cost. The loan only shall be available to the property owner since the property will be used as collateral on the loan. Full payment of the program loan is required when: 1) the property is sold or title is transferred; 2) the property is refinanced; or 3) ten (10) years from the receipt of funds.

SECTION II. APPLICANT ELIGIBILITY REQUIREMENTS

A. Property Ownership

The applicant(s) must be the current owner(s) or the current business owner(s) of the property to be rehabilitated in order to be eligible for program assistance. Individuals, partnerships, corporations, nonprofit corporations and other legal entities may apply for assistance. Property owner(s) shall be construed to be any person(s) or legal entity that holds title to the subject property. In the case of multiple ownership, the signature of each titleholder is required on all appropriate documents. The applicant(s) shall be required to submit proof of property ownership in the form and manner as approved by the Authority and require all persons currently on the title to give written consent to all work proposed to be performed on the property prior to initiating such work.

B. Utilization

As a result of participating in the Façade Rehabilitation Program, it must be adequately demonstrated that the subject property will or will continue to be utilized for commercial purposes as provided by the City's Zoning Ordinance. Buildings may have upper floor residential, but first floor must have a commercial use. Commercial properties which are a non-conforming use may be eligible, but only if such improvements are consistent with applicable Zoning Ordinances.

SECTION III – PROPERTY ELIGIBILITY REQUIREMENTS

A. Area Eligible Under the Program

To be eligible for the Program, the property to be rehabilitated must be located within the Downtown Development Authority Area as depicted by the attached map. Property abutting the Downtown Development Authority area may be eligible at the sole discretion of the Authority upon a specific finding that the proposed improvements will have a significant impact in meeting and furthering the goals of the Program.

B. Minimum Property Rehabilitation Standards

All work performed under the provisions of this Program shall meet all applicable standards contained in the City's Zoning Ordinance, building and safety codes, and such other codes as designated by the Director of Building and Safety. All applicable permits must be obtained and all review procedures followed. Approval for funding does not replace site plan review or other building and/or Planning Commission procedures.

C. Eligible Structures

Buildings and structures eligible for rehabilitation under this Program must be commercially zoned and developed for uses permitted by the Zoning Ordinance. Non-conforming commercial buildings and uses may be assisted if the City finds that such assistance will be in the public's interest and consistent with the Zoning Ordinance.

D. General Program Rules

- Improvements to be funded by grant or loan must be located on an exterior wall of the building. No interior improvements will be funded.
- All proposed improvements must be approved before the work is commenced. Work not approved prior to commencement date will not be reimbursed.
- Applications shall be reviewed by a committee composed of the Economic Development Director and Director of Building and Safety (for grants) and by the Economic Development Director, Director of Building and Safety and Attorney (for loans). A recommendation will then be forwarded to the Authority for review and action as determined by the Authority.

- The Façade Committee shall inspect all completed work prior to reimbursement or loan proceeds paid over to applicant, together with supporting documentation.
- All participants must be current with the City of Flat Rock and Wayne County real and personal property taxes for the building for which a rebate or loan has been requested.
- Once the improvements are approved for funding by grant or loan, all work must be completed and inspected within nine (9) months. Extensions may be granted by the Authority.
- Pre-application and pre-construction meetings with the Façade Committee are encouraged.
- All work must be performed by a licensed contractor.
- During construction and for a period of thirty (30) days after completion, the Authority may place a sign or other advertisement on the property alerting the public that the improvements are funded by a grant or a loan from the Authority.

It is the intent of the Authority to provide the greatest impact possible through the Program, and as such, the Authority reserves the right to offer greater rebates through grants or loans to large projects in order to offset costs and to solicit projects where improvements of a particular area are needed. Because the budget amount allocated for the Program is limited. The Authority reserves the right to recommend an approval of an amount lower than the requested funding to assure the maximum impact of the funding for the area.

E. Façade Rehabilitation Repair – Qualifying Improvements

Rebate dollars in the form of a grant or loan may be available for the following exterior wall improvements. Project rebates shall apply to labor and materials only. Permit fees and other expenses do not qualify for rebate dollars. Larger projects may qualify for additional funding which would entail the allocating of a substantial portion or the entire facade improvement budget allocation towards a single project. The Authority reserves the right to establish priority projects for funding. These priorities shall be based on visibility, capital vs. maintenance improvements or any additional criteria the Authority deems important. Improvements eligible for funding under the program are those listed below. Improvements to second floor portions are eligible when performed in conjunction with street level improvements:

- Facade improvements.
- New windows and doors.
- Decorative lighting fixtures.
- Canvas awnings.
- Structural and surface repair of exterior walls and overhangs.
- Repainting.
- Renovation/replacement of exterior devises and lighting fixtures.
- Landscaping (e.g., trees, bushes, planter boxes/pots, enhanced paving) when integral to the improved facade treatment of the building.
- Fencing used to enclose outdoor dining areas (not located within public right-of-way).
- Screening of mechanical equipment visible from the street or parking lot (e.g., backflow devices, utility meters, air conditioning units, and exhaust vents).
- Screening of dumpsters.
- New signs or the rehabilitation of signs.
- Parking lot repair or development as an integral part of a larger project.

Additionally, to participate in the program, all signage on the property to be rehabilitated must be brought up to conformance with the sign ordinance of the City.

F. Design Assistance

The Authority may provide design assistance from the Planner for those applicants requesting assistance. The scope and amount of the assistance will be determined by the Authority for those applicants receiving favorable recommendations

from the Facade Improvement Committee. A desire to take advantage of this design assistance must be indicated on the application when submitted.

SECTION IV – ASSISTANCE AVAILABLE

A. Matching Grant

The Authority may provide up to one-half of the funding for an eligible project. The maximum funding from the Authority, per project, is $10,000.

B. Loan Terms

The Authority may fund up to one hundred (100%) percent of an eligible facade improvement at an interest rate of two (2%} percent per annum. Loans shall be secured by the Authority obtaining a mortgage on the property and a personal guarantee of repayment from the applicant.

1. Registration Fees and Costs. Applicants shall be responsible for all costs associated with processing of the loan, including commitment for title insurance and recording fees.

2. Term. The amortization period for the repayment of the loan shall be an open term not to exceed ten (10) years. Full repayment of the loan will be required if the property is sold or title is transferred; or the property is refinanced.

3. Repayment. Repayment of the loan, to include interest on any partial advances, will be on a quarterly basis commencing three (3) months from the date of the issuance of the full amount of the loan to the property owner. Interest will be added to overdue payments at the rate of interest of the loan calculated daily and commencing the day after the due date of the payment. In the event of default in the loan repayment in excess of thirty (30) days. The outstanding balance (including principal and interest) shall be immediately due and payable. There shall be no penalty for early payment of the loan.

4. Security. The loan shall be secured by a mortgage in a form satisfactory to the Authority's attorney and shall be a lien against the property.

5. Risk Assessment. Applicants will be required to provide an estimate of the value of the property which is the subject of the application and details of indebtedness related to the property including mortgages and other encumbrances.

SECTION V – APPLICATION PROCEDURE AND PROCESS

A. Application Form

The applicant will be required to fill out an application form available from the Authority. The applicant is encouraged to engage an engineer or architect to help with decisions on facade improvements. (A copy of the application appears at the back of these guidelines.)

A non-refundable application fee of One Hundred ($100.00) Dollars, made payable to the Flat Rock Downtown Development Authority must be paid by the applicant and accompany the application. The application fee is used to offset costs incurred by the Authority in the review and evaluation of the application. The payment of the application fee does not guarantee that the application for a loan or grant will be approved by the Authority, This fee is in addition to any permit or Planning Commission fees required by the City of Flat Rock.

B. Information to Accompany Application

1. A sketch of the building showing the proposed improvement and such additional detail as may be required by the Facade Improvement Committee.

2. A minimum of two (2) estimates of the costs of the proposed improvements.

3. Any proposed paint, awnings, etc. as to samples to be installed.

4. Pictures of the existing facade and proposed improvement areas.

5. A summary of project quotes separated by project element.

C. Building Inspection

Following completion of the application and prior to its approval, the Facade Committee will complete an inspection of the building to review the proposed improvements and the structural condition of the building. A second inspection will be made following completion of the improvements and prior to payment of the grant or loan to the applicant to verify that the proposed improvements have been completed as described in the application.

D. Grant or Loan Approval

Recommendation for the grant or loan shall be made by the Facade Committee to the Authority. Funding is limited. Applications will be evaluated on the following criteria. Those applications that make the best case for funding will receive priority:

1. Project eligibility. Is the proposed work eligible under the program guidelines?

2. Amount of private investment. Those projects with a higher private match will receive greater consideration.

3. Location of improvements. Proposed improvements will be evaluated based onthe greatest need for the particular building/project.

4. Aesthetics. Projects must enhance the overall aesthetics and be consistent with existing architecture and materials within the area.

5. Previous facade grants. Has the address or project received an award in past years for the same or other improvement?

6. Tax-exempt properties. Taxable properties will receive higher consideration than tax-exempt properties.

SECTION VI – GUIDELINES FOR START AND COMPLETION OF IMPROVEMENTS

A. Start of Work

Work on the improvements covered by the grant or loan shall start only after final approval of the grant or loan, but in no case shall the work start later than three (3) months following final approval. Failure to commence work within the specified period may, at the discretion of the Authority, result in forfeiture of the grant or loan commitment.

B. Completion of Work

Work on the improvements covered by the grant or loan must be completed within nine (9) months of the date of the grant or loan approval. Failure to complete the improvement by the required completion date may, at the discretion of the Authority, result in the forfeiture of all of the grant or loan or that portion of the grant or loan commitment representing the value of the work outstanding at the completion date.

SECTION VII – AMENDMENTS

Amendments to these guidelines may be made from time to time by the Authority.

FLAT ROCK DOWNTOWN DEVELOPMENT AUTHORITY

25500 Gibraltar Road, Flat Rock, MI 48134

FAÇADE IMPROVEMENT PROGRAM
GRANT & LOAN APPLICATION

Applicant Name/Contact	Daytime Phone
Address	
Property Owner	Daytime Phone
Address	

Property Owner's Consent: I declare under penalty of perjury that I am the owner of the property involved in this application. I certify that the information furnished and in the attached exhibits is true and correct to the best of my knowledge and belief. Property owner letter is acceptable.

Signature	Date
Location of Project (Address)	

Proposed Improvements (Check all that apply):

◯ Façade Improvements (attach proposed plans)
◯ New windows and doors
◯ Decorative lighting fixtures (attach photos or drawings)
◯ Canvas awnings (attach plans and fabric sample)
◯ Structural and surface repair of exterior walls and overhangs (attach plans)
◯ Repainting (attach paint sample and elevation showing base and trim)
◯ Renovation/replacement of exterior devices and lighting fixtures (attach plans)
◯ Landscaping (e.g. trees, bushes, planters, boxes/pots, enhanced paving) when integral to improved façade treatment of the building (attach plans)
◯ Fencing used to enclose outdoor dining areas (not located within the public right-of-way)
◯ Screening of mechanical equipment visible from the street or parking lot (e.g. backflow devices, utility meters, air conditioning units and exhaust vents)
◯ Screening of dumpsters
◯ New sign or sign rehabilitation
◯ Parking lot repair or development as an integral part of a larger project

Detailed Project Description (attach copies of all proposed plans including material and paint samples):

Description of Other Funding Sources (status and amounts):
If applying for a loan, please attach a copy of your business and personal income taxes for the last two (2) years.
Design Assistance: Does the applicant request design assistance? ◯ Yes ◯ No

Applicant's Certification:

a. I declare and certify under penalty of perjury that the information furnished herein and in the attached exhibits are true and correct to the best of my knowledge and belief.

b. I further certify that I have read the program guidelines and fully understand the contents and agree to abide by the terms and conditions of the guidelines. **I understand that the application fee is non-refundable.**

Signature	Date

Attachments

- Attach evidence of site control (e.g. deed, option, lease)
- Attach evidence of property/fire insurance, and where applicable, flood insurance
- Sketch of proposed façade
- Any proposed paint, awnings, fabric, etc. samples
- Pictures of existing façade and proposed improvement areas
- Two (2) quotes per project element
- Summary of projected quotes separated by project element
- Non-refundable application fee. Checks or money orders made payable to the "Flat Rock Downtown Development Authority"

FAÇADE GRANT CHECKLIST

It has been the experience of the Authority that many Façade Grant applications have been delayed or not approved because the application is not complete, or that the applicant has failed to follow the terms of the Façade Grant Guidelines. All applicants certify in the application that the Program Guidelines have been reviewed and understood. All applicants are encouraged to review the Program Guidelines in their entirety. This checklist, though not comprehensive, is intended to assist the applicant in meeting the Program Guidelines.

◯ Program Guidelines have been read and understood.
◯ Attached to the application is evidence that the site is owned or leased; and if leased, evidence that approval has been obtained from the owner. ***See Section II(A), page 3.***
◯ You have provided a sketch of the proposed façade improvements, together with pictures of the existing façade and the proposed improvement areas. ***See Section V(B), page 7.***
◯ You have provided two (2) quotes for each improvement, together with a summary of the project quote, separated by project element. ***See Section V(B), page 7.***
◯ You have paid the $100.00 non-refundable application fee. ***See Section V(A), page 6.***
◯ Your property is zoned commercial.
◯ You have obtained a building permit, and where applicable, a zoning permit, for the proposed improvements. ***See Section III(B), page 4.***
◯ Work on the improvement has not been started prior to approval of the application. ***See Section III(D), page 4.***
◯ You are current and have paid all City and County real and personal property taxes. ***See Section III(D), page 4.***
◯ The improvements will be started within three (3) months of the approval of the application and completed within nine (9) months (extensions may be requested). ***See Section III(D), page 4 and Section VI(A) and (B), page 8.***
◯ The work to be performed will be by a licensed contractor. ***See Section III(D), page 4.***
◯ Upon completion, all work has been inspected by the Building and Safety Department, if applicable, and the Façade Committee.

Map 1
DDA District

Downtown Development Authority
City of Flat Rock, Michigan

DDA Boundary
City Boundary
Parcels

Base Map Source: Wayne County GIS, 1999.
Aerial Photo Source: Wayne County GIS, 2005.

0 750 1,500 Feet

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McKenna Associates

11/6/2014