

City Council

Agenda Cover Memorandum

Meeting Date: December 20, 2010

Item Title: Approve suspension of the façade improvement program and use the remaining money that is left after the current approved project is reimbursed to pay down debt service

Action Requested:

- Approval
- For discussion
- Feedback requested
- For your information

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Background:

At the October 11, 2010 Committee of the Whole meeting Alderman DiPietro requested the Procedures and Regulations Committee discuss suspending the Façade Improvement Program. The Façade Improvement Program is designed to encourage the improvement and revitalization of the exterior facades of existing commercial buildings fronting public streets. For the past few years the City's budget has not included funding for façade improvements outside of the TIF District. The program is currently available to properties within the TIF district, as funds were made available for projects through the 2006B bond issue. To date \$398,000 has been granted for façade improvements within the TIF district. There is about \$400,000 left of the bond funds that have to be designated for the façade program within the TIF district. If the money is not used on the façade program in the TIF district, the money will go unused. It should be noted that these funds are in a separate account and expenditures do not require borrowing from any other fund.

There is currently one additional project that the City entered into an agreement for a façade on South Prospect, which was approved for up to \$75,000 to be reimbursed. Going forward it is recommended that the process be that the City Council will review and approve a façade agreement prior to entering the agreement.

This is an excellent tool to help businesses that want to make improvements to their properties during these difficult economic times and a way to help upgrade the appearance of our community. The bond issue included funding for the façade improvement program as a way for existing properties to improve and compete with the new construction that was being built within the TIF district.

At the October 25, 2010 Committee of the Whole meeting, the Committee approved suspension of the Façade Improvement Program and to use the remaining money that is left after the current approved project is reimbursed to pay down the debt service. The remaining project to be reimbursed is expected to be about \$50,000. The Chamber of Commerce was informed that suspension of the program was being considered.

On November 3, 2010 the City Council approved suspension of the Façade Improvement Program and to use the remaining money that is left after the current approved or pending projects are reimbursed to pay down debt service.

On November 15, 2010, Mayor Schmidt vetoed the motion approved by the City Council on November 3, 2010 suspending the program.

On December 6, 2010 the City Council did not override the veto of the suspension of the façade improvement program. At that meeting, Ald. DiPietro requested that a motion to suspend the façade improvement program after payment of the signed agreement (Raffia) and to use the remaining funds for debt service be placed on the next City Council agenda for approval under Finance and Budget Committee.

As of December 14 the City is aware of the following projects/applications:

<u>Business</u>	<u>Status</u>
25-29 S. Prospect (Raffia)	Signed agreement 8/8/10, waiting for reimbursement submittal
28-30 Main (O'Reilly's)	Application submitted November 3, 2010
3-11 S. Prospect (Pickwick)	Application submitted December 6, 2010
720 Garden (Non-Profit Center)	Application submitted December 10, 2010

The three submitted applications have not been processed.

Recommendation:

Based on the request of Ald. DiPietro, the motion would be move approval of the suspension of the façade improvement program and use the bond funds allocated for the program to pay required amount for 8/8/10 signed agreement with Raffia and to pay down debt.

Budget Implications:

Does Action Require an Expenditure of Funds: Yes No

If Yes, Total Cost:

If Yes, is this a Budgeted Item: Yes No

Attachments:

- Information on the Façade Improvement Program



Façade Improvement Program

City of Park Ridge

Community Preservation and Development Department . 505 Butler Place . Park Ridge, IL . 60068
Phone: (847) 318-5291 . Fax: (847) 318-6411 . www.parkridge.us

Procedures and Guidelines

A. Purpose

The purpose of the Façade Improvement Program (Program) is to encourage the improvement and revitalization of the exterior facades of existing commercial buildings fronting public streets in the entire community. The City of Park Ridge (City) promotes the improvement of existing facades to make properties more attractive and increase long-term property values.

The façade is the primary street facing side or sides of a building. Corner buildings, with each side facing a street, shall be considered as having two facades. The façade shall include the building front from the sidewalk or grade level to the uppermost roofline, including the parapet wall or screen for mechanical equipment.

The City encourages private property owners to work with the City to promote the continued use and maintenance of existing commercial structures throughout the community, with the expectation of achieving and maintaining quality building stock, architecture, landscaping and signs that are complementary to the commercial character of each neighborhood, and enhance long-term property values and enjoyment by all residents of the community.

B. Eligible Properties

All commercial properties within the City are eligible for the Program. Properties must be used in whole or in part for commercial purposes. These could include mixed-use properties that contain, for example, retail or service uses on the first floor and office or residential on the upper floors. Institutional and publicly owned properties are not eligible for the Program.

C. Available Funding

The Program is a reimbursement program. The applicant (owner, purchaser or tenant of a property) shall pay all design and construction expenses related to improvements to the exterior street facing façades of an existing building. The City shall reimburse the applicant for eligible improvement expenses up to a maximum of fifty percent (50%), with a minimum project cost of \$5,000 for a minimum reimbursement of \$2,500; and a total project cost of \$150,000 or more for a maximum reimbursement of \$75,000; but in no instance more than \$1,000 per one linear foot of storefront fronting a public street, for a maximum reimbursement of \$75,000. Applications and funding are available on a first-come, first-served basis, based on the date the application is submitted. Funding levels fluctuate from year to year, depending upon the City's approved annual budget.

D. Application Process

1. Review the Program information, including the eligibility requirements, to determine if the proposed project is likely to qualify for reimbursement under the Program. Applications are considered on a first-come, first-served basis.
2. Submit the Program application and all required information to the Community Preservation and Development Department for review PRIOR TO BEGINNING ANY WORK. The following information shall be submitted:
 - a. Application;
 - b. Plat of Survey;
 - c. Site plan (show proposed changes);
 - d. Elevations and floor plans (show proposed changes and building materials),
 - e. Submit plans for the following, where applicable: landscape plans, exterior lighting, screening for mechanical equipment or refuse areas, signs or awnings;
 - f. Proof of ownership (warranty deed or title insurance) and/or lease;
 - g. Agreement (the City can only sign this once it is complete); and
 - h. \$200 non-refundable application fee.
3. All plans and specifications shall comply with all applicable City codes and ordinances, including these Program procedures and guidelines, the Urban Design Guidelines, the Comprehensive Plan, the Zoning Ordinance and building codes. Projects must also satisfy all applicable state and federal codes.
4. The City shall review the application and materials to determine if the project qualifies for reimbursement, based on the goal of the Program.
5. Design review of each project will be conducted by the Community Preservation and Development Department. The Department will determine if the project requires further review by the Appearance Commission or if administrative review is sufficient. In general, projects that consist of minor design or materials changes to a single storefront may be reviewed by the Department. All other projects are subject to review by the Appearance Commission, in accordance with the Rules of Procedure, the Appearance Code and the Urban Design Guidelines. Approval must be received by the Appearance Commission before an application can be accepted for the Program.
6. The City may approve the project as submitted, approve it with changes or deny it. If the City approves the project, the City has the authority to review and enter into an agreement with the applicant, which explains the Program requirements and identifies the maximum amount that the City agrees to reimburse the applicant. If actual costs exceed the estimates shown on the application, the applicant will be responsible for the full amount over the total estimate. The City will not reimburse more than the total amount specified in the agreement. If the City approves the project with changes, the applicant shall make the recommended changes before the City will proceed with executing an agreement. If the project is denied, the applicant may only resubmit an application after the concerns of the City are addressed.
7. The City will send the applicant a letter stating that the applicant may proceed with the Program, once the City approves the agreement.

8. The applicant may submit a building permit and construction drawings to the Building Division in the Community Preservation and Development Department for review, once the City signs the agreement and issues the approval letter. Construction cannot begin until a building permit has been issued. The applicant is responsible for paying all building permit fees.

E. Construction Process

1. Construction on the project may begin once a building permit is issued. All work shall be completed in accordance with the approved agreement and building permit plans. Work shall begin within 90 days of the agreement being approved and be completed within one year of the building permit being issued.
2. The Community Preservation and Development Department will inspect the project during the construction process to assure that work is done in conformance with the approved agreement and building permit plans. The applicant shall ensure that all necessary building inspections are scheduled through the Building Division.

F. Reimbursement Process

1. Once construction on the project is complete and the final inspections by the Building Division are done, the applicant shall notify the Community Preservation and Development Department. The applicant is responsible for all payments for services related to the project. The City will only reimburse the applicant up to fifty percent (50%) of qualifying expenses to a maximum of \$75,000. The applicant shall submit the following information for review upon completion of the project:
 - a. Owner's Sworn Statement,
 - b. Statement regarding architectural services (if applicable),
 - c. Contractor's Sworn Statement, and
 - d. Final Lien Waivers.
2. Once the Community Preservation and Development Department inspects and approves the completed project, and reviews and approves all construction information, the City will reimburse the applicant for costs, in accordance with the approved agreement.
3. Reimbursement by the City may be delayed or revoked if work is not completed in accordance with the approved building plans or agreement, or if all the required documentation is not submitted.
4. Any changes to the approved project will require the Owner/Lessee submit the changes to the City for review and possible amendment of the approved agreement. The City must be notified of any changes to the approved plans. The City must approve of any changes prior to reimbursement.

G. Maintenance of Improved Facades

The City encourages the applicant to retain the approved improvements for at least five years after the improvements are made. Application for reimbursement for new façade changes for a given property will not be accepted until at least five years after the prior reimbursement date.

H. Program Guidelines

1. Eligible Improvements

The following are examples of activities that may be eligible for reimbursement. The project is more likely to be funded if it is a comprehensive improvement that entails more than one of the items listed below. All projects will be evaluated based on how they meet the purpose of the Program, as defined in Section A.

- Exterior walls: repair, restore or rebuild vertical or parapet walls, including cleaning, sealing, tuckpointing, patching, painting or replacement of siding.
- Walls or screens intended to screen mechanical or utilities on a roof.
- Remove exterior building materials on the façade that is not original or is in excess to the building.
- Exterior windows: install, replace or repair windows, frames, sills, glazing or glass.
- Shutters: repair, restoration, replacement or addition of exterior shutters, where they relate to exterior windows.
- Roofs: repair or restoration where the effects of the repair will be visible from a public street or public parking lot. Generally, sloped roofs qualify but not flat roofs.
- Gutters and downspouts: install, replace or repair gutters and downspouts.
- Exterior doors: repair, restore, replace, and install doors and hardware used to provide public access.
- Stairs, porches, porticos, railings or colonnades: repair, replace or install these exterior elements where they affect access to the building.
- Landscaping: install and/or maintain plantings of trees, shrubs, perennials and groundcover on private property immediately adjacent to a building. Exterior lighting: on the building or in a parking lot.
- Screening mechanical equipment or utilities: install screening in the form of fencing or landscaping.
- Signs: replace and/or install permanent wall signs, when included as part of a more comprehensive façade improvement.
- Awnings and canopies: replace and/or install permanent wall signs, when included as part of a more comprehensive façade improvement.
- Walkways: improve sidewalks, pavers, plazas and other pedestrian ways on private property, designed primarily to facilitate public access to a building.
- Trash enclosures: install and/or replace.
- Code improvements: exterior improvements required to make the building handicapped accessible or to meet life, safety, building or zoning regulations.
- Energy conservation improvements: exterior improvements required by local regulations or in the interest of energy conservation on behalf of the applicant.
- Architectural services: that portion directly related to the façade improvement.
- Construction services: that portion directly related to the façade improvement.
- Interior work only when necessary to make the façade improvements possible.

2. Non-Eligible Improvements

The following are examples of activities that are not eligible for reimbursement:

- Routine maintenance of buildings, not part of a comprehensive façade improvement project.
- Extermination of insects, rodents, vermin and other pests.
- Public sidewalk repair.
- Building permit or zoning fees related to City advisory boards.
- Title reports and legal fees.
- Acquisition costs of land or buildings.
- Financing of debt related to the property.
- Air conditioning and or heating equipment.
- Plumbing.
- Fire suppression systems.
- Electrical wiring or service upgrades, except where needed to illuminate the exterior of the building or signs.
- Elevator installation or repair.
- Interior floor or ceiling replacement or repair.
- Window displays.
- Any other improvement that is not required as part of the eligible exterior improvements for which funding is requested.

I. **Design Considerations for Building Facades**

1. Applicants shall refer to the Zoning Ordinance and Urban Design Guidelines for further direction on facades, signs and awnings/canopies.
2. Architectural style of projects should match the original facades of the building where possible. Major design elements, such as building heights, rooflines, and building materials and colors shall be harmonious with surrounding buildings.
3. Buildings of architectural significance and original elements shall be restored, as much as possible.
4. Building windows shall add to a building's appearance and be an integral part of the overall design. Restoration of the original window size is encouraged. First floor windows for retail use shall be as large as possible, and as close to the original size as possible, to afford the merchant as many opportunities as possible for display. The use of paper window signs is discouraged. The height of storefront windows shall relate to the windows of surrounding buildings. A durable base shall be applied to all storefront windows. Upper floor windows shall be in harmony with the remaining building proportions and character. Filling in existing windows is discouraged.
5. Entrances to buildings shall be clearly defined without the use of signs. Open, transparent entrances for first floor retail spaces are more inviting to the public and are encouraged. Buildings of historic value shall have entrances restored to the original design. Protection of building entrances from the weather is desirable.
6. Screening of roof top equipment shall be required from the street side view. The use of parapet walls is encouraged over the use of screening walls.

7. The use of artificial architectural elements is discouraged. This includes, but is not limited to the following: mansard roofs, applied mansard fronts and applied facades that would cover existing significant architectural elements or materials.
8. Building Materials:
 - a. Materials, such as brick and stone, are encouraged. Artificial materials, such as Exterior Insulation Finish Systems (EIFS), and precast stone or brick, are discouraged.
 - b. Facades with architectural historic value shall be returned to their original materials and character as much as possible.
 - c. The use of aluminum in window or storefront glazing shall have architectural finish.
 - d. The use of aluminum or vinyl siding shall not be allowed.
 - e. The use of exposed plywood or plywood related materials shall not be allowed.
 - f. The use of security grilles and screens is discouraged.
 - g. Color schemes shall be harmonious with the existing structure and surrounding buildings.

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