



FACADE IMPROVEMENT PROGRAM



PROGRAM POLICIES AND PROCEDURES

Summary

The Facade Improvement Program is designed to enhance the visual aesthetics of Wichita's downtown and revitalization areas and provide an incentive for businesses to invest in redevelopment of their property. Low cost loan financing combined with a forgiveness provision for a portion of the loan (for non-high-rise buildings) makes an attractive financing package for owners or tenants seeking to renovate or restore building facades. Borrowers under this program are expected to match the City's financing package with other funding for the overall redevelopment project. The minimum façade improvement project size is \$50,000.

What is the Facade Improvement Program?

The program provides low cost financing (based on market conditions) over a fifteen-year period to renovate or restore a visible facade. For non high-rise buildings, the City assistance also includes a grant of up to 25% of the project cost, subject to recapture (as liquidated damages) if the owner fails to maintain the façade during the term of the façade financing. The maximum City of Wichita assistance (grant) is \$10,000 (or 25% of the total project cost, whichever is lower) for one facade. Up to \$30,000 (or 25% of total project costs, whichever is lower) is available for a corner building with two visible facades. The balance of the City's financing package (up to 75% of the facade improvement costs) will be made available through a fifteen-year special assessment against the real property. The property owner must sign the special assessment petition and the facade easement conveying the facade to the City of Wichita during the term of the special assessment financing. When the loan is repaid, the facade easement will be released.

High-Rise Building Requirements

- The high-rise facility must be more than three stories in height.
- Grants will not be permitted for high-rise buildings or façade projects over \$500,000.
- Assistance beyond two sides of the building may be approved if circumstances warrant.
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Who can apply for financing?

Any building owner or tenant with lease authority and approval of the owner may apply for façade funding. The building must be located within approved areas (see map). Owner or tenants cannot be delinquent on any current City charges, taxes or assessments or have defaulted on any previous City assistance. Owner must provide evidence of additional private investment in the redevelopment of the property, equal to or greater than the amount of City façade funding. Private investment may include the cost of consolidating land ownership.

What is the target area?

Buildings with frontages on arterial streets in select commercial corridors and adopted neighborhood plan areas are eligible. Those neighborhoods include:

- Downtown Self-Supporting Municipal Improvement District (SSMID)
- Arena Neighborhood Redevelopment Plan
- Center City Neighborhood Plan (C.O.R.E.)
- Delano Neighborhood Revitalization Plan
- 21st St. North Corridor Redevelopment (International Marketplace)
- South Central Neighborhood Plan (South Broadway area)
- Historic Midtown Neighborhood Plan
- McAdams Neighborhood Revitalization Plan
- Central Northeast Area Plan

The City Council will also have the option for a case-by-case review of individual blighted properties located outside of the target areas.

What types of improvements are eligible? (subject to City approval)

Masonry repairs and tuckpointing
 Repair/replace/preserve historically significant architectural details
 Storefront reconstruction
 Cornice repair
 Power washing (subject to approval by historic preservation officer)
 Exterior painting and stucco
 Awnings and canopies
 Window and door repair or replacement
 Permanent exterior signage integrated into the storefront design
 Exterior lighting
 Repair/replacement of gutters and downspouts
 Facade building code items
 Visible roof repairs in conjunction with structural improvements
 Public art attached to the building (such as murals)
 Utility/trash enclosures attached to the building
 Sidewalks
 Decorative fencing attached to the building
 Decking and stairs attached to the building
 Architectural, engineering or design fees
 Conversion of use on a case by case basis

What items are not eligible?

Landscaping
 Non-visible roofing
 Attached, hanging or projecting signs unrelated to the architecture of the building
 Mechanical equipment enclosures (non-visible)
 Parking lots
 Billboards
 Interior renovation
 Temporary, portable or non-permanent improvements (useful life less than term of façade loan)
 Non-visible or side façade (unless on an arterial street) and rear facades
 New construction
 Property acquisition
 Expansion of building area
 Working capital
 Developer fees
 Refinance of existing debt
 Improvements (including design work) in progress or completed prior to loan/grant approval
 Loans for speculative purposes
 Single family residential properties

These lists are not intended to be exhaustive. All improvements are subject to City Council approval.

Are project management fees allowed?

Project management fees may be financed by the Facade Improvement Program only if the need for such financing is established through analysis of financial information showing that private funding is not available to pay such costs, based on a reasonable return on investment. Project management fees paid through this program must be documented as actual façade improvement costs incurred, and will be capped at 5% of costs financed by the Facade Improvement Program.

Are there any design guidelines?

All Facade Improvement Program projects must be reviewed and approved by representatives of the Historic Preservation Board and the City Design Council prior to approval of the loan or issuance of a building permit. Where historic structures are involved, review by the Historic Preservation Board is required prior to start of construction. This includes properties located within a historic district and any property within 500 feet of a listed historic property (environs). All construction must comply with City code. All construction must conform to the ADA Accessibility Guidelines for Buildings and Facilities (ADAAG).

What other requirements are there?

- All work must be accomplished using private contractors through competitive bidding from at least three qualified companies pre-approved by the City of Wichita.
- Requires the use of professional design assistance (including providing elevations and renderings).
- Project must result in visible improvement of overall facade (e.g. not just sign replacement). Borrower agrees to maintain the facade for the term of the façade loan.
- Façade loans will be offered on a one-time basis unless a phased project receives prior City Council approval.
- Owner shall convey a facade easement to the City of Wichita before the start of construction, which shall run for the full term of the façade loan. Ownership verification is required.
- All approved projects must be completed within six months (180 days) of approval of the application, unless approved for phasing. A construction schedule is required for high-rise projects and façade loans over \$500,000.
- The City will conduct a background check on all applicants and applicants' project partners.
- Owner shall provide financial information that substantiates the need for the City's façade loan in order to complete the redevelopment project, including the overall sources and uses of funds and pro forma cash flow analysis that shows a reasonable return on owner's investment.
- The overall redevelopment project must include significant private investment (other than the facade loan) in an amount equal to or greater than the amount financed by the Facade Improvement Program, proof of which must be provided prior to disbursement of any façade loan proceeds.
- Special assessment financing of façade loans shall be for a 15-year term unless 20-year financing is recommended by the Development Coordinating Committee, based on financial need.
- Special assessment financing for façade loans over \$500,000 requires the use of taxable bonds, whose interest rate will be higher than tax-exempt bonds. Use of tax-exempt bonds for façade loans less than \$500,000 depends on the City's legal capacity to issue tax-exempt bonds for non-exempt projects.
- A current independent appraisal that estimates both "as-is" and "as-built" property values is required for high-rise buildings and façade loans over \$500,000. A bank appraisal associated with private investment may be used. Cost of a separate appraisal may be financed with the façade loan.
- Loan proceeds for façade loans over \$500,000 will be disbursed to the borrowers as progress payments pursuant to detailed invoices from project participants, including contractors, consultants and project managers, with sufficient documentation to show expenses were actually incurred. AIA payment request forms will be used for all construction draws, including lien releases, showing the draw-down against original project budget, based on construction contracts. Contractors must be paid within 14 days of payment by the City.

Where do I apply? Applications are available in the Department of Public Works, Engineering Office, 7th Floor, City Hall, 455 North Main. The program coordinator is Bill Morris, Administrative Services, (316) 268- 4548, and wmorris@wichita.gov. Application forms are also available online at the City of Wichita web site: www.wichitagov.org on the Urban Development webpage.

What is the process?

- Step 1:** Meet with appropriate City staff to review the preliminary design, expected time lines and next steps. This may include the Department of Public Works, Office of Central Inspection and the Metropolitan Area Planning Department.
- Step 2:** Finalize the renovation plans. This step should include consultation with an architect or engineer to discuss improvements and alterations to the building exterior.
- Step 3:** Obtain a complete preliminary cost estimate from a licensed contractor which covers the work to be accomplished. Cost estimate shall be a not-to-exceed amount and may include a 10% contingency. City will add a 2% Engineering Administrative Fee and financing costs, including construction interest and costs of bond issuance. For façade loans over \$500,000, a debt service reserve equal to one year's debt service will be added to the loan amount (reserve will be held in trust by the City and used to pay final year's special assessment payment).
- Step 4:** Submit a completed Facade Improvement Program application form to: Bill Morris, Administrative Services, Department of Public Works, 7th Floor, City Hall, 455 North Main, Wichita, Kansas 67202. Include a completed Facade Easement form with application.
- Step 5:** City formally reviews the application and performs background checks on applicant(s). Approvals are required by representatives of the Public Works Department, Office of Urban Development, City Design Council, Department of Finance and Historic Preservation Board (as appropriate).
- Step 6:** Obtain approval by City Council by means of a maximum assessment ordinance.
- Step 7:** Public Works notifies the applicant of approval and any pertinent requirements. The applicant has six months (180 days) from the date of application approval to complete the project. If there is no activity during this time, the application approval will expire and any City funding will be released for other applications.
- Step 8:** Initiate competitive bidding for facade work. Obtain building permit and planning permits (as applicable). Submit copies of permit and competitive bidding to Bill Morris in Public Works. Applicant commences improvements.
- Step 9:** Applicant submits construction progress payment to the Department of Public Works. If the progress payment is approved, the City will pay the progress payment to the applicant within 20 days of approval.
- Step 10:** Applicant submits proof of final expenses to Bill Morris in Public Works. Public Works processes applicant final reimbursement and issues a Statement of Final Project Cost.
- Step 11:** Special Assessment payments will appear on the Sedgwick County Property Tax Statements starting with the next tax statement (following year).

