

DATE: June 18, 2013
STAFF: Tom Leeson, Megan Bolin
Josh Birks

AGENDA ITEM SUMMARY
FORT COLLINS URBAN RENEWAL
AUTHORITY

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SUBJECT

Resolution No. 059 of the Fort Collins Urban Renewal Authority Adopting the Storefront Improvement Program for the North College Urban Renewal Area and Authorizing the Executive Director to Enter Into Project Reimbursement Agreements.

EXECUTIVE SUMMARY

This Resolution is a formal approval of the Storefront Improvement Program for the North College Urban Renewal Area. The purpose of the Program is to encourage the voluntary rehabilitation of commercial buildings, improvements and conditions within the North College Urban Renewal Area by offering financial assistance (50% of the total project cost, up to a maximum URA contribution of \$5,000 per storefront) to property owners and/or business tenants seeking to renovate or restore their commercial storefronts and/or building facades.

BACKGROUND / DISCUSSION

The 2013-2014 biennial budget for Fort Collins approved funding for the Storefront Improvement Program (Program), which included the following description:

“The purpose of the program is to provide financial assistance to property owners and/or business tenants within an Urban Renewal TIF District seeking to renovate or restore their commercial storefronts and/or building facades. The goal is to leverage private investment to visually improve existing buildings.”

The purpose of the Resolution is to formally approve the Program, which will allow individual funding requests to be approved administratively. As the budget language indicates, the purpose of the Program is to encourage the voluntary rehabilitation of commercial buildings, improvements and conditions within the North College Urban Renewal Area by offering financial assistance to property owners and/or business tenants seeking to renovate or restore their commercial storefronts and/or building facades (See Attachment A for a complete description of the Program).

Approved participants of the Program are eligible to receive financial assistance, upon the completion their approved project. The assistance is for 50% of the total project cost, up to a maximum URA contribution of \$5,000 per storefront. While the URA monies act as financial assistance to property owners and/or business tenants, the fundamental purpose of the assistance is to further the goals and objectives identified in the North College Urban Renewal Plan and the City's Comprehensive Plan.

Eligible participants in the Program include property owners of commercial buildings and tenants of ground floor commercial buildings that have an active sales tax license located within the North College Urban Renewal Area. A grant from this Program may not be used in combination with tax increment financing assistance. The eligible improvements include improvements that contribute to the visual enhancement of the property as viewed from the public right-of-way. Property owners that participate in the Program will be required to record a façade easement with the Larimer County Clerk and Recorder that will expire within five years of the date of project completion. The easement requires the owner to maintain the facade, get URA approval of subsequent changes, and it gives the URA the ability to make repairs and lien the property if the facade is not maintained (See **Attachment 1** for the easement template).

It is anticipated the URA will have two funding request deadlines per year. Significant outreach to North College property and business owners will be made in an effort to gain interest in the program. Due to the limited time remaining in 2013, only one funding request deadline will be offered.

FINANCIAL / ECONOMIC IMPACTS

The 2013-2014 biennial budget for Fort Collins approved funding in the amount of \$25,000 in 2013 and \$50,000 in 2014 of tax increment financing (TIF) generated from the North College Urban Renewal Area to fund a Storefront Improvement Program.

ENVIRONMENTAL IMPACTS

It is not anticipated the Program will have any environmental impacts.

STAFF RECOMMENDATION

Staff recommends adoption of the Resolution.

PUBLIC OUTREACH

URA staff has worked directly with the North Fort Collins Citizen's Advisory Group (CAG) in developing this program.

ATTACHMENTS

1. Grant of Easement for Facades
2. Powerpoint presentation

GRANT OF EASEMENT FOR FACADES

_____ ("Grantor") is the owner of the following described real property located in the City of Fort Collins, County of Larimer, State of Colorado:

(hereinafter referred to as the "Property"). The street address of the Property is _____, Fort Collins, Colorado _____; and

Grantor does hereby grant and convey, in accordance with the following terms and conditions, to The Fort Collins, Urban Renewal Authority, a body corporate and politic (the "URA"), an easement over and across that portion of the Property constituting the west facade of the Property, for the purpose of entering on, over and across the Property to preserve and maintain the Facade Improvements, as hereinafter defined, in accordance with the terms of this Grant of Easement for Facades ("Façade Easement").

1. TERM

The term of this Facade Easement shall be for a period of five (5) years, commencing upon execution of the same (the "Term").

2. COVENANT

The provisions of this Facade Easement shall apply to the Property and shall be binding upon the Grantor and all future owners and lessees of the Property during the Term. Upon expiration of the Term, this Facade Easement shall terminate and no longer affect title to the Property. This Facade Easement shall be recorded with the Clerk and Recorder of Larimer County, Colorado.

3. FACADEIMPROVEMENTS

The Facade Improvements shall consist of the XXX facade of the Property including all structural support materials, exterior walls, facia, soffits, doors, windows, and, specifically, all signage and canopies for the Grantor or tenants of the Property consistent with the façade plans and designs attached hereto and incorporated herein as **Exhibit "A"** (the "Facade Improvements").

4. MAINTENANCE

Grantor shall be obligated to maintain and repair the Facade Improvements, including replacement of all or a part thereof if necessary, in a manner which will preserve the Facade Improvements in substantially the same condition as that existing at the time of the completion of the Facade Improvements. The Grantor shall further be obligated to maintain

and repair the Property to the extent required to provide structural support for the Facade Improvements. The URA shall have no maintenance obligation whatsoever for the Facade Improvements or the Property and shall not be liable in any manner for any costs associated with the Facade Improvements or the Property.

In the event that Grantor, or its successors and assigns, shall fail to maintain and repair the Facade Improvements (or the Property to provide support for the Façade Improvements) as required herein, the URA shall give written notice to Grantor or its successors and assigns, requiring Grantor to commence the requested maintenance and repair within ten (10) days of receipt of such notice and to diligently complete such maintenance and repair within a reasonable amount of time thereafter as specified in such notice. If such work is not commenced or is not completed as required by such notice, the URA may, in its sole discretion, cause such work to be completed and may thereafter assess the entire cost of such work against Grantor or its successors and assigns. The URA shall have a lien on the Property to secure any amount owed to it for repair and maintenance performed by it on account of the failure to maintain and repair the Façade Improvements or the Property as required herein, together with attorneys' fees and costs incurred by the URA in connection with such repair and maintenance and the lien proceedings, and such lien may be foreclosed as provided by law for the foreclosure of real estate mortgages.

5. RESTRICTIVE COVENANT AGAINST ALTERATIONS

No alteration of the Facade Improvements including, without limitation, alterations of or additions to the signage or canopies approved by the URA and shown on **Exhibit "A"**, shall be made without the express written approval of the URA, which approval shall not be unreasonably withheld. The URA, in considering such requests, shall take into account the reasons for such request and whether the requested alteration is consistent with the character of the approved design for the Façade Improvements or otherwise is compatible with the character of the area in which the Property is located. The URA shall not remove or alter the Facade Improvements except in performing any maintenance or repair thereof in accordance with this Facade Easement.

6. INDEMNIFICATION

Grantor, or its successors and assigns, shall indemnify and hold harmless the URA and the City of Fort Collins, Colorado (the "City") from and against any damage, liability, loss or expense (including attorneys' fees) incurred by the URA or the City arising out of or in any way connected with the Facade Improvements, their use, maintenance, repair or replacement, except with regard to any use, maintenance, repair or replacement made by the URA or the City, or their employees, agents or contractors, or caused by the gross negligence or willful misconduct of the URA or the City, or their employees, agents or contractors. Further, Grantor, or its successors and assigns, shall indemnify and hold harmless the URA and the City from and against any damage, liability, loss or expense (including attorneys' fees and costs) incurred by

the URA or the City arising out of, or in any way connected with the environmental conditions on, of or affecting the Property that exist as of the date of this Façade Easement.

7. INSURANCE

Grantor shall purchase and maintain property and casualty insurance on the Property, including the Facade Improvements, to the full insurable value thereof. Grantor shall further purchase and maintain general liability coverage in connection with the Property, including the Facade Improvements, in amounts at least 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.) and any amendments to such limits which may from time to time be made. The URA and the City shall be named as additional insureds on all such policies. All insurance required hereunder shall be issued by an insurance company authorized to do business in Colorado which meets all the requirements of the Division of Insurance for that purpose. The URA or the City may periodically require from Grantor proof of the insurance coverage required herein.

8. SUCCESSOR ENTITY TO THE URA

In the event that the legal existence of the URA terminates during the Term of this Façade Easement, it is expressly acknowledged by all the parties hereto that the City is designated the URA's successor entity, and all rights and obligations of the URA set forth herein shall thereupon become the rights and obligations of the City.

9. SUBJECT TO AGREEMENT

This Façade Easement shall be subject to the terms and conditions of that Façade Agreement between the URA and the Grantor dated _____, 2013 and recorded with the Clerk and Recorder of Larimer County, Colorado of even date herewith and incorporated herein by this reference.

DATED this __ day of _____, 2013.



Storefront Improvement Program

URA Board Meeting
June 18, 2013

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Storefront Improvement Program

- North College Urban Renewal Area
- Encourage voluntary rehabilitation of commercial buildings
- Restore commercial storefronts and/or building facades
- Further goals and objectives identified in N. College Urban Renewal Plan and *City Plan*

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Storefront Improvement Program

Eligibility Criteria

- Property owners of commercial buildings and tenants of ground floor commercial buildings
- Active sales tax license
- A business owner who is leasing space:
 - 5 years remaining on lease, or in operation for more than 5 years
 - Approval from owner

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Storefront Improvement Program

Eligible Improvements

- Contribute to the visual enhancement of the property
- Viewed from the public right-of-way
- Comprehensive, incorporating enhancements to several components of the existing façade

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Storefront Improvement Program

Program Administration

- Grant of 50% of the total project cost
- Maximum URA contribution of \$5,000 per storefront
- Façade easement required with the Larimer County Clerk and Recorder
- Funds paid on reimbursement basis

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Storefront Improvement Program

Design Guidelines

- Real or authentic building materials encouraged
- Green building practices encouraged

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RESOLUTION NO. 059
OF THE BOARD OF COMMISSIONERS OF THE
FORT COLLINS URBAN RENEWAL AUTHORITY
ADOPTING THE STOREFRONT IMPROVEMENT PROGRAM FOR THE
NORTH COLLEGE URBAN RENEWAL AREA
AND AUTHORIZING THE EXECUTIVE DIRECTOR
TO ENTER INTO PROJECT REIMBURSEMENT AGREEMENTS

WHEREAS, in 2004 the City of Fort Collins adopted the North College Urban Renewal Plan (the “Plan”) with the intended purpose of accomplishing the City’s development objectives for improving the viability of the area; and

WHEREAS, the North College Urban Renewal Area is identified within the *City Plan* as a Targeted Redevelopment Area and is a priority for future development, capital investment, and public incentives; and

WHEREAS, pursuant to the Colorado Urban Renewal Law (Sections 31-25-101, *et seq.*, Colorado Revised Statutes), the Fort Collins Urban Renewal Authority (the “Authority”) has been granted all the powers necessary or convenient to carry out and effectuate the purposes of the Urban Renewal Law, including, but not limited to, the power to undertake urban renewal projects and to make and execute related contracts and other instruments; and

WHEREAS, based on the Plan, staff of the Authority has evaluated and identified specific policies, measures and programs intended to carry out the purposes and accomplish the objectives of the Authority and Plan in the North College Urban Renewal Area; and

WHEREAS, in order to encourage the voluntary rehabilitation of commercial buildings, improvements and conditions within the North College Urban Renewal Area, staff has developed a program to provide financial assistance to property owners and/or business tenants seeking to renovate or restore their commercial storefronts and/or building facades that impact the viewshed from the North College Avenue right-of-way, called the Storefront Improvement Project; and

WHEREAS, the Storefront Improvement Program will be available to property owners and tenants of ground floor commercial buildings within the North College Urban Renewal Area who are in good standing, and will provide reimbursement of up to 50% of project costs to a maximum of \$5,000, for voluntary improvements to enhance facades and other features visible from the North College Avenue right-of-way, and is more particularly described on Exhibit A, attached hereto and incorporated herein by this reference (the “Program”); and

WHEREAS, in order to implement the Program, the Executive Director will fund such projects as budgeted Program funds will allow, to be selected from applications received through one funding cycle in 2013, and, assuming the Program continues, through two funding cycles per year in subsequent calendar year; and

WHEREAS, the Executive Director will enter into a reimbursement agreement with each selected recipient in order to specify the requirements for the Program and for reimbursement, and to require the execution and recording of a facade easement to protect the Program improvements for a period of not less than five years; and

WHEREAS, the Board of Commissioners of the Authority has determined that the Storefront Improvement Program as described will further the goals and objectives identified in the North College Urban Renewal Plan and *City Plan*.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE FORT COLLINS URBAN RENEWAL AUTHORITY as follows:

Section 1. That the Board hereby finds and determines that the Storefront Improvement Program for the North College Urban Renewal Area as generally described in Exhibit A, attached hereto and incorporated herein by this reference, is necessary, convenient, and in furtherance of the Authority's purposes and the North College Urban Renewal Plan, and the Board hereby authorizes and approves the same.

Section 2. That the Board hereby authorizes the Executive Director to carry out the Program as described in this Resolution and to enter into project reimbursement agreements with Program participants consistent with, and in furtherance of the intended purposes of, the Program and this Resolution. The Executive Director is further authorized to execute such facade easement documents or other instruments as may be necessary or appropriate to carry out the Program as described.

Passed and adopted at a regular meeting of the Board of Commissioners of the Fort Collins Urban Renewal Authority this 18th day of June A.D. 2013

Chairperson

ATTEST:

Secretary

**FORT COLLINS URBAN RENEWAL AUTHORITY
NORTH COLLEGE STOREFRONT IMPROVEMENT PROGRAM**

**PROGRAM GUIDELINES
(June 18, 2013)**

Program Overview and Purpose

The purpose of the Storefront Improvement Program (Program) is to encourage the voluntary rehabilitation of commercial buildings, improvements and conditions within the North College Urban Renewal Area by offering financial assistance to property owners and/or business tenants seeking to renovate or restore their commercial storefronts and/or building facades. Improvements to commercial storefronts and building facades helps to address and remedy conditions in the area that impair or arrest the sound growth of the City and promotes the implementation of the Comprehensive plan and its related elements.. Approved participants of the program are eligible for reimbursement, upon the completion their approved project. While the program provides financial assistance to property owners and/or business tenants, the fundamental purpose of the grant is to further the goals and objectives identified in the North College Urban Renewal Plan and the City's Comprehensive plan. The Program is managed and administered by Staff in the Fort Collins Urban Renewal Authority.

Eligibility Criteria

Eligible participants include property owners of commercial buildings and tenants of ground floor commercial buildings with an active sales tax license located within the North College Urban Renewal Area. A business owner who is leasing space must have:

- A current lease with a minimum of five (5) years remaining from the date of Application, or provide evidence that the business has operated in Fort Collins for over five (5) years; and,
- Written approval from the property owner to participate in the Program and a Façade Easement, signed by owner, which will be recorded upon project completion.

Ineligible participants of the program include:

- Businesses that are required by contractual arrangement to maintain standardized décor, architecture, signs, or similar features.
- Occupants or owners of buildings not current with property taxes, water bills; or properties possessing any sort of non-mortgage liens (i.e. mechanics lien, etc.).
- Occupants or owners of buildings that have active code enforcement complaints against the subject property.

Eligible Improvements

Eligible improvements include improvements that contribute to the visual enhancement of the property as viewed from the public right-of-way. Eligible improvements are intended to result

in the rehabilitation of the area in a manner which is compatible with and complementary to unique circumstances in the area. Improvements must be comprehensive, incorporating enhancements/additions to several components of the existing façade.

Examples of eligible improvements include:

- Painting and masonry cleaning/restoration
- Exterior lighting
- Trim
- Window enhancements
- Cornices
- Gutters and downspouts
- Signs
- Canopies and awnings
- Limited accessibility improvements

Ineligible improvements include:

- Roofs
- Structural foundations
- Billboards
- Security systems
- Non-permanent fixtures
- Interior window coverings
- Vinyl awnings
- Personal property and equipment
- Soft Costs (architectural drawings, engineering, etc.)
- Any improvements not visible from the public right-of-way.
- Landscaping
- Parking lot improvements

Program Administration

The Program provides participants the opportunity to receive reimbursement of up to 50% of the total project cost, up to a maximum URA contribution of \$5,000 per storefront. The owner/tenant must use private, non-URA funds to match the URA grant.

Property owners will be required to record a façade easement with the Larimer County Clerk and Recorder that will expire within five years of the date of completion. The easement requires the owner to maintain the façade, to get URA approval of subsequent changes, and it gives the URA the ability to make repairs and lien the property if the façade is not maintained.

After work has been completed, property owner/tenant will be required to display a sign (provided by the URA) indicating participation in the Storefront Improvement Program. The sign will be displayed either on the exterior or in the front window of the building for a period of thirty (30) days.

Funds are paid by the URA on a reimbursement basis only after:

- The applicant has paid his/her vendor(s) in full;
- The façade easement is recorded;
- A Letter of Completion is obtained from the City;

- The project is determined to have been completed in accordance with the Plan approved by the URA; and
- Proof of matching funds has been provided and approved by the URA.

Design Guidelines

The use of real or authentic building materials in the construction of the façade is highly encouraged. For example, real stone not faux stone, real brick masonry, and true cementitious stucco, not an EIFS-type system. Although green building practices may not always have much application in a storefront improvement program, the City of Fort Collins encourages these practices wherever possible. All projects must comply with the City of Fort Collins Land Use Code.

Program Steps

Step 1: Pre-Application. Applicants must meet with URA staff prior to submitting formal application to review program guidelines and application process. The pre-application meeting provides an opportunity for review of the program requirements, approval process, and terms and conditions of the facade easement.

Step 2: Application Submission. The following information must be submitted as part of application process:

1. A completed “Storefront Improvement Program” application. The application form is attached to this document.
2. A brief narrative describing the project. The narrative should address the following topics:
 - A brief history of the site/building.
 - A description of the work proposed.
 - The amount of funding requested from the URA.
3. Current photo(s) of the property.
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 improvements prepared by the design architect and/or contractor. “Eligible costs” refer only to costs associated with work proposed on the façade(s).
6. A minimum of three (3) bids from competitive, licensed contractors to do the work on the façade.

Step 3: Project Approval. If the URA approves the project, the applicant will be provided with a Project Agreement. The Project Agreement is valid for one calendar year from the date of approval. The Façade Easement is required to be signed by the property owner at the time of Project Agreement, and will be recorded only upon project completion. Once the applicant receives the Project Agreement from the URA, the following steps can be followed:

- Prepare final plans and obtain all necessary City permits to commence construction. Submit a copy of these permits to the URA.
- Construction of improvements must begin within ninety (90) days from the date that the URA approves the commitment otherwise financial award expires.
- Begin and complete construction on the project.
- Keep all billing documents (checks, invoices, contractors' lien wavers) for reimbursement purposes.

Step 4: Project Completion/Reimbursement. Upon completion of the project a Façade Easement will be recorded with the Larimer County Clerk and Recorder. Once the easement has been recorded, the applicant submits all receipts for completed, eligible work to URA. Staff will review all documentation for accuracy, and final funding is dispersed 15 business days after sufficient reimbursement documentation is approved by the URA.

Step 5: Program Monitoring. Under this program, properties are inspected every other year to determine if the maintenance obligations of the building owners or tenants are being met, if changes have been made to the facades without URA approval and to create a benchmark for future monitoring.