

Downtown Chandler Facade Conservation Program

Background

Pursuant to the Downtown Chandler Facade Conservation Program set forth herein, the City of Chandler makes available funds on an annual basis to property owners in the designated Downtown Area to sensitively rehabilitate commercial buildings while promoting financial reinvestment in an area of the central business district of the City that is deemed to be of historical, architectural and cultural importance.

The program makes monies available to private property owners to complete exterior rehabilitation to commercial buildings and related structures in the Downtown area for the purpose of preserving significant historical, architectural or cultural aspects of the buildings and the lands upon which they are located. Such preservation will help to eliminate slum and blight, promote commercial redevelopment activities, improve the aesthetics of the Downtown Area, and enhance the overall quality of life for Chandler residents.

Owners of existing, improved, commercial property located within the boundaries of the Downtown Chandler Enhanced Municipal Services District (see map attached) are eligible to apply for the benefits of the program.

The Downtown Chandler Facade Conservation Program reimburses a commercial property owner for pre-approved rehabilitation work completed on the facade of the owner's existing building up to a maximum of \$400,000. The purpose of the easement is to protect and preserve the historic character of the building's exterior and/or the character-defining architectural elements of the building. The conservation easement will grant to the City a nonpossessory interest in the commercial real property, including the building or other structures located thereon, for the purpose of imposing limitations or affirmative obligations in order to preserve the historical, architectural, and cultural aspects of the real property.

Monies for the Downtown Chandler Facade Conservation Program are made available through the City's General Fund under the fund title of Downtown Redevelopment. The fund is part of the City of Chandler's economic development effort for Historic Downtown and is administered by the City's Downtown Coordinator through the Downtown Redevelopment Office. The decision to fund work is made by the Chandler City Council upon completion of the application review process described herein.

Eligibility for Program Participation

A person, corporation, association or other legal entity holding fee simple title to any commercial real property that is located in the eligible program area (the "property owner") is eligible to apply for program benefits. The application may be made directly by the property owner or by an agent authorized in writing to act on behalf of the property owner. If the real

property is under joint ownership, the application must be on behalf of or with the authorization of all of the owners of the real property.

Eligible Improvements

All work performed for a project to be funded under this Program (the “project”) must be **exterior** work that results in the preservation of exteriors of buildings or related structures on the subject property. This includes, but is not limited to:

- Exterior building walls
- Windows
- Doors
- Foundation Repair
- Reconstruction of original architectural elements based on historic documentation
- Roofs
- Cornices
- Masonry Repair
- Reversal of inappropriate alterations

Please note that additions to existing buildings or structures or new construction are not eligible. Additional landscaping or improvements to the City’s right of way are not eligible. Painting is not an eligible activity on its own. If painting is a component of an eligible repair or item of exterior work, the cost or value of painting can be included in the project’s Scope of Work.

The City will determine the eligibility of all items included in the project’s proposed Scope of Work.

Application Procedures and Project Selection Criteria

The Downtown Redevelopment Office will provide marketing and outreach for the program including conducting preliminary project evaluations to insure that projects meet the minimum eligibility requirements for the program. Applicants whose projects do not meet the minimum eligibility requirements will be so advised. Applicants whose projects do meet the minimum eligibility requirements will be assisted in completing a Downtown Chandler Facade Conservation Program Application. The Application will include a project summary, scope of work, information on any lienholders of the property, photos of the existing building, a site plan and proposed elevation and other items necessary to evaluate the project. The Downtown Coordinator, in consultation with the City’s Economic Development Director and the City’s Community Development Coordinator, will review project applications and make recommendations to the Chandler City Council.

The recommendation of the Downtown Coordinator to approve an application will be based on the merits of the proposed project and availability of program funds. Priority will be given to applications which:

- Demonstrate proper rehabilitation techniques based on historic preservation principles

- Substantially improve the visual appearance of the Downtown Chandler Enhanced Municipal Services District streetscape or an individually significant property
- Undertake critically needed improvements, reconstruction and maintenance of properties in the Downtown Chandler Enhanced Municipal Services District
- Leverage the maximum investment of private funds to rehabilitate, maintain, preserve and protect properties in the Downtown Chandler Enhanced Municipal Services District

The application, together with the recommendation of the Downtown Coordinator, will be forwarded to the City Council for final action. The applicant will receive written notification of the action taken by the Chandler City Council on the application.

Funding Limits

The Downtown Chandler Facade Conservation Program will provide funding for up to \$400,000 for the purchase of a Facade Conservation Easement. The property owner must agree to utilize the proceeds of the sale solely for performing exterior rehabilitation of the building or related structures that are the subject of the project in accordance with the design standards outlined in the City's adopted Downtown Revitalization Program of 1990.

Project Budget

Applicants need to establish project budgets from estimates provided by licensed contractors, qualified subcontractors, craftsmen or vendors. The submission can include itemized estimates from general contractors or a series of estimates from a specific contractor(s) or subcontractor(s), such as painters, masons, carpenters, roofer or a combination thereof. The City uses the estimates to determine the dollar value for the City's purchase of the Facade Conservation Easement on the property.

The property owner is encouraged to select the contractor or tradesperson who is best qualified to perform the Scope of Work. All cost estimates shall be listed on letterhead from the contractor/tradesperson, which provides contact information for the contractor/tradesperson. It is the responsibility of the property owner to ensure that the selected contractor has the necessary licenses to perform the requested work.

Soft costs such as legal, architectural, engineering and other professional services are eligible for Downtown Chandler Facade Conservation program funding, however the main objective of the Program is to complete the actual material renovation of the building.

Commencement and Deadlines for Work

Any construction or rehabilitation that is included in the project Scope of Work, whether funded by the City or the property owner, must not commence prior to the date the City informs

the applicant that all program documents are signed and finalized (see contractual requirements below.)

After the Downtown Chandler Facade Conservation program documents are signed, the project must commence within 90 days. The applicant must complete the project within one year from the date when the program documents are signed.

Contractual Requirements

Once an application for the Downtown Chandler Facade Conservation Program is approved, the property owner is required to execute the following documents with the City:

- A. **Downtown Chandler Facade Conservation Program Agreement:** This agreement sets forth the terms and conditions for participation in the program. Some of the key terms include project initiation and completion requirements, city approvals and disbursement of funds.
- B. **Facade Conservation Easement and Agreement:** Funds allocated from the City's General Fund for a specific rehabilitation project on commercial property are provided through the City's purchase of a Facade Conservation Easement for that property. Through the easement, a property owner grants to the City a nonpossessory interest in the exteriors and exterior views of the subject property. The easement is granted through the signing and recording of a "Facade Conservation Easement and Agreement" under which the property owner agrees to maintain the exterior, as rehabilitated, and to allow City staff to review any proposed exterior alterations. The term of the Facade Conservation Easement is for 20 years from date of recording.
- C. **Title Report:** The City of Chandler will secure a current title report prior to executing the program agreement to identify any interest that may affect the City's enforcement of the easement. Applicants also may be required to supply additional information relating to liens and encumbrances on the property.
- D. **Consent Agreement:** The property owner must obtain duly acknowledged consent agreements from all lienholders or other persons or entities with an interest in the subject real property, including commercial building and related structures thereon, consenting to the grant of the Facade Conservation Easement. To expedite this process, the applicant must submit the contact party name and loan number for each lienholder and is encouraged to seek consent in principle as early in the application process as possible.
- E. **Insurance Certificate:** The property owner must provide a certificate of liability insurance that certifies the subject real property, including without limitation the building or structures thereon, are insured for an amount acceptable to the City from

an insurer acceptable to the City. Prior to any disbursement of funds, the City must be named as a loss payee on the insurance policy.

Disbursement of Funds

Applicants must submit bills totaling work completed to the Downtown Redevelopment Office to receive payment. City staff will inspect and approve all completed rehabilitation work prior to reimbursement. All work requiring a permit must also be inspected and approved by the City's Development Services Department. The City determines whether a project is complete and meets the city guidelines for the Downtown Chandler Facade Conservation Program. The City is not obligated to pay the property owner if it determines that the project has not been completed in accordance with the property owner's application or within the City's program guidelines.

An applicant may request reimbursement of funds once the project is completed or an agreed upon component of the project is completed.