



Downtown Romulus Façade Program

The Romulus Downtown Development Authority (DDA) created the Downtown Façade Program to encourage private investment in the City's downtown. The Program is designed to encourage redevelopment, revitalization and rehabilitation of buildings in Downtown Romulus.

The Program is intended to enhance the aesthetics and historical character in the DDA District and assist property owners in rehabilitating and upgrading the facades and exterior features of their buildings.

1. General Purpose and Objectives

- Utilize tax increment revenues available from the Romulus Downtown Development Authority (DDA) to revitalize businesses within the DDA Boundaries.
- Ensure new business development is consistent with the vision of the City of Romulus Master Plan, the DDA Plan, the DDA Façade Design Guidelines and the DDA Central Business District (CBD) Ordinance.
- Encourage physical improvements, in a "Traditional Downtown Design", to the businesses to make them attractive to Romulus' consumer market.
- Stimulate adaptive commercial and office reuse and creative projects that add to the economic diversity of the Romulus business district.

2. Program Guidelines (Public and residential properties are not eligible.)

- Project involves a building occupied by a non-residential use or a mixture of residential and non-residential
- Funds are available for exterior work on buildings located in the DDA District.
- Owners of the building and tenants with owner's permission may apply
- Proof of ownership is submitted
- Property taxes are paid to date
- A current "certificate of occupancy" is in place
- Funds are awarded on a reimbursement basis once completed work has been verified by City and DDA staff as compliant with the plans proposed in the approved application. Any deviation from the approved façade project may result in the total or partial withdrawal of the funds. Funds are awarded as a single payment to the applicant.
- Reimbursements (up to \$15,000) are for labor and materials only. Should the final cost be lower than the approved amount, the DDA will reimburse based on 50 percent of the total final cost. Permit fees and other expenses do not qualify for program dollars.

Program Guidelines cont.

- If an applicant is awarded a funds for façade, and the façade is altered in a manner that is not consistent with the program guidelines within one (1) year from receipt of façade funds, the applicant may be required to reimburse the DDA immediately for the full amount of the project.
- Project approval does not replace City of Romulus Site Plan Review or other Building and Planning Department reviews and procedures.
- All projects must meet current State of Michigan Building Standards and Codes, as well as building permit requirements.

3. Type of Financial assistance

- Interest free “deferred loan up to \$15,000, forgivable over a 5-year period.
- A lien is placed on the property for the amount of the loan forgivable at 20% per year as long as the recipient retains ownership.
- If ownership is transferred – new owner assumes the outstanding debt.
- If owner sells the property before the end of the 5-year period – the outstanding debt is repaid at the time of sale.

4. Matching requirements

- \$15,000 is the maximum program funding for each façade address.
- 50% minimum matching funds per property is required by owner/grantee, and those funds must be used first.
- Owner of multiple properties may apply for each property during a 5 year period, as long as there isn't a current façade loan on a property.
- If properties adjoin they may apply for each and the Façade Review Committee will consider each application.
- There is no set minimum or maximum number of projects per year. It is based on the amount of funds budgeted for the fiscal year.

5. Type of Matching Funds approved *Owner Equity or Conventional Grants must be used first.

- Funds by the owner, tenant or private investor
- Conventional loan

6. Eligible Uses for Loan Funds

The purpose of the program is to improve the overall appearance of a building façade. Loan is not intended to subsidize routine building maintenance projects. Front and highly visible rear facades have the highest priority and improvements may include:

- Window/door replacement or new installation
- Exterior building material modifications (replacement, changes or additions)
- Exterior painting
- Slipcover removal
- Replacement or installation of awnings (Please see DDA Façade Program Design Guidelines for definition)
- Sign removal, replacement or new installation
- Landscape enhancements such as installation of street trees, hedgerows, sidewalk planters and lawn area
- Parking or Sidewalk improvements and other on-site pedestrian amenities

7. Ineligible Uses of Program Funds

Any façade treatment that would accelerate the deterioration of the existing structure or result in a non-durable/high maintenance façade will be deemed an ineligible use.

- Expenses incurred prior to application or payment of previous debt, or for work that is covered by insurance
- Property acquisition
- Any interior improvements
- Mortgage or land contract refinancing
- Loan fees
- Site plan, building and sign permit fees
- New building construction
- Appraiser and attorney fees
- Wages paid to applicant or relatives of applicant
- Purchase of personal property such as furnishings in a store
- Payment of taxes of any kind
- Any roof work
- No use of funds for payment of contractors in merchandise or services by the applicant
- Routine façade maintenance.

8. Selection Criteria

The following factors will be considered:

- Completed applications submitted to the DDA Director.
- Compliance with the city Master Plan, the DDA Plan, the DDA Design Guidelines and the Central Business District Ordinance.
- High level of demonstrated need for the proposed improvements in terms of current site and building conditions.
- Effective use of funds to obtain the greatest impact.
- Greatest visual impact to site and surrounding properties within the Downtown (adjoining sites will be given special consideration) such as a prime/visible location.
- Amount of private matching resources leveraged by program funds.
- Applicant's creditworthiness
- Project Design
- Potential for job creation, if other factors are equal.

9. Design Guidelines

- Romulus DDA, Façade Program Design Guidelines and the Central Business District (CBD) Ordinance.
- Buildings with Historic significance comply with the Secretary of the Interior's Standards for Rehabilitation to ensure the continued preservation of Historic features. <https://www.nps.gov/tps/standards/rehabilitation.htm>

10. Application Requirement

On forms provided, program applicants must submit the following information:

- Description of proposed use of building after completion of project
- Project design plans, include sketch of the proposed façade or exterior improvements, and color samples.
- Timeframe for completion of project
- Proof of property ownership and leases, if applicable.
- Proof of property and liability insurance
- Notarized written consent for program participation by property owner, if applicant is a tenant.
- Itemized work estimates on all project work from contractors or project architects must be included with the application.
- Photos of the building's exterior including all areas where work is to be performed.

11. Review Process

The Façade Review Committee shall utilize this set of guidelines to determine eligibility of the program. The committee shall review all fully completed applications submitted and make recommendations made to the DDA for the final approval, (*Up to three per year as long as funds are available). If application is approved the DDA will issue a letter of ***“commitment with contingencies”** to the applicant.

*A letter of **“commitment and contingencies”** will always state any and all changes made to original plans submitted to the committee. Changes made to the original architectural design or plans must be submitted to the *Façade Review Committee* and the *Administrative Review committee* again for their review and approval. Minor changes may be reviewed and approved by the Façade Review Committee.

12. Project Approval Process and Payment Procedures

1. Approval Process:

- a. Applicant submits completed application, design plans, all required additional information and forms for the Administrative Review Committee.
- b. Applicant collects and submits all necessary bids prior to application review by panel
- c. Applicants may be required to attend and present their project to the DDA
- d. Applicants receiving approval shall commence construction described within the application within (90) days from the date the loan is awarded. All applicants must complete the construction described in the application within one (1) year from the date the loan is approved. If the applicant is unable to commence construction within ninety (90) days from the date the loan is approved or complete construction within one (1) year from the date the loan is approved, the applicant may submit a written request for an extension for the commencement date or completion date provided the extension request is made prior to the ninety (90) day or one (1) year time limit. The DDA shall not be obligated to allow extensions, but may do so for good cause determined solely by the DDA Board, pursuant to a recommendation from the Façade Review Committee. The extensions, if granted, shall be for the term and for the conditions determined exclusively by the DDA. An extension denial cannot be appealed and shall be final.

2. *Payment Procedures* ****NOTE: loan funds/owner equity must be used first in the project, then Façade Program funds.**

a. *If conventional debt financing is involved in the project:*

- Applicant provides Façade Review Committee with documentation of approved loan
- Program funds may be disbursed to the licensed contractor for approved expenses subject to supervision by lending institution or agent of same (Title company)
- Work on project is completed
- Review panel inspects completed work
- City building inspections and final approvals are in place
- Contractor provides waivers of lien on the property.

b. *If owner's equity is involved as matching funds for the project:*

- Applicant arranges for a letter of credit for the matching funds and these funds are expended first
- Work on project is completed
- Program funds may be disbursed to the licensed contractor for approved expenses subject to review of expenses by the Façade Review Committee
- Façade Review Committee representative inspects completed work
- City building inspections and final approvals are in place
- Contractor provides waivers of lien on property

13. Default and Remedy

The following shall constitute an event of default and the entire principal amount outstanding on a deferred loan awarded through this program shall become due and payable at once at the option of the DDA as Lien and promissory note holder, if:

- The borrower fails to pay, when due, any property taxes or special assessments on the subject property; or
- The borrower expends note holder's funds for uses inconsistent with eligible program uses or items not specified in borrower's loan application to the Façade Review Committee; or
- The borrower changes plans and uses funds for changes not approved by the Façade Review Committee; or
- The borrower transfers ownership to subject property to another party, unless transferee agrees to assume any outstanding debt to note holder.

14. Rights Reserved

The Façade Review Committee, on behalf of the Romulus Downtown Development Authority, reserves the right to reject an application up to the time the loan closes. The specific guidelines detailed herein are subject to revision with the approval of the Façade Review Committee and final approval by the Romulus Downtown Development Authority. This program may be discontinued at any time, subject to any prior loan agreements.

I have read and understand the foregoing “Façade Program” Façade Review Committee Guidelines Overview:

_____ Date: _____

_____ Date: _____

_____ Date: _____

_____ Date: _____

Merrie Druyor, DDA Director