



Architectural Improvement Program Guidelines

Program Overview and Guidelines

Purpose

The Architectural Improvement Program is designed to assist owners make quality investments into commercial buildings within the City by making funds available for appropriate rehabilitation that adds value and extends the longevity of qualifying properties. This program, provided as a percentage match fund on a reimbursement basis, has been approved by the DeKalb City Council in recognition of the positive impact that architectural improvement can have on the overall appearance, quality and vitality of commercial properties. The City of DeKalb provides annual funding for this program for any qualifying building that lies within the geographic boundaries of a Tax Increment Financing (TIF) district.

Standard Project Funding

Approved projects are considered on a case-by-case basis. Projects will be provided with up to \$25,000 in matching funding on a percentage basis based on the project impact and qualified improvements. Elements of the project are placed within a three-tier system that provides matching funds on a percentage basis. A 50% reimbursement rate is assigned to eligible major capital improvements. A 25% reimbursement rate is assigned to eligible minor capital improvements. A 10% reimbursement rate is assigned to defray the costs of deferred maintenance. However, the DeKalb City Council may consider higher matching fund participation if the project is attributable to a property of notable historical significance or the total project costs exceed \$50,000. Funding is subject to final approval by the DeKalb City Council.

Funding for projects is provided as reimbursement after all project costs have been prepaid, as a forgivable loan subject to a standard legal agreement, mortgage, and promissory note with the City of DeKalb.

Standard Project Provisions and Restrictions

This program provides up to \$25,000 in matching funds for improvements to commercial buildings in DeKalb. The key points of this program, to which all Applicants should pay close attention, are as follows:

1. This is a three-tier funding program based on percentages. The City of DeKalb will provide up to \$25,000 per project in a percentage match to private funds provided by property/business owners. However, the DeKalb City Council may consider higher matching fund participation if the project is attributable to a property of notable historical significance or the total project costs exceed \$50,000. This is a reimbursement program. All payments to contractors, suppliers, architects etc., must be paid in full by the Applicant and final waivers of lien and

certified payroll records must be submitted to the City of DeKalb before reimbursement can be provided. Improvements must fall under the following three tiers:

- a) Major Capital Improvements: 50% Reimbursement Rate – any improvements that significantly improves the building;
 - b) Minor Capital Improvements: 25% Reimbursement Rate – any improvements that improves the quality and appearance of the building without making substantial improvements to value or longevity;
 - c) Deferred Maintenance: 10% Reimbursement Rate – any improvements that would bring the building up to code compliance or prevent larger
2. Because this program provides relatively large amounts of public funds to private individuals, all parties have a responsibility to ensure that funds are spent in a manner that will improve both the longevity and value of qualifying properties. Therefore, a formal application process has been instituted. This application process involves the following:

- a) Individuals are required to submit to a pre-inspection and consultation of the building with the City of DeKalb prior to submitting an application. Prior inspection and consultation allows the City of DeKalb to discuss proposed projects with Applicants, can provide potential Applicants with a better understanding of the program, and can provide potential Applicants with useful information and resources for their project. The pre-inspection is a consultative inspection to help the Applicant identify and inventory code violations and potential future concerns. Applicants do not have to be in complete code compliance at the time of the application for the program. Immediate action will not be taken unless the property owner is in direct violation of Chapter 24 (Building Code), Section 108.1 of the Municipal Building Code. This section identifies unsafe structures and equipment that would place the public's safety in immediate danger and would require the City to immediately post a condemnation order.

In the event that other significant code violations are found during the inspection, but do not warrant immediate citation or condemnation, the City will work with the property owner to develop an action plan and agreeable timeline for correcting identified violations. Should the owner fail or refuse to engage in making the improvements in the agreed upon timeframe, the City will take appropriate action to address the violations.

- b) A formal application for funding is required. This application must include a detailed and understandable explanation of the proposed project, detailed monetary estimates or bids from two contractors for the specific work to be performed, photo documentation and/or drawings as appropriate, and a justification for the merits of the project.
- c) The application is subject to review by City staff before being forwarded to City Council for consideration. This will consist of a cooperative and interactive session involving the Applicant and City staff, in which the proposed work is discussed, analyzed and suggestions for possible alterations/improvements to the project made.
- d) An important and major criterion of the review process is whether the proposed

architectural changes will improve and enhance longevity and value of the building, in the context of the current status of the building and its architectural form.

- e) Once funding is approved by the City Council, the Applicant will enter into a legal agreement with the City of DeKalb. This agreement stipulates that the Property Owner will maintain the improvements for a minimum period of five (5) years in exchange for funding from the City.

Funding is provided as a forgivable loan (e.g. the City “forgives” 20% of the value of the matching funds each year). This agreement also stipulates the Applicant has one (1) calendar year from the time the approval is granted for all work to be completed and final waiver of liens submitted to the City of DeKalb. Final waivers of lien submitted after this point will be denied reimbursement.

- f) All of the above steps “(a) through (g)” MUST be completed PRIOR to beginning construction. Because public tax dollars are being employed to subsidize improvements to privately-owned buildings, the City of DeKalb requires complete review and approval of all aspects of a project prior to commencing construction. This includes submission of an application, review of that application by City staff, submission of a recommendation for funding to City Council, a vote to approve funding by the City Council, and completion of the legal agreement. Applicants who commence work prior to formal approval for funding by the City Council are subject to complete or partial denial of matching funds, especially if unapproved work is performed. The City Council will deny reimbursement for any work that is commenced prior to the City Council having voted to provide matching funds.
 - g) During construction, it is important that the Applicant and contractor maintain regular and clear communication with the City of DeKalb. This is especially critical when unanticipated features are discovered or uncovered that may have architectural or design significance. While the City of DeKalb recognizes that construction work must often adhere to a tight schedule, adherence to guidelines requires consultation with the City Staff prior to altering construction plans or when unanticipated materials are discovered.
 - h) Upon completion of the work, the project will be inspected by the City Community Development Department for compliance.
 - i) Upon completion of all work proposed, the Applicant must submit final waivers of lien, certified payroll records, photographs of the completed work, and other documentation that the work is complete to the City of DeKalb Community Development Department for processing. Receipts should be itemized in order to distinguish categories of work completed and work relevant to the proposal. Only those expenses that were approved by the DeKalb City Council are eligible for reimbursement.
 - j.) The City of DeKalb shall have up to thirty business days to disburse reimbursement upon receipt of all necessary documentation, subject to standard City of DeKalb policies and procedures.
4. Only property owner(s) and tenants with written approval of the property owners are considered eligible to apply for this program. Tenants are encouraged to partner with property owners to

create projects. The property owner must fully comply with the guidelines and full requirements of the program, including the application and review procedure, the terms of any agreements or liens on the property, the actual construction, the payment request procedure, and any other guidelines, requirements, or procedures. The City of DeKalb is not responsible for any incidental costs incurred by the Applicant that may have been necessary for compliance with this program.

5. The funding is provided per building. In those cases where a single building has multiple addresses, the entire building will be considered a single building, unless the City Council determines that the size and scope of the project merit additional funds.
6. Projects are considered on a first-come-first-serve basis and on a case-by-case basis. Final decisions on funding are made by the City Council. Availability of funding is dependent on the amount authorized for the program in any given fiscal year. The City Council maintains the right to deny funding to any request, as well as the right to reduce the amount of funding for any proposal, regardless of the amount requested. The City Council will make the final determination of the eligibility for each request.
7. Approval by the City Council does not authorize initiation of the project. If building permits or other permits are required, they must be obtained prior to the commencement of the project.
8. To be eligible for funding under the Architectural Improvement Program, existing commercial buildings must be located in the geographic area bounded by the City's Tax Increment Finance Districts.
9. As part of this approach, Applicants are also expected to commit to maintaining the improvements that they choose to install. The City and the Applicant will sign an agreement that is valid for five years, setting forth the improvements to be completed and the portion funded by the City. The Applicant will agree to maintain such improvements for the term of the agreement except for minor changes that would be allowed. Minor changes would include such as changing signs (e.g. if the nature of the business changes). The agreement will outline the terms of a forgivable loan program. If in any year within five years of the improvements being completed, they are removed or changed without Council permission, the balance of the forgivable loan funds provided will be returned to the City. This agreement would bind not only the Applicant but also any successors or assignees within the five-year period.
10. A building is not eligible to receive additional funds until all previous AIP loans have been forgiven. However, if the original request by the Applicant was for reimbursement for Design Professional or Architectural Service fees, the Applicant remains eligible to receive funding up to \$25,000 for eligible improvements. Therefore, buildings will only be eligible to receive funding up to \$25,000 for eligible improvements once every five years. This ensures that all improvements have been maintained and program requirements have been met.

Eligible Improvements

Specific improvements will be reviewed on a case-by-case basis during the application process. The improvements must meet the goal of this program and eligibility requirements of the State of Illinois TIF Act. The goal is to help property owners increase the longevity and investment in their commercial properties. Each application shall be considered in the lens of three categories. Each of these categories are subject to a three-tier system that determines the funding for each improvement. The following are examples of eligible improvements in each category:

Major Capital Improvements – 50% Reimbursement

ADA Compliance	Façade Renovations	Life Safety Equipment
Electrical, Mechanical, and Plumbing Upgrades	Architectural Design Fees	Restoration of Historic Architectural Features
Fire Alarm and Suppression Systems	Tuckpointing	

Minor Capital Improvements – 25% Reimbursement

Exterior Lighting	Exterior Painting	Window & Door Replacement
Screening of Unsightly Utilities		

Deferred Maintenance – 10% Reimbursement

Roof Repair or Replacement	Gutter Replacement	Stair and Handrail Replacement
Floor Surface Repair	Water Damage Repair	

Other improvements not listed above may be eligible for reimbursement subject to the determination of City Council. This program is intended to provide financial assistance to projects that not only make significant and substantial improvements to the property or aesthetic improvements, but to also provide assistance to properties that have had issues with deferred maintenance. Code compliance items and other improvements related to deferred maintenance are eligible to receive funding. All applications that contain code compliance items will be reviewed by the City of DeKalb Community Development Department for input and approval. However, City Council reserves the right to deny funding or reduce the normal match.

Ineligible Improvements

Some projects are not eligible for this program because they are not eligible under the regulations of Tax Increment Financing have been deemed not to meet the goals and objectives of the program. This include but are not limited to the following:

- Incidental expenses and fees, such as building permit fees, estimate preparation fees.
- Any abrasive cleaning methods that would result in permanent damage to the building surface or materials.
- Signage

Architectural Improvement Program
Application

Name: _____

Home Address: _____

Property Identification Number (PIN): _____

Location of Property: _____

Phone Number: _____ Email: _____

Proposed Use of Funding:

Major Capital Improvements – 50% Reimbursement

- ____ ADA Compliance
- ____ Façade Renovations
- ____ Tuckpointing
- ____ Life Safety Equipment
- ____ Electrical, Mechanical, and Plumbing Upgrades
- ____ Architectural Design Fees
- ____ Restoration of Historic Architectural Features
- ____ Fire Alarm and Suppression Systems

Minor Capital Improvements – 25% Reimbursement

- ____ Exterior Lighting
- ____ Window & Door Replacement
- ____ Screening of Unsightly Utilities
- ____ Exterior Painting

Deferred Maintenance – 10% Reimbursement

- ____ Roof Repair or Replacement
- ____ Gutter Replacement
- ____ Stair and Handrail Replacement
- ____ Floor Surface Repair
- ____ Water Damage Repair

Have you consulted with the City about your project? ____ Yes ____ No
If yes, with whom did you speak? _____

Total cost estimate of Project: _____

Matching funds requested: _____
(up to a maximum of \$25,000)

How long has the property been owned by you? _____

Project Description

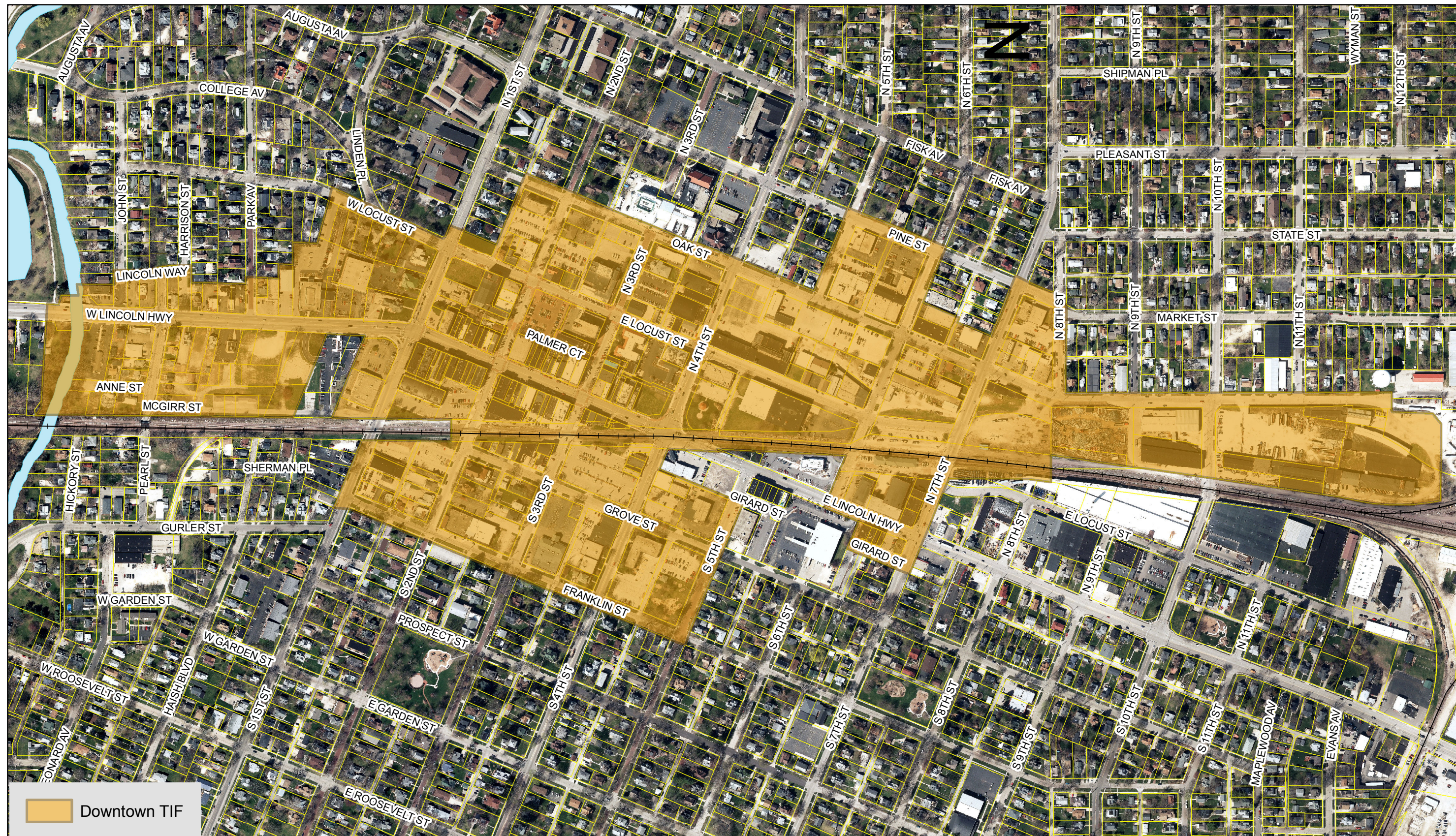
In 250 words or less, please describe the scope of the project improvement and the need.

Applicant(s) _____

Date: _____



Downtown TIF (TIF 3)



File: \\Community Development\\TIF Downtown Proposed - Final Boundary2.mxd

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