

## **8.01 CITY OF ALBERT LEA BROADWAY RIDGE GRANT FUND POLICY**

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### **I. PURPOSE**

The Broadway Ridge Grant Fund will provide financial assistance to owners of historic, commercial property interested in making façade improvements thereto pursuant to, consistent with and in furtherance of the policies reflected in Minnesota Statutes, Section 471.193 and the City's Charter, in order to preserve the architectural character that is unique to Albert Lea's downtown National Commercial Historic District.

### **II. GOALS AND OBJECTIVES**

- A. To assist the owners of buildings within the National Commercial Historic District in downtown Albert Lea with making façade improvements in order to preserve the historic character of these buildings.
- B. To leverage private investment and provide public grant assistance to projects, that otherwise may not occur for façade renovation and preservation of heritage or contributing buildings.
- C. To stimulate renovation and preservation of or emulate historic facades.
- D. To support the goals and objectives of the Heritage Preservation Commission (HPC) for the preservation of buildings within the National Commercial Historic District.

### **III. IDENTIFICATION OF THE DISTRICT'S FINANCING PROBLEMS**

Like many older communities, primary retail businesses have moved from the downtown to shopping centers and highway/auto oriented centers. New low- and moderate-income housing has been constructed outside of the downtown core that is handicap accessible with convenient on-site parking. Residential apartments above stores are primarily vacant and retail floors have been changed to service-oriented businesses, lower volume retail, or are vacant. Groceries, other than conveniences, are generally not available in the downtown and parking is not convenient to the upper floor dwellings on a 24-hour basis. This has resulted in cash flow issues for owners due to lower rents. Costs have increased to maintain buildings that are obsolete, show age deterioration, and have less marketability until the character of the downtown changes to a highly desirable business and living area. Owners are therefore less able to borrow for improvements based on available cash flow. The Minnesota Department of Revenue has determined that tax revenue may be used for historic district funding and appropriate expenditures.

#### **IV. NEED FOR ASSISTANCE**

Building owners may need grants and other public financing to assist in façade improvements in order to leverage bank loans for storefront and interior improvements that will assist in improving rental cash flow. Façade improvements are needed to enhance and preserve the historic character of the buildings.

#### **V. GUIDELINES FOR IMPROVEMENTS**

The guidelines for building restoration and modification are found in the City of Albert Lea Heritage Preservation Commission's "Architectural Guidelines for Historic Preservation" for the National Commercial Historic District and in the U.S. Secretary of Interior Standards for Historic Rehabilitation. The period of significance for the District is 1874 to 1928 and building character is encouraged to reflect this period as deemed appropriate by the City of Albert Lea Heritage Preservation Commission (The HPC).

#### **VI. ELIGIBILITY REQUIREMENTS**

- A. Projects must be located in the National Commercial Historic District, with the primary target area being buildings on Broadway Avenue between Main Street and Fountain Street and any contributing building within the National Commercial Historic District. All properties located within the National Commercial Historic District are eligible to apply for improvements to their building.
- B. To be eligible, rehabilitation design shall respect the architectural and historical integrity of the building and retain those elements that enhance the building, as per the Secretary of Interior Standards and the "Architectural Guidelines for Historic Preservation" and shall have received a Certificate of Appropriateness from the Albert Lea HPC.

#### **VII. TARGETING / PRIORITY CRITERIA**

- A. Requests for grants from the Broadway Ridge Grant Fund are expected to be diverse. The Albert Lea Heritage Preservation Commission will therefore review façade improvements in accordance with the criteria established herein.
  - 1. Buildings on Broadway Avenue located between Fountain Street and Main Street have first priority; buildings south of Main Street may be given priority depending on a more specific renovation plan for the block. Buildings not located on Broadway Avenue will have a lower priority.
  - 2. Buildings that have been identified by City staff as being in critical need of repair located in the target area.
  - 3. Buildings that contribute to the National Commercial Historic District.
  - 4. Buildings with special characteristics that enhance the Historic District and attract local business and heritage tourism.

## VIII. ELIGIBLE PROJECTS ACTIVITIES

- A. Eligible Uses of Grant Funds. The Grant Fund may only be used to pay for façade improvements, structure stability and weather proofing. The façade includes all visible, exterior portions of the building. Projects may include:
1. Repair/replacement of windows and doors
  2. Masonry repair/replacement
  3. Canvas awnings
  4. Exterior lighting
  5. Exterior signage
  6. Painting
  7. Roofing
  8. Architect's Plan and Estimate
  9. Other approved exterior improvements.
  10. Interior modifications required to complete façade improvements.
- B. Eligible Grant Match Expenses
1. Expenses for all eligible projects as defined herein.
  2. Expenses for all permanent interior renovations and improvements including but not limited to: creation of new apartment or office rental spaces; drywall repair; electrical repairs; energy efficient HVAC; fire suppression/warning systems; flooring, foundation repair; interior lighting; interior painting; lead, mold or other interior hazardous material removal; plumbing; restroom/bathroom renovation/installation; stairway repairs/improvements; suspended ceilings; and water heaters.
- C. Ineligible Improvements. Expenditures that do not add to or preserve the historic character of the downtown or improve the structural integrity of the building such as tinted windows, vinyl awnings, inventory and equipment, operating expenses, non-fixed improvements, and general maintenance are ineligible for grant funding and may not be used to satisfy grant-match requirements hereunder.

*As an example: A project with \$30,000 in interior work and \$70,000 in exterior work could receive \$50,000 in grant dollars. A project with \$70,000 in interior work and \$30,000 in exterior work would receive \$30,000.*

## IX. FUNDING

The Grant Fund was established through contributions from the City of Albert Lea and Freeborn County. Funding shall be placed in the City's Broadway Ridge Fund Account. If needed, the City Manager may choose to use other sources to fund projects under this program subject to City Council approval. No other City façade or construction grants may be used to exceed the maximum allowed or as part of the match requirement.

- A. MAXIMUM GRANT: The maximum grant in support of a qualifying project for any one building shall not exceed \$50,000 over 5 years, and matching funds in amount in an amount equal to or greater than the amount of the grant must be committed to the

project. For large projects, the City Council may approve an amount greater than the maximum and time allotment different for future applications with extenuating circumstances.

- B. **PROJECT PHASING:** Projects may be completed in two or more phases, subject to the development of a total project plan for each phase, in which case the grant funds will pay for that part of the work that is completed and the grant will be aggregated into the single grant. Aggregated projects may not exceed five years from the start date of the first phase of the project to the date of completion of the final phase funded by the grant hereunder, and are subject to the maximum grant amount.
- C. **FEES AND TAXES:** Grantees are responsible for their own legal and other professional consultant fees associated with applying for and making the Broadway Ridge Grant, as well as for legal and professional consultant fees incurred by the City in making the grant. All property taxes and applicable special assessments installments on real property owned by the applicant in the City must be current on the property and are not eligible for payment from Grant funds.

**X. PROCEDURE FOR GRANT APPLICATION**

- A. Interested owners/businesses shall set a meeting with City Planner's Office or staff to review the potential project, discuss eligibility, and review the application process, Heritage Preservation Commission Guidelines, and the grant policies.
- B. Grant applications will be received and reviewed on a first come basis. Prior to receiving approval on the grant, projects must be approved by the HPC through a Certificate of Appropriateness. Applications shall be submitted to the City Planner's Office, 221 E. Clark St., Albert Lea, MN.
- C. The property owner or business owner, with the property owner's approval, may obtain the Grant application from the City Planner's Office at 221 E. Clark Street, Albert Lea, Minnesota.
- D. In order for a grant application to be considered complete, the applicant shall provide the following documentation and take the following action:
  - 1. A completed application form, signed by the property owner of record, together with current and historic photos, and design plans illustrating the proposed work.
  - 2. A set of improvement plans and itemized estimate of listed improvement components based on a minimum of two contractor's detailed written quotes for the project. For large projects, the City may require designs and estimates by a registered architect.
  - 3. Explain or illustrate how all exterior code violations (if applicable) will be remedied as part of the project.

4. A legal description of the property to be improved.
5. Complete financial information documenting the source(s) of private funds needed to satisfy the matching funds requirement herein and successfully complete the project. The owner is required to pay contractors in full and Grant funds will reimburse paid contractor invoices up to 50% of the invoice; however, the total payments shall not exceed the grant amount established in the agreement. The owner shall show the source of funds for full payment of the contractor.
6. A Certificate of Appropriateness issued by the Heritage Preservation Commission.
7. Any additional information determined necessary and requested of the applicant by City staff.
8. The improvements will be inspected by the City Building Official for approval of the completed work.

**XI. OTHER REQUIREMENTS.**

- A. Applicant may have to show financial means to complete the project, provide lien waivers from contractors, and/or provide receipt of sale (not bills) showing the completion of the purchase or work eligible for reimbursement.
- B. Applicant will be required to provide proof of liability and property insurance sufficient to cover value of the property and improvements if approved.
- C. Applicant will be required to complete a W-9 before receiving their first payment from the City.
- D. All grants shall have a written agreement approved by Council and shall not be altered without Council approval, and potentially Historic Preservation Commission approval if the project changes outside of the original plan.
- E. Timely submission of project requisitions or paid contractor invoices, as required in the agreement, shall be first sent to the City Planner's Office.



# BROADWAY RIDGE RENEWAL GRANT

221 E Clark Street  
 Albert Lea, MN 56007  
 507.377.4349 OFFICE  
 507.377.4362 FAX

PARCEL ID NUMBER(S)		DATE RECEIVED
PROPERTY INFORMATION		
Property Address		
Legal Description	<i>Attach on separate page.</i>	
PROPERTY OWNER INFORMATION		
Owner Name		
Owner Address		
Owner Phone		
Owner Email		
APPLICANT INFORMATION <i>(if different from above)</i>		
Applicant Name		
Applicant Address		
Applicant Phone		
Applicant Email		

## OWNER'S STATEMENT

I am the owner of the above described property and I agree to this application. By signing this application, I certify that all fees, charges, utility bills, taxes, special assessments and other debts or obligations due to the City by me or for this property have been paid. I further certify that I am in compliance with all ordinance requirements and conditions regarding other City approvals that have been granted to me for any matter. (If the owner is a corporation or partnership, a resolution authorizing this action on behalf of the board or partnership must be attached.)

\_\_\_\_\_  
 Owner's Signature

\_\_\_\_\_  
 Date

## APPLICANT'S STATEMENT *(if different from above)*

This application should be processed in my name, and I am the party whom the City should contact about this application. I have completed all of the applicable filing requirements and, to the best of my knowledge, the documents and information I have submitted are true and correct.

\_\_\_\_\_  
 Applicant's Signature

\_\_\_\_\_  
 Date

**APPLICATION PROCESS**

1. **APPLICATION:** Completion of this application is required by property owners seeking grant funds to assist with façade improvements for buildings in the designated Heritage Preservation District.
2. **PROJECT DESCRIPTION:** Describe all proposed eligible improvements (e.g. window replacement, lighting, awnings, roofing and signage). See Broadway Ridge Grant Fund Policy for full list of grant eligible items.

3. **REQUIRED ATTACHMENTS:**

- Site plan drawings
- Scaled elevation drawings
- Contractor cost estimates

4. **FINANCIAL INFORMATION:** Demonstrate that the owner has the financial capacity to complete the project in a timely manner. The property owner is required to pay the contractor the full amount of the contract for any completed portion of the work and to obtain contractor, mechanics and material lien waivers, prior to submitting a requisition to the City for reimbursement of 50% of the paid invoices up to the maximum amount specified in the Construction Award/Grant Agreement. The request is to be submitted on the attached reimbursement form for each contractor.

Proposed Start Date: \_\_\_\_\_ Proposed Completion Date: \_\_\_\_\_

Current Assessed Value: \_\_\_\_\_ Taxes Paid to Date (*circle one*): YES NO

5. **PROJECT BUDGET:** List the source and use of funds to complete the façade improvements.


This page to be completed by City of Albert Lea.

6. **APPROVAL:**

This grant application has been reviewed by the Heritage Preservation Commission and a Certificate of Appropriateness has been issued.

HPC Staff:\_\_\_\_\_

Date:\_\_\_\_\_

This grant application has been reviewed by Building and Zoning staff and the application is consistent with the MN State Building Code and City of Albert Lea Zoning Code.

Building and Zoning Staff:\_\_\_\_\_

Date:\_\_\_\_\_

The City Council has reviewed and approved disbursement of grant funds.

City Manager:\_\_\_\_\_

Date:\_\_\_\_\_