

EXHIBIT A

FAÇADE IMPROVEMENT PROGRAM POLICIES, GUIDELINES, AND PROCEDURES

Program Overview

The Façade Improvement Program (“Program”) provides professional design and project management services and financial assistance to commercial building owners to make exterior improvements to the appearance and/or functionality of their building’s facade. A building’s façade is typically considered the side of the building that faces the street and where the public primarily enters the building. The overriding goal of the Program is to encourage new investment in older commercial buildings to improve the appearance of business districts through enhanced architecture and design to create a sense of place. For example, an older building may need new paint, lighting, awnings, and signage to refresh and improve its current appearance.

Program Components

Financial Assistance:

- For an eligible and approved project, the City will provide a matching grant to the Applicant up to \$50,000 or 50% of eligible reimbursable project costs, whichever is less. (Example: If the eligible cost is \$40,000, the maximum grant would be \$20,000.)
- Individual storefronts and entire commercial buildings are eligible.
- Occupied or vacant buildings are eligible.

Design and Project Management Services:

- The City will provide design and project management services utilizing one of its on-call Program architects, the cost of which will be split between the City and Applicant through the matching grant.
- The City’s design and project management services must be utilized.

Timeline:

- A typical project will take approximately six to 12 months to design, permit, and install.
- This timeline can be shorter or longer depending on the scope of the project and required City approvals and permits.

Program Guidelines

Applicants must meet **ALL THE FOLLOWING CRITERIA:**

- Own a commercial building in the City of Elk Grove that fronts on and is accessible to the public via a public right-of-way (typically, a public street).

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- A business who does not own the building can be the Applicant with the property owner's consent.
- The building must be occupied by a business (either owner-occupied or by a business tenant).
- Vacant buildings are eligible if, in the judgment of the City, façade improvements will in part lead to occupancy by a business within a reasonable amount of time.
- For occupied buildings, the façade improvement project must not materially alter or impact the terms of lease agreement(s) with existing business tenant(s). For example, the façade improvement project should not result in displacement of a business or increase in rent to the business.
- The building owner and any business tenant(s) must be properly registered with the California Secretary of State, should the business type be subject to registration. Sole proprietorships are not required to be registered with the California Secretary of State.
- The building owner and any business tenant(s) must be properly licensed with the City and possess all required permits and approvals.
- The building owner and business tenant(s) must be in good standing with the City (e.g., have no open enforcement actions or delinquencies).

The following are **ELIGIBLE IMPROVEMENTS AND COSTS**:

- Repair, replacement, or new installations of awnings, canopies, windows, doors, lighting, marquees, signs, paint, exterior cladding such as brick, siding, stucco, tile or other decorative materials, non-permanent landscaping and containers, and outdoor seating or gathering areas.
- Applicable government approval and permit fees.
- Design and project management services.
- Any other improvements or costs approved by the City.

The following are **INELIGIBLE IMPROVEMENTS AND COSTS**:

- Portions of buildings not facing a public right-of-way, including typically the rear, sides, and roof.
- The sides, back, or roof of a building may be considered a part of the façade if in the judgment of the City their inclusion in the project would further the goals of the Program.
- General maintenance such as repairing or upgrading mechanical, plumbing, and electrical.
- Interior alterations.
- Permanent landscaping (e.g., trees, bushes, grass, etc.).
- Parking lots or stalls.
- Sidewalks, streets, and alleyways, except for improvements related to outdoor seating or gathering areas.
- Property and/or business owners time and expenses.
- Any other improvements or costs deemed ineligible by the City.

The following are **INELIGIBLE APPLICANTS**:

- Government agencies who own and/or are tenants in a building.

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- National corporations or franchisees of national corporations who own and/or are tenants in a building.
- Recently constructed large format shopping center owners or their management affiliates.
- Owner of residential buildings including apartment buildings and/or those occupied by home-based businesses.
- Any other ownership or tenant entities deemed ineligible by the City.

The City Manager or authorized designee will make all final determinations on Program eligibility and has discretion to deviate from the above criteria by utilizing different, additional, or fewer criteria to make funding decisions on a case-by-case basis where it is determined that the provision of a grant to a particular Applicant who would not otherwise be eligible is in the best interest of the City. The City Manager or authorized designee may also determine that providing a grant to an eligible Applicant is not in the best interest of the City and deny the Program application.

Funding Allocation Levels

Program funding is appropriated by the City Council annually or as needed. If funds are not available applications will not be accepted.

Grant Amount:

Not to exceed \$50,000 regardless of total project cost.

Disbursement of grant funds to approved Applicants will be in the form of a reimbursement payment for completed work issued after the City has received a Payment Request from the Applicant and has deemed the project complete. The payment request will include proof of eligible project costs and expenses consistent with the approved design and acceptable to the City.

Approval Process

1. The Applicant and City staff engage in discussions and establish mutual interest in partnering on a project.
2. City staff conducts a pre-application meeting with the Applicant to discuss Program Guidelines and establish the scope of the project.
3. If the City determines the project complies with the Program and is in the best interests of the City, the Applicant is invited to apply and submit an application.
4. If submitted, the application is reviewed by City staff to determine if the application is accepted. The application will, among other things, contain a general description of the project and an initial cost estimate.

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5. If accepted, the City engages its on-call architect to work with the Applicant and City staff to develop design drawings and an architect's cost estimate for the project. Should the project move forward, the costs of the City's on-call architect will be evenly split between the City and Applicant.
6. City staff makes a final determination on project approval. If approved, the Applicant and City enter into an Economic Incentive Agreement which defines the scope of work, timeline, and amount of and terms upon which the matching grant funds will be provided.
7. The Applicant is contractually responsible for bidding, contracting for, obtaining permits for, paying for (subject to the provision by the City of matching grant funds at the conclusion of work), and overseeing all project work. However, to ensure successful and on-time and on-budget completion of the project, the City's architect will act as the Applicant's and City's joint representative and project manager to oversee the foregoing activities.
8. Upon project completion, the City and Applicant, taking into consideration the advice of the City's architect, jointly inspect the project and deem it complete and accepted.
9. Within 30 days of project completion and acceptance, the Applicant submits a Payment Request to the City including proof of payment of eligible project costs and expenses. If the Payment Request is denied in whole or in part due to lack of adherence to Program Guidelines or insufficient evidence of eligible project costs and expenses, the City will reduce the reimbursement payment accordingly.
10. The City provides reimbursement of the agreed upon amount in accordance with the Economic Incentive Agreement within 30 days.

General Conditions

City staff will prepare application forms and materials, identify required submittals, and define necessary processes needed to receive and evaluate funding requests under this Program. All application materials and processes are subject to change from time to time. All application materials are public records subject to public disclosure as required/submitted by State law or City policy.

The estimated time from completed application to a funding decision, evidenced by an Economic Incentive Agreement, will vary depending on the quality and completeness of the application, the responsiveness of the Applicant, and the workload of City staff, among other factors.

All applications for funding under the Program shall be considered on a case-by-case basis. Funding is not guaranteed, and the City has complete discretion to approve or deny any application for funding, and to provide full or partial funding, or none at all. All funding decisions shall be final and the Applicant shall have no right of appeal from any decision on any funding application, nor the decision to accept or not accept a funding application, nor the decision to process or not process any funding application. All

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funding decisions shall be documented by a written Economic Incentive Agreement executed by the grantee and the City setting forth the terms and conditions of any funding under the Program. Applicant shall have no rights in any funding, or otherwise under the Program, absent a fully executed Economic Incentive Agreement.

Applicants shall comply with all laws with respect to the receipt and use of any funding under the Program. The City makes no representation as to whether any Applicant's receipt or use of such funding would be subject to the state prevailing wage laws, as set forth at Labor Code sections 1720, et seq. To the extent applicable, Applicants shall cause all work performed with such funding to be performed in compliance with all applicable laws including, without limitation, state prevailing wage laws pursuant to Labor Code sections 1720, et seq. In the event an Applicant fails to comply with any applicable law, including, without limitation, prevailing wage laws, the Applicant shall be liable for the payment of all penalties, wages and/or damages resulting therefrom, and shall defend, indemnify, and hold the City harmless for any violations or alleged violations of law. These provisions will be included in any Economic Incentive Agreement. Applicant is encouraged to seek legal advice through legal counsel of their choosing for further guidance.