

ITEM #:	<u>44</u>
DATE:	<u>06-25-24</u>
DEPT:	<u>P&H</u>

COUNCIL ACTION FORM

SUBJECT: **FY 2023/24 SPRING DOWNTOWN FACADE GRANTS**

BACKGROUND:

The Downtown Facade Grant Program was introduced in 2000 to facilitate private improvements to downtown retail and other commercial storefronts. The City Council annually budgets \$75,000 as matching funds for eligible projects. The program has allowed for up to \$23,000 of dollar-for-dollar matching funds per front facade and up to \$2,000 for additional architectural services. This program is available to property owners within the area generally described as from 6th Street to the railroad tracks, Duff Avenue to Northwestern Avenue, and along Kellogg Avenue to Lincoln Way (Attachment A).

The program requires compliance with specified Design Guidelines that can be found on the Planning Division website at this [link](#). The program requirements include a prerequisite of a ground floor use of office or retail trade. Additionally, grant eligibility includes a requirement for proposed improvements to retain the historic facade or for the removal of non-compliant elements consistent with the guidelines or to pursue eligibility under the other facade guidelines.

The program does not allow for maintenance activities or replacement of compliant elements with new in-kind elements as eligible activities on their own. However, there is an allowance for historic rehabilitation of character defining features of contributing historic resources to the Downtown Historic District. Proposed improvements are intended to have a significant positive visual impact on the building and the overall district. If grant requests exceed the available funding, the program criteria for front facades includes preference for facades that have not received funding in previous rounds. Attachment B provides an overview of the intent and process for the facade grant program, and Attachment C outlines the scoring criteria. Attachments D and E are the current applications.

The program is designed to operate with two application cycles. The first cycle is typically in the summer. If there are funds remaining after first round awards, then a second application round occurs in the winter/spring. The summer grant round is intended to provide funding for new projects with one grant per building. The second round is intended to fund both new projects and potentially second facades for properties that have previously received a grant.

GRANT APPLICATION RECEIVED:

The City solicited applications for the second round of FY 2023/24 funding in May 2024. One applicant applied in the first round and staff worked with the applicant to refine the submission. There were no awards for the first round. Two grant requests are being considered for this second round. A project summary, location map, and project design illustrations are attached. The total requested grant funding is \$48,000, with \$131,665 available funding left in the program for FY 2023/24.

Address	Business or Building Name	Amount Requested	Total Project
616 5th Street	Dot's (Formerly Fifth Street Dental)	\$25,000 (including \$2,000 for design fees)	\$62,656-facade (\$735,000 entire project)
330 Main Street	Town Center (Tom Evans Plaza Side)	\$23,000	\$47,213

616 5th Street:

This application is for a single-story building at 616 5th Street. The building, formerly home to Fifth Street Dental, was constructed in 1955 in a mid-century modern style and is approximately 1,800 square feet. The applicant is proposing to remodel the building into a restaurant. This will involve remodeling and re-configuring the interior as well as adding an outdoor seating area on the east side. As this building is not a traditional "Main Street" typology, it is eligible for a grant under the "Other Facades" section of the Downtown Design Guidelines.

The current facade on 5th Street lacks transparency, in keeping with the former use a medical office building. Except for the glass entryway, the windows are above eye level, which would have allowed natural light into the interior while maintaining privacy. **The proposed changes to the facade will significantly enlarge the windows to allow for visibility into the restaurant. The new design for the facade maintains a small window, similar to a transom, at the top of the window opening, and which makes architectural reference to the historic design. A large window will be installed below the small window to create a wall of windows on the front of the building.**

The applicant is also proposing to install more windows on the east side of the building, adjacent the new outdoor seating. Only the street-facing facade, however, is eligible for the grant. **The owner will be eligible to apply for property tax abatement separately from the facade program due to the substantial improvements to the site and the likely increase in value of the property.**

Images can be seen in Attachment D.

WORK	ELIGIBLE COST ESTIMATES	TOTAL COST ESTIMATES
Demolition, Parts, & Labor	\$40,356	\$40,356
Other Work (Not on Facade)		\$689,844
Design Fee for Facade	\$4,800	\$4,800
Total Project Cost:	\$45,156	\$735,000

330 Main Street:

The building at 330 Main Street, together with the adjacent 328 Main Street, is home to Town Center, which has multiple tenant spaces. The buildings together received a facade grant in 2013 for significant changes to the Main Street facades.

The subject building was constructed in 1909 as a livery stable. Over the years, it was home to Spurgeon's (a department store) and J. C. Penney, the latter of which expanded from its small store at 328.

What is now Tom Evans Plaza was originally street and right-of-way for Burnett Avenue that was later abandoned and turned into the current small park. As this was originally right-of-way, Council has accepted building facade improvements that face the current park as eligible. Otherwise, building facades that do not face a public street are not eligible for grants.

The west side of the building has ten windows: nine on the second story and one on the ground level. There is also a side entrance on the west side next to the ground floor window.

The 10 windows on the side are currently filled in with plywood that is deteriorating. The applicant is proposing to replace the plywood with sash windows that will recreate what was originally in those spaces. Historic photographs show that the building originally had single-pane windows in each sash.

The second story is currently unused. While the applicant does not have immediate plans to restore the second story space to full use, his stated intent is to eventually create usable space on the second level.

While inspecting the property for the grant, staff observed that some of the brick veneer is coming loose and that one of the window sills under one of the subject windows is in need of repair. The maintenance of the facade should accompany the installation of the windows.

Staff recommends adding a condition with the facade grant regarding maintenance of the facade and ensuring its stability.

Images can be seen in Attachment E.

WORK	ELIGIBLE COST ESTIMATES	TOTAL COST ESTIMATES
Windows and related labor	\$47,213	\$47,213
Total Project Cost	\$47,213	\$47,213

ALTERNATIVES:

1. Approve the Downtown Facade Improvement Grants for:
 - a. 616 5th Street for \$23,000 in estimated eligible costs for a new facade and new windows and \$2,000 in design fees
 - b. 330 Main Street for \$23,000 for ten new windows, subject to the condition that the brick veneer and windowsill be repaired and that the facade be stabilized
2. Approve grants for lesser amounts.
3. Do not approve any of the facade grants.

CITY MANAGER'S RECOMMENDED ACTION:

The grant application solicitation has resulted in two requests for a total of \$48,000. City staff has determined that the proposed Downtown Facade Improvement projects for the buildings at 616 5th Street and 330 Main Street comply with the requirements of the program. There is adequate funding available for the requests. Therefore, it is the recommendation of the City Manager that the City Council approve Alternative #1, as described above.

ATTACHMENT(S):

[Attachment A.pdf](#)

[Attachment B.pdf](#)

[Attachment C.pdf](#)

[Attachment D.pdf](#)

[Attachment E.pdf](#)