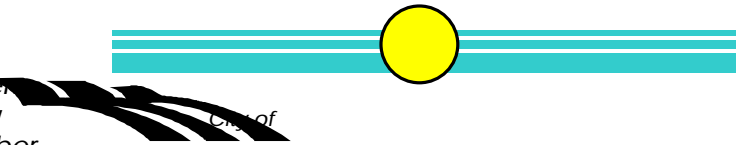


Mayor  
Tom Buford  
Mayor Pro Tem  
John Murray  
Councilmember  
John Grego  
Ed Martin  
John Plourde



**LEMOORE**  
CALIFORNIA

**Redevelopment Agency**

**Redevelopment  
Division**

210 Fox Street  
Lemoore • CA 93245  
Phone • (559) 924-6704  
FAX • (559) 924-6743

## **Staff Report**

**ITEM  
NO.                      6**

**To:                      Lemoore Redevelopment Agency Board**  
**From:                  Judy Narbaitz, Redevelopment Project Manager**  
**Date:                  February 15, 2006**  
**Subject:              Façade Improvement Program**

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### **Discussion**

On November 2, 2004, the RDA Board was given an overview of the Kings EDC Façade Loan Program (Staff Report and Minutes attached). At that time, a matching grant concept was described as an alternative, or in addition to, their program. In preparation for the Redevelopment Agency Five-Year Implementation Plan, the RDA Board approved the concept of a matching grant Façade Improvement Program (FIP) to be offered to commercial property owners and tenants located within our Redevelopment Project Areas. The following is a summary of the major conditions proposed for the program:

#### *GRANTS*

The program will be in the form of a matching grant with the Agency granting up to 75 percent of the project cost and the owner(s) contributing 25 percent. The Agency will grant up to \$50,000 per building based on the lineal footage of the storefront and a maximum improvement cost of \$1,000 per lineal foot. Therefore, a 25 lineal foot storefront would be eligible for a maximum grant of \$18,750 and would require a minimum matching contribution from the owner(s) in the amount of \$6,250.

The matching grant will be packaged as a five-year, zero-interest, forgivable loan. A lien will be recorded against the building requiring repayment of the loan in the event the owner fails to protect, maintain and preserve the façade improvements or if the building is sold or transferred during the term of the loan. At the end of the five-year period, the loan will be completely forgiven and the lien released.

#### *ELIGIBILITY*

- Building must be located in the Redevelopment Project Areas of Lemoore. Buildings with multiple ground floor storefronts/businesses are eligible for more than one grant, pending funding availability.

- Applicant must be the owner(s) of a business on the ground floor of an eligible building and/or the property owner(s). Application must be signed by all legal property and/or business owners or a legal power of attorney document must be submitted with application. If storefront is vacant, the property owner may be the sole Applicant.
- Priority will be given to properties with the greatest need of exterior improvements. The Redevelopment Agency (Agency) has sole discretion in determining which properties have the greatest need.

#### *ELIGIBLE IMPROVEMENTS*

- Painting of building façade. (Sides permitted if visible from street. Rear permitted if building has a rear customer entrance.)
- Signage, awnings or exterior lighting.
- Repair/replacement of doors or windows visible from public view.
- Tile, edge treatments, and other façade improvements approved by the Agency.

#### *INELIGIBLE IMPROVEMENTS*

- Maintenance (i.e. roofing, paving, etc.)
- Security systems
- Structural upgrades

#### *ELIGIBLE FEES*

Appropriate electrical, plumbing, encroachment, and Building Permit fees are eligible costs.

#### *PROGRAM REQUIREMENTS*

- Re-painting of building is required as the first improvement under the program unless painted within the last year. After painting, other eligible improvements can be funded with remaining funds.
- All work must be conducted by contractors licensed by the State of California and who have a City of Lemoore business license. The applicant selects the contractor and is responsible for completing any agreement with the contractor to carry out the work.
- All projects receiving \$1,000 or more of Agency funding require contractors to pay prevailing wages to workers involved in the performance of all work. Prevailing wage applies to both the Agency and the applicant's portion of the project funding.

- ❑ Applicants are responsible for obtaining bids, selecting a contractor, and executing agreements with contractors.
- ❑ Evidence of owner's 25 percent match expenses must be demonstrated prior to payment by Agency. (i.e. copy of check and proof of payment from contractor)

The goal of this program is to:

- ◆ Improvement of visual quality of the buildings and streetscape
- ◆ Preservation of the uniqueness and historic fabric of the area
- ◆ Achievement of a high standard of design for individual buildings
- ◆ Use of high quality materials and workmanship on building facades
- ◆ Enhancement or restoration of building to create attraction for new business
- ◆ Restore economic vitality and investment confidence

Since the payment of prevailing wage is required for all projects receiving over \$1,000 of Agency assistance, staff recommends the Agency implement the program listed above. Even with the Agency's contribution, the payment of prevailing wage will drive the cost of the projects up significantly and some businesses may not want to take advantage of this program. However, as you may recall, the Chamber has agreed to assist the Agency in the promotion of our Façade Loan/Grant Program. With the terms outlined above, the program should be a success.

**Budget Impact:**

The 2005-06 RDA Capital Fund has \$100,000 budgeted for façade improvements.

**Recommendation:**

That the Agency Board approve the Façade Improvement Program listed above.

**Mayor**  
Ed Martin  
**Mayor Pro Tem**  
Tom Buford  
**Councilmembers**  
David Andreasen  
Marshall Norgaard  
John Plourde



Community and  
Economic  
Development

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Lemoore, CA 93245  
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ITEM NO. 2D

DATE: October 27, 2004  
TO: Lemoore Redevelopment Agency Board  
FROM: Judy Narbaitz, Administrative Analyst  
SUBJECT: Façade Loan Program Update and Recommendation for an RDA Funded Matching Grant Program

### **Discussion**

There has been some recent discussion regarding the Façade Loan Program that is currently offered to property owners and tenants in the Redevelopment Project Areas. This program is funded and administered exclusively by the Kings County Economic Development Corporation (KEDC), for Lemoore, Hanford and Corcoran, and is limited to façade improvements on the exterior of the building only. The terms of the program are as follows:

- 1) Loan amount: Up to \$10,000 per 25 lineal ft. of building frontage
- 2) Interest rate: 3 % fixed
- 3) Loan payments fully amortized over five years

Façade loan applications are reviewed by the KEDC Loan Board, which is, in essence, the same as a financial lending institution. KEDC requires tax returns as verification of financial stability and, in some cases, property appraisals. The loan is awarded based on the building's equity and the applicant's ability to repay the loan. A Promissory Note Secured by Deed of Trust and a Personal Guaranty is required of the applicant.

This Program has been successful in that, since its inception, no loan application has been denied. To date, five applications have been submitted by Lemoore businesses; three of those applications have been awarded, one is pending and one was declined by the applicant.

As an alternative (or addition) to the KEDC Façade Loan Program, the Agency Board may wish to consider a Façade Improvement Matching Grant Program. Other redevelopment agencies have reported great success with this type of a program. The terms of such a program could be structured as follows:

The owner or tenant of an eligible commercial building (Applicant) may apply to the Lemoore Redevelopment Agency for a matching grant of up to 50% of the façade improvement costs up to a maximum of \$15,000 in the form of a forgivable loan. Larger matching grants (amount to be determined by Agency Board) may be made available on a per case basis (depending on the size of the building and the magnitude of the improvements) and with the Applicant's awareness that any grant in excess of \$15,000 will require the Applicant to pay prevailing wage for the entire project. Alley facades may be awarded if they meet certain criteria; mainly, the rear entrance must be used as a customer entrance and security lighting must be incorporated into the improvements.

The forgivable loans shall be non-interest bearing and shall be forgiven over a ten-year period (10% per year) following the completion of the project. A Covenant shall be recorded against the owner of the building requiring repayment of the remaining loan balance in the event the owner fails to protect, maintain and preserve the façade improvements for the term of the loan. At the end of the ten-year period, the loan is completely forgiven.

The goals in offering a matching grant to property owners and tenants in Lemoore Redevelopment Project Areas are as follows:

- ◆ Improvement of visual quality of the buildings and streetscape
- ◆ Preservation of the uniqueness and historic fabric of the area
- ◆ Achievement of a high standard of design for individual buildings
- ◆ Use of high quality materials and workmanship on building facades
- ◆ Enhancement or restoration of building to create attraction for new business
- ◆ Restore economic vitality and investment confidence

**Budget Impact**

None. Agency Board may wish to consider this for future funding.

**Recommendation**

That the Agency Board:

- 1) Approve the concept of a Façade Improvement Matching Grant Program to be included in the Redevelopment Agency Five-Year Implementation Plan, and
- 2) Direct staff to develop guidelines for such Program

*Minutes of the Regular Meeting of the*  
**LEMOORE REDEVELOPMENT AGENCY**  
**November 2, 2004**

**ATTENDANCE:**

**Board Chairman Martin; Board Members Buford, Norgaard, Plourde; Executive Director Britz; Agency Counsel Bacigalupi; Public Works Director Wlaschin; Finance Director Cota; Police Chief Morrell; Chief Planner Smyth; Administrative Analyst Narbaitz; Administrative Analyst Tyler; Secretary Lima.**

**Absent: Board Member Andreasen**

**The meeting convened at 6:00 p.m.**

**MINUTES:**

**It was moved by Board Member Plourde, seconded by Board Member Buford and carried unanimously that the Board approve the Minutes of October 19, 2004.**

**Ayes: Plourde, Buford, Norgaard, Martin  
Andreasen**

**Absent:**

**WARRANT REGISTER:**

**It was moved by Board Member Norgaard, seconded by Board Member Plourde and carried that the Board approve the Warrant Register.**

**Ayes: Norgaard, Plourde, Buford, Martin  
Andreasen**

**Absent:**

**QUARTERLY INVESTMENT REPORT:**

**It was moved by Board Member Norgaard, seconded by Board Member Buford, and carried that the Board accept the Quarterly Investment Report.**

**Ayes: Norgaard, Buford, Plourde, Martin  
Andreasen**

**Absent:**

**FACADE LOAN PROGRAM:**

**Administrative Analyst Narbaitz reviewed the Kings County Economic Development Corporation (KEDC) Facade Loan Program for Lemoore, Hanford and Corcoran. Ms. Narbaitz presented an alternative/addition to the KEDC Facade Loan Program for the Board**

to consider a Façade Improvement Matching Grant Program. The proposed matching grant program would be for up to 50% of the façade improvement costs up to a maximum of \$15,000 in the form of a forgivable loan. Larger matching grants, with Board approval, could be made available on a per case basis. Any grant in excess of \$15,000 would require the Applicant to pay prevailing wage for the entire project.

Ms. Narbaitz explained the forgivable loans would be non-interest bearing and forgiven over a ten-year period following the completion of the project. A covenant would be recorded against the owner of the building requiring repayment of the remaining loan balance in the event the owner fails to protect, maintain, and preserve the facade improvements for the term of the loan.

It was moved by Board Member Plourde, seconded by Board Member Norgaard, and carried that the Board:

- 1) Approve the concept of a Façade Improvement Matching Grant Program to  
be included in the Redevelopment Agency Five-Year Implementation Plan,  
and
- 2) Direct staff to develop guideline for such Program.

Ayes: Plourde, Norgaard, Buford, Martin  
Andreasen

Absent:

**ADJOURNED TO CITY COUNCIL CLOSED SESSION:**

At 6:08 p.m. the Redevelopment Agency adjourned to City Council Closed Session.

**RECONVENED:**

At 6:20 p.m. the Redevelopment Agency reconvened.

**CLOSED SESSION:**

At 6:20 p.m. the Agency adjourned to Closed Session regarding property disposition, there was no announcement.

**ADJOURN:**

The meeting adjourned at 6:45 p.m.