CITY OF PENSACOLA
COMMUNITY REDEVELOPMENT AGENCY

COMMERCIAL FAÇADE IMPROVEMENT PROGRAM GUIDELINES

The Commercial Façade Improvement Program, offered by the City of Pensacola's Community Redevelopment Agency (CRA), is provided as part of an overall redevelopment program which assists in the elimination of blight within the City's designated community redevelopment areas. This program is designed to leverage private investment to improve the exterior facades of eligible commercial, historical and culturally significant buildings and to complement other community revitalization efforts.

Participants will receive funding for eligible façade improvements with 25% owner match. Funding is secured by a mortgage loan, forgivable over a five (5) year period.

The Commercial Façade Improvement Program Guidelines contain general information regarding program benefits, eligibility, terms and procedures. As these guidelines may change from time to time, we strongly encourage you to verify these requirements with CRA staff prior to submitting an application.

FOR INFORMATION

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PROGRAM BENEFITS

The Commercial Façade Improvement Program provides participants the opportunity to receive funding in the form of a forgivable loan for façade improvements to eligible commercial, historical or culturally significant properties, as defined within Section B, below.

PROGRAM FUNDING – FORGIVABLE DEFERRED MORTGAGE LOAN

All funding is based on a formula whereby seventy-five percent (75%) of total eligible project costs, up to the maximum award limit defined in Table 1 (below) may be awarded, with a twenty-five percent (25%) owner match. Funds are dispersed upon completion of approved façade improvement projects and secured over a five (5) year period by a deferred mortgage loan. This loan is forgiven on a daily basis over the course of five (5) years, such that at the end of the five (5) year period, the entire loan amount is deemed forgiven and the loan balance is zero.

Table 1: Maximum Award Limits – Commercial Façade Program

	Single Building Frontage	**Multiple Building Frontages**
Westside Target Area	Up to $20,000	Up to $20,000
Belmont DeVilliers		
Commercial Only	Up to $20,000	Up to $20,000 per improved building frontage*
Historic/Culturally Significant	Up to $30,000	Up to $30,000 per improved building frontage*

***Building frontage** is defined as the front or side of a building that faces a street, road or similar public way. Multiple building frontage awards shall be limited to the number of building frontages improved.

Prior to disbursement of funding, the participant shall provide proof of completion and payment of the twenty-five percent (25%) match, in accordance with the Funding Agreement. All payments will be made directly to the contractor.

ELIGIBILITY CRITERIA

A. ELIGIBILE PARTICIPANTS

Eligible participants include owners of eligible property as defined within Section B below. All participants who own or operate a business in conjunction with the proposed improvements must possess a valid City of Pensacola Business License.

Ineligible participants include:

- Government or public agency owners or operators
- Tax exempt organizations, except those whose proposed project shall renovate a historical or culturally significant site. Religious institutions are ineligible regardless of historical or cultural significance.

B. ELIGIBLE PROPERTY

Eligible property must be located within a Commercial Façade Improvement Program Target Area Boundary (See Exhibit A, Commercial Façade Improvement Program Target Areas). Eligible property types include commercial, historical or culturally significant properties, as allowable within the subject target area sub-boundary in which the property is located. See Exhibit A, for maps identifying the target area sub-boundaries and allowable property types within each sub-boundary. For the purpose of this program, commercial, historical and culturally significant properties are defined as follows:

Commercial, Historical or Culturally Significant Properties

- Commercial Property: Commercial property includes restaurants, retail sales, entertainment facilities, office, general business and service establishments that are oriented toward a general community market.
- Historical Property: Historical property includes buildings which are listed on the National Register of Historic Places. Historical property must be used for a non-residential purpose.
- Culturally Significant Property: Culturally significant property include buildings which are associated with events that have made a significant contribution to the broad patterns of our history or are associated with the lives of significant persons in our past. Culturally significant property must be used for a non-residential purpose.

Eligible properties must be current on ad-valorem property taxes, and shall not contain any outstanding tax liens or code violations which shall not be remedied through program participation.

Ineligible properties include:

- Properties used entirely for residential purposes
- Single family structures
- Properties which have received an award under a City of Pensacola CRA Façade Improvement Program with the past five (5) years, as measured from the date of final award disbursement
- Properties used for the following purposes: hotels/motels, lounge and package stores, auto repair, sales and/or service stations, adult oriented enterprises, gun, pawn and drug paraphernalia stores

C. ELIGIBLE PROJECTS AND IMPROVEMENTS

The objective of the program is for the improvement of building facades which contribute to the visual enhancement of the redevelopment district, as viewed from the public right of way.

Eligible improvements include exterior façade improvements which contribute to the visual enhancement of the property as viewed from the public right-of-way. Improvements must be comprehensive, incorporating enhancements/additions to several components of the existing façade. Examples of eligible improvements include painting, lighting, windows, doors, stucco, masonry work, tile, signage, canopies, awnings, fencing and landscaping. While not the primary objective of the

program, parking lot improvements and structural improvements if necessary to maintain the integrity of the building, such as roofs, shall be eligible . Such improvements must be supplemental to the building façade improvements and shall not exceed 40% of the total eligible project costs.

Ineligible improvements include non-permanent fixtures, security systems, personal property, interior window coverings, equipment, business equipment, operating capital or refinancing, new construction, and any improvementswhich are not visible from the right-of-way , other than the eligible improvements defined above, or are deemed to be inconsistent with redevelopment purposes and objectives.

All project proposals are subject to eligibility review and approval. The following factors will be considered in determining project eligibility and granting funding approval:

- Degree in which the improvements provide a public benefit to residents and businesses located within the community redevelopment area, and conform to the community's traditional architectural character
- Need for improvements (i.e. substandard condition of the building and/or façade)
- Potential for revitalization effects in the community
- Consistency with CRA goals and objectives, community redevelopment plans, and any other plans relative to the community redevelopment or target area

PROCESS AND PROCEDURES

APPLICATION

To apply for funding under the Commercial Façade Improvement Program, prospective participants shall submit a Program Application and supporting documentation to the office of the Community Redevelopment Agency (CRA). CRA staff will review the application submittal and provide notice of eligibility determination.

Required Supporting Documentation
Property Deed
City of Pensacola Business License (if applicable)
For Historical or Culturally Significant Properties: 1) Proof of listing on the National Register of Historic Places and/or cultural significance, as defined under Section B, Eligible Property, if applicable. 2) Documentation of support from entities or organizations that do not have financial or personal interest in the applicant or this program. This shall include four (4) or more letters of support.

Program participation is subject to the availability of funds. Funds are available on a first come first served basis and are subject to approval by the CRA. No member, officer or employee of the City of Pensacola, CRA or its designees or agents, no member of the City Council of the City of Pensacola, and no other public official of such locality who exercises any functions or responsibilities with respect to the Program during his tenure or for one (1) year thereafter shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with this Program.

PROJECT DESIGN AND COST ESTIMATES

Upon a finding of eligibility, Community Redevelopment Agency (CRA) staff will coordinate with the participant to obtain proposed design plans and price estimates. The participant must submit final design plans, and cost estimates as specified below prior to submittal for funding approval.

Required Supporting Documentation
Design Plans and Elevations

Cost Estimates

The participant shall obtain at least three (3) written cost estimates from bonafide contractors for each individually required contract and secure proof of appropriate licensing or registration and insurance coverage. The participant shall notify the CRA of the contractor(s) which are to be selected and provide proof of appropriate licensing, registration and insurance coverage. **The participant shall not issue a Notice to Proceed or otherwise authorize work to commence prior to funding approval and execution of the required Funding Agreement, as described below.** Failure to comply with these terms will result in disqualification from program participation.

Required Supporting Documentation
Three (3) Written Price Proposals for Each Required Contract
CRA Notification of Selected Contractor(s)
Proof of Appropriate Licensing/Registration and Insurance Coverage for each Selected Contractor

FUNDING APPROVAL

Once the required Program Application, supporting documentation, design plans, cost estimates, and contractor documentation have been sufficiently submitted, CRA will review the completed application package for funding approval. If approved, CRA staff will issue a notification of award. The Participant will then submit payment of a deposit, and execute a Funding Agreement, as described below.

FUNDING AGREEMENT AND DEPOSIT

Deposit

Each participant is required to provide a one hundred and fifty dollar ($150) deposit upon receipt of a notification of award. This deposit is non-refundable and is used to cover closing costs, fees, or taxes associated with the recording or filing of the program documents.

Funding Agreement

Upon receipt of the required deposit, the participant shall execute a Funding Agreement which establishes the terms, conditions and requirements of program participation.

NOTICE TO PROCEED/PROJECT COMMENCEMENT

The participant must issue a Notice to Proceed to the selected contractor within thirty (30) days of execution of the Funding Agreement. The date of written Notice to Proceed, issued by the participant to the contractor, shall be the commencement date. The participant shall notify the CRA of the date of commencement by providing to the CRA a copy of the Notice to Proceed within three (3) days of issuance. Failure to issue the Notice to Proceed

as prescribed shall be deemed a breach of contract and may immediately render the Funding Agreement null and void.

Required Supporting Documentation
CRA Notification of Date of Commencement/Copy of Notice to Proceed

The participant shall achieve full project completion no more than 180 calendar days following the issuance of the Notice to Proceed. If the work is delayed at any time while in progress then the deadline may be extended by written authorization for such reasonable time as the CRA may determine. The participant shall notify the CRA in writing of such delay within ten (10) calendar days of its occurrence.

Obligation to Refrain from Discrimination
Participants, by applicable law, shall not exclude from participation or discriminate against any contractor on the basis of age, race, color, religion, sex, handicap and/or disability, or national origin.

Insurance Requirements
The participant shall be required to keep all buildings and improvements on the property insured against loss or damage by fire or other such risks and matters as defined within the Funding Agreement and shall furnish proof of adequate hazard insurance on the property prior to project commencement. For complete insurance requirements refer to the Funding Agreement.

Required Supporting Documentation
Proof of Insurance (See Funding Agreement for Full Details)

PROJECT ADMINISTRATION AND MANAGEMENT

Participants shall be fully responsible for managing the construction of their respective project including, without limitation, obtaining bids, selecting a licensed contractor(s), obtaining all necessary approvals, permits, and insurances, overseeing work of contractors, and paying all invoices for the work, materials, and supplies.
The participant shall cooperate with the CRA during the full course of the project and shall agree to provide the CRA or its agent's access to inspect for compliance with approved plans and specifications. Any modifications to the final approved plans or changes to the construction documents shall require prior review and approval by the CRA. No additions, deletions or modifications to the work shall be authorized unless by a written Change Order signed by the participant and contractor and approved by CRA staff. Any payment for additional work shall be the responsibility of the participant. Except in an emergency endangering life or property, failure to obtain the required CRA approval shall invalidate the Funding Agreement and cause the agreement to be terminated.

NOTICE OF COMPLETION/FUND DISBURSEMENT

Program funds will not be disbursed until: (1) the City Building Inspections Department renders written determination that construction of the Project has been satisfactorily completed, (2) the Participant has issued a Statement of Completion, (3) the Participant provides proof, satisfactory to the CRA (including, but not limited to, a statement of final project costs, payments made and balance due and copies of all original invoices with affidavits or proof of payment), that all payments due the Contractors, except for Program funds, have been made, and (4) the Participant has delivered to the CRA a complete release of all liens arising out of the Contracts covering all labor, materials, and equipment for which a lien could be filed, or the Contractors have issued a bond in an amount needed to satisfy the amount owed for each such lien.

Upon the receipt of all required payment documentation and verification of program compliance, the CRA will process payment as outlined in the Funding Agreement. Payment of the approved program funds, will be disbursed, and secured by a deferred mortgage loan.

Required Supporting Documentation
Completed Owner's Statement of Completion Form
Itemized Contractor Invoices and Proof of Payment (Receipts, Affidavits)
Completed Contractor's Affidavit Form for Each Authorized Contractor
Certificate of Insurance Policies (See Program Funding Agreement)
Completed W-9 Form

MORTGAGE LOAN AGREEMENT/CLOSING

Funding provided by the CRA pursuant to this program shall be secured by a zero interest deferred mortgage loan, forgivable over a five (5) year period measured from the date of execution of Mortgage Documents, defined as documents related to securing the loan, including but not limited to a Mortgage and Security Agreement, Promissory Note and Assignment of Leases, Rents and Profits (as applicable). The participant shall be liable for all closing costs, fees, or taxes associated with the recording or filing of the Mortgage Documents, which shall be payable from the required program deposit.

During the term of the Mortgage and Security Agreement, the participant shall not cause or allow the CRA funded improvements to be modified, altered, removed or demolished and shall not cause or allow the property to be sold, conveyed, transferred, demolished, or converted to one hundred percent (100%) residential use. If at any time during the agreement term, the participant fails to comply with these terms then the remaining prorated share of the loan shall become due and payable to the CRA within thirty (30) calendar days.

Code Violations

During the term of the mortgage lien period, the property shall not incur any code violations.

Insurance Requirements

During the term of the mortgage lien period, the participant shall maintain insurance in accordance with the Mortgage and Security Agreement. The participant shall name the CRA as certificate holder on all insurance policies required under the agreement, and shall renew the required policies on an annual basis until the mortgage lien is satisfied or released.

Required Supporting Documentation
Submit Insurance Renewals to CRA During Mortgage Lien Period

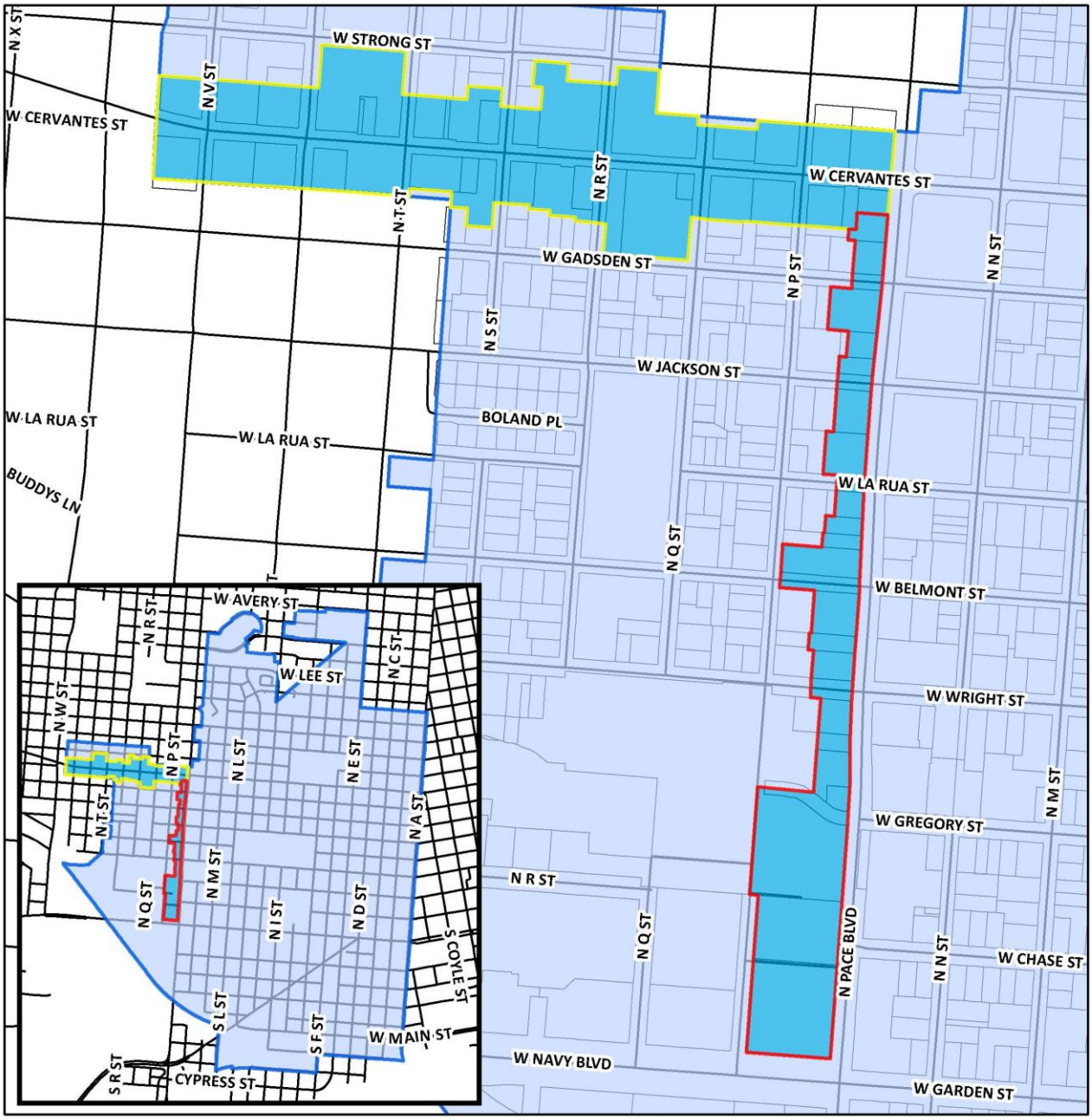
MORTGAGE SATISFACTION

Upon a finding of satisfactory program compliance, the Mortgage and Security Agreement will be released. CRA staff will file a Satisfaction of Mortgage in the official records of the Escambia County Clerk of Court, and the loan will be forgiven.

EXHIBIT A: COMMERCIAL FACADE IMPROVEMENT PROGRAM TARGET AREAS

See pages 10 - 11.

Commercial Facade Improvement Target Area: Westside Community Redevelopment Area



Legend

Commercial Facade Sub-Boundary

- Cervantes - West of Pace Blvd
- Pace - Cervantes to Garden - West
- Westside CRA

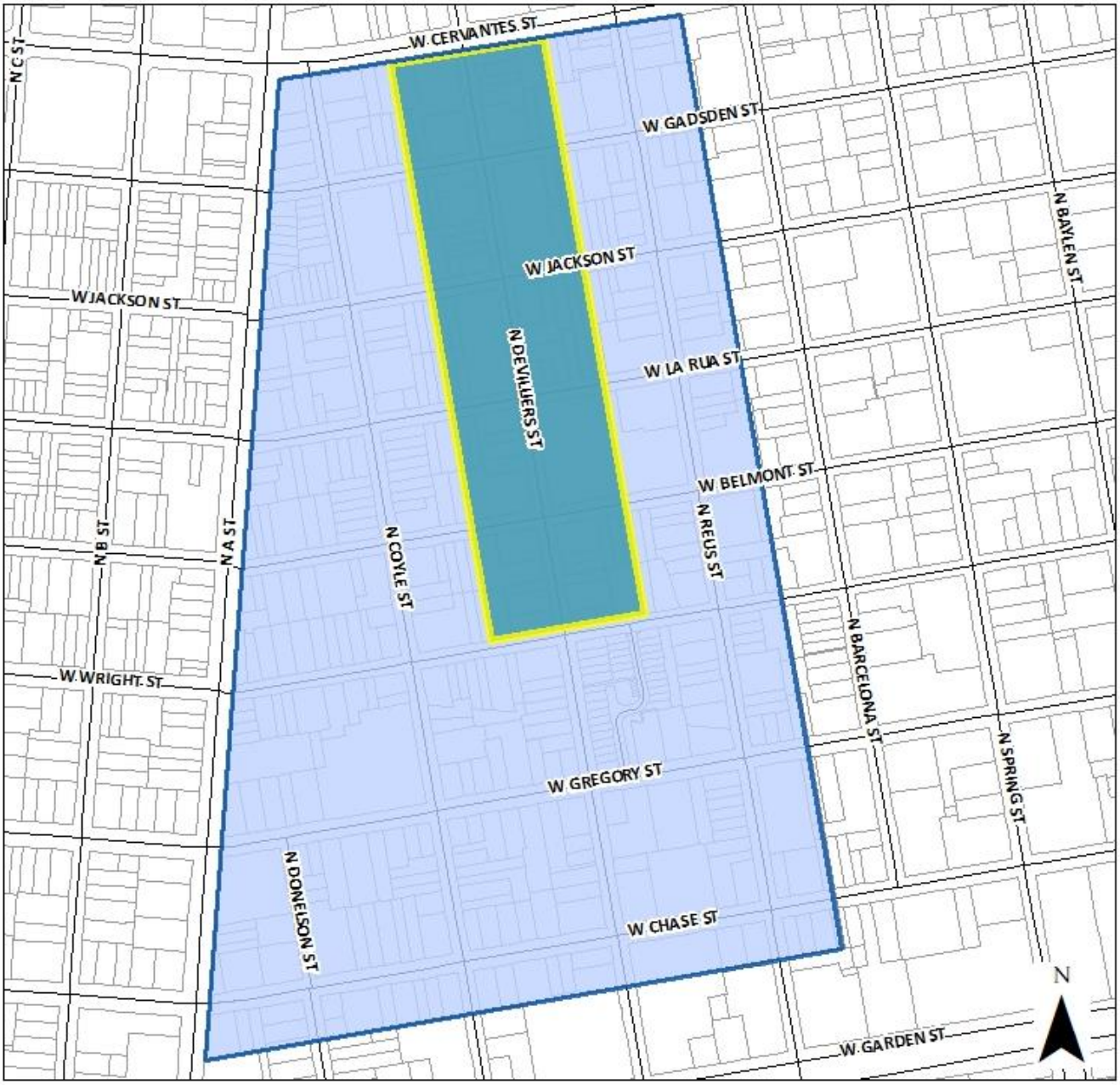
Allowable Property Types

- Commercial, Historical and Culturally Significant
- Historical and Culturally Significant Only

N

Updated: January 2018

Commercial Facade Improvement Target Area: Belmont DeVilliers Commercial Core and Expansion Area



Last Updated: November 2018

Legend

Commercial Facade Sub-Boundary

- Belmont DeVilliers Commercial Core
- Belmont DeVilliers Expansion

Allowable Property Types

- Commercial, Historical and Culturally Significant
- Historical and Culturally Significant Only