



MIAMI BEACH

OFFICE OF THE CITY MANAGER

NO. LTC # 092-2013

LETTER TO COMMISSION

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TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Kathie G. Brooks, Interim City Manager *KGB*

DATE: March 21, 2013

SUBJECT: Implementation Status of the Façade Improvement Program for the North Beach Commercial Corridor located on Collins Avenue between 73rd and 75th Streets.

BACKGROUND

This Letter to Commission is intended to provide you with an update on the City's Façade Improvement Program. As you may recall, the Mayor and City Commission adopted the Resolution on December 14th 2011 approving the Facade Improvement Program Guidelines for the North Beach Commercial Corridor. The program targets the North Beach Target Area on Collins Avenue between 73rd Street and 75th Street with a budget of \$120,000, \$100,000 for the program and \$20,000 for project management costs. The program was made available for participation by both landlords and tenants and individual vacant storefronts could not qualify for assistance but may qualify as part of a façade enhancement project for a building with multiple storefronts. Funding may be provided to building owners or tenants within the Target Area up to a maximum of \$30,000 per building or business, applicants are eligible for up to \$10,000 with no match requirement. For any amount between \$10,001 and \$30,000, applicants must provide a match equal or greater the fifty percent of the amount awarded through this program.

At the July 18, 2012 Finance and Citywide Projects Committee it was recommended that a start date of August 31, 2012 for the acceptance of applications be established. During the week of July 23, 2012, all the property and business owners in the North Beach Target Area were mailed applications with details of the program. This correspondence was subsequently followed up in the following week with on-site visits to provide additional clarification on program requirements and benefits.

CURRENT STATUS

As of 3/06/12 a total of seven applications have been received. Please refer to the chart on the next page for a complete list of applicants.

Applicant Name	Address	Businesses	Amount Requested	Scope of Work
7309 Collins Avenue LLC	7309-7313 Collins Ave	Bikini Bar Mr. Pasta Santaurio Hair Salon	\$20,000	Painting Signage Awnings
7331 Collins Avenue LLC	7325-7331 Collins Ave	Team Iguana Vacant Bohemia Internet	\$20,000	Painting Awnings
Laura	7405 Collins Ave	Hair by Mario	\$10,000	Signage Lighting
Seaway Inv LLC	7409 Collins Ave	Gafass Optical IEM Day Spa	\$39,000	Awnings Lighting Doors Windows
Goldstein Prime Inc.	7419-7423 Collins Ave	Goldstein's Prime Bakery	\$30,000	Painting Awnings Shutters Masonry
Surf Drugs, Inc	7430 Collins Ave	SurfMed Drugs	\$16,000	Signage Masonry
Kaplan Collins, Inc	7440-46 Collins Ave	M&L Food Market	\$27,000	Doors Windows Paint
Total Amount Requested			\$162,000	

The Façade Program will be managed internally out of the Economic Development Division in lieu of hiring a third party (organization or individual), with support from RHCD, Planning, Procurement and Building Departments, reducing programming costs that may potentially be reallocated for additional façade improvements.

To further streamline the program and potentially save additional programming costs/time, the scope of the projects have been simplified to focus on basic improvements - (lighting, awnings, signage, paint and storefront glass retrofits). The Building Department has confirmed that only shop drawings from the manufacturer/installer of the improvement would be required to pull permits, eliminating the necessity of hiring an architect to stamp/seal plans to obtain a permit.

To help streamline the procurement process and administration for grant recipients, the Economic Development Division is already working with the Procurement Division to explore providing a list of pre-screened master vendors (contractor, window & awning suppliers etc) to conduct the improvements for the program. If any of these potential vendors do not already have contracts with the City, the program could potentially piggyback off existing master vendor contracts with the county. Recipients will not be required to use these vendors and may also seek qualified vendors on their own.

Although during the week of July 23rd 2012, all the property and business owners in the North Beach Target Area were mailed applications with details of the program and were sufficiently notified, in the abundance of caution for future HUD auditing (especially under the current environment with HUD) the City will conduct additional community outreach by advertising the façade program in the Herald. This outreach will not affect the existing project pipeline of recipients, but could potentially provide façade improvements to additional storefronts if funding is still available after each project is reviewed and actual costs clarified/reduced. To avoid potential confusion, the current recipient list will be contacted before the additional outreach occurs, to confirm that their current status has not changed and will not be affected by the subsequent promotion.

The remaining milestones include the following:

- Select applicants
- Complete plans where necessary
- Finalize scope of work and budget
- Environmental review
- Create pre screened master vendor list
- Award contracts
- Permitting
- Construction
- Closeout

It is anticipated that all grants will be awarded in March / April 2013. Grant agreements will then be executed from May – July. Façade improvements limited to painting and awning work may complete as early as September. Other projects that include window and door improvements should be completed by the end of the year.

Attachment - Proposed Façade Improvement Program Guidelines

KGB/MAS/SH

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Façade Improvement Program Guidelines – NORTH BEACH
City of Miami Beach
December, 2011

Purpose of the Program

The City of Miami Beach) is providing an incentive program to improve the façades of eligible properties within a targeted revitalization area in North Beach. By enhancing the appearance of business/building façades, the program serves to improve the economic viability of the businesses in this area. Better aesthetics improve the marketability of the businesses, and draw business and residents to the area and increase property values.

Target Area

The current façade improvement program target area is North Beach on Collins Avenue from 73rd Street to 75th Street. If you have a question as to whether your property is within one of the target areas, please contact the City at 305-673-7010.

Funding and Match Requirements

Funding may be provided to buildings or tenants (within the program areas) up to a maximum of \$30,000 per building. Applicants will be eligible for up to \$10,000 with no match requirement, and for any amount between \$10,001 and \$30,000, applicants must provide a match equal to or greater than fifty percent of the amount awarded through this program. The match must be spent on the facade improvement project. Businesses that have not been in operation for a minimum of one-year must provide a 50% match to all funds that are applied for.

Program funding is provided in the form of a loan which is forgiven over a five year period with no payments required, provided the property continues to be maintained in accordance with the program requirements, such as maintenance of the façade;, property taxes are kept current property insurance is maintained with the City listed as mortgagee; and the business is current on all City-required fees and taxes [make language consistent between memo and this].

Application Process

Applications for the Façade Improvement Program will be available as funding allows. To obtain an application or additional information about the program, call 305-673-7010. Applicants will be required to complete the program application and provide a project timeline, drawings or photographs, and specifications of the proposed façade improvement work to the City's program manager for approval prior to obtaining bids. Proposals must pass a threshold review for eligibility, and will then be reviewed for quality and impact of the proposed improvements. Following are the steps in the process:

- Obtain application, either from the City web site or the by calling 305-673-7010
- Consult the map attached to the guidelines to verify that the business is an eligible recipient and that the property is located in an eligible area.
- Obtain drawings and cost estimates
- Forward completed application to the City of Miami Beach City Manager's Office.
- The application will be evaluated and, if the proposed project meets the established eligibility, the owner will be notified and can then proceed to obtain architectural drawings, if necessary, and at least two bids for the project.
- When bids are obtained, forward to the Program Manager for final approval.

Eligibility

All businesses and/or property owners willing to improve the exterior of properties located within the designated program areas may be eligible to receive assistance. A recipient may utilize the Façade Improvement Program in conjunction with other public financial resources. Businesses and property

owners may receive assistance for more than one location based on funding availability. Eligible properties are commercial and mixed commercial/residential with commercial façades visible from the street. Funding will be made available in a phased process, with priority on tenants first, followed by a second phase with expanded eligibility to the property owners.

Buildings will be required to be occupied to be eligible for this program. Tenants that have not been in operation for a minimum of one-year must provide a 50% match to all funds that are applied for. New construction and vacant individual storefronts will not be considered for this program.

Applicants will be required to demonstrate financial capacity to meet the program matching requirements and must be current on all property taxes, mortgages, insurance and city fees/taxes. A credit report will be obtained as part of the application process.

Eligible Activities

Façade renovation activities must involve the general upgrading of a building's external appearance in compliance with the Design Guidelines and Design Review process.

Examples of eligible activities:

- Masonry repairs and tuckpointing;
- Repair/replace/preserve historically significant architectural details;
- Storefront reconstruction,
- Cornice repair;
- Exterior painting and stucco;
- Awnings and canopies;
- Permanent exterior signage integrated into the storefront design;
- Repair/replacement of gutters and down spouts;
- Façade building code items;
- Utility/trash enclosures;
- Exterior façade lighting

Examples of activities that generally are not eligible:

1. Landscaping,
2. Non-visible roofing,
3. Attached, hanging or projecting signs unrelated to the architecture of the building;
4. Mechanical equipment enclosures (non-visible);
5. Billboards;
6. Interior renovation;
7. Temporary, portable or non-permanent improvements;
8. New construction,
9. Property acquisition;
10. Expansion of building area,
11. Conversion of use;
12. Working capital,
13. Refinance of existing debt;
14. Payment of delinquent taxes;
15. Improvements in progress or completed prior to loan/grant approval.
16. Improvements involving interior rehabilitation, including modernization of electrical, mechanical, or structural elements. However, facade improvement funds may be used for facade improvements in conjunction with a separately financed rehabilitation project;
17. Improvements that do not follow the approved architectural plans and designs for the facade renovation,
19. Activities specifically prohibited by the program's funding source.

Community Development Priorities Approval of applications will be considered based on strength of proposals and readiness to begin work, funding availability, and Community Development priorities. Priorities include:

- Projects increasing or retaining jobs within the redevelopment area
- Severely deteriorated buildings with greatest negative impact on the community
- Properties identified blighted as defined in applicable area redevelopment plan
- Properties with significant Code Enforcement history
- Prominent highly visible locations, such as major intersections or locations on major arterials
- Businesses located in pedestrian oriented business locations
- Buildings located in areas where other public investment is taking place
- Projects that leverage maximum private investment
- Buildings without residential occupancy

Design Guidelines

Eligible proposals will be required to follow design guidelines for rehabilitation of historic buildings, if applicable. These guidelines are provided to ensure appropriateness of the proposed work, and to provide for compatibility with the affected building's original appearance and with other area buildings. The Planning Department will review all applications for consistency with the guidelines. Simple applications for paint, awnings, signage and/or exterior lighting may be approved administratively. Projects that involve alterations to the windows and doors, or to other architectural features on the façade, may require approval by the Historic Preservation Board. Prospective applicants are encouraged to consult with the Planning Department prior to preparing their application to ensure best results.

All tenant signage must be in compliance with sign regulations in Chapter 138 of the City Code. Grant funds may be used to correct violations of the signage code.

Application Requirements

Applications must include a complete description of the proposed scope of the project, including, as applicable, elevation drawings, photographs, color samples, specifications and a minimum of one written proposal from a qualified vendor for painting, awnings, signs and windows/doors. If the application receives preliminary approval, then the applicant will be required to provide additional drawings and specification necessary to receive a building permit. These may include shop drawings from the vendor or signed and sealed architectural or engineering drawings, depending upon the scope of the project.

Procurement

Once the design is approved, the Applicant agrees to solicit a minimum of three (3) competitive bids for the rehabilitation work and to provide evidence to the City of the bids received and the amount of each bid. Contractors selected are required to take affirmative steps to encourage the use of minority and women-owned business enterprises when subcontracts are let.

Financing Policies

1. Reimbursements – progress payments will be on a reimbursement basis only. The total reimbursement for all forms of façade improvement assistance shall not exceed \$30,000 per project. Projects must be completed within twelve months after the start of construction, unless the City approves a longer timeline, at the City's sole discretion.
2. Security - the façade improvement project reimbursement will be secured by a deed of trust on the real estate for the requisite term which will self-amortize proportionally each year; providing the property continues to be maintained in accordance with the program requirements, such as maintenance of the façade, property taxes are kept current, and property insurance is maintained with the City listed as mortgagee.
3. Repayments - No repayments will be required if all terms are met.
4. Default - A recipient shall be considered in default and the balance of financial assistance immediately due and payable upon failure of the borrower: to properly maintain the façade after improvements are completed, delinquency in property taxes; to maintain property insurance with the City listed as mortgagee, or failure to operate in compliance with all applicable local, state, and federal codes, laws, and regulations.
5. Remedies of Default - In the event of default, the City may exercise any combination of the remedies available to it with respect to the security agreement(s). The City may take whatever action at law, or in equity, as may appear necessary or desirable to collect any outstanding balance or to enforce the performance and observation of any other obligation or agreement of the recipient.

General Requirements

1. All work must be done in accordance with the Design Guidelines, all applicable local, state and federal codes, and rules and regulations for the Community Development Block Grant program. Any renovation work undertaken prior to the City's final written authorization to begin construction is not eligible for assistance under the program. All renovation work undertaken in conjunction with the façade improvement program which exceeds approved financial assistance shall be borne by the applicant.
2. All construction management shall be the responsibility of the applicant. All work undertaken using CDBG funds will be subject to the Davis Bacon Act. Applicant must contact the City prior to obtaining bids when Davis-Bacon will be required to obtain current wage rates to provide potential bidders.
3. Properties with residential components will be required to meet applicable lead-based paint abatement requirements.
4. Each recipient will be responsible for all acquisition and relocation costs when displacement of residential or nonresidential tenants occurs as a result of the project, in accordance with the

Uniform Relocation Act. If temporary tenant relocation will be required for this project, contact the City for further guidance prior to submitting this application.

5. All applicants shall be required to demonstrate compliance with nondiscriminatory employment practices and Affirmative Action Programs under Title VI and Section 112 of the Civil Rights Act of 1969 and Public Law 92-65. Applicants are encouraged, to utilize minority and women-owned business enterprises under this program.
- 6 The City, the Department of Housing and Urban Development, the Comptroller General of the United States, 'or any duly authorized representatives, shall have access to any books, documents, papers and records which are directly related to the program assistance for the purposes of monitoring, making audits, examination, excerpts, and transcripts. All records supporting the costs and components of program assisted improvements shall be maintained for a period not less than three (3) years following completion of the program agreement period, agreement termination, or default, whichever shall first occur. No person who is an employee, agent, consultant, officer, appointed official, or elected official of the City of Miami Beach who exercise or have exercised any functions or responsibilities with respect to CDBG activities, or are in a position to participate in a decision-making process, or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit, or have interest in any program assistance, either for themselves or those with whom they have family or business ties, during their tenure or for one (1) year thereafter

Please contact the City of Miami Beach at 305-673-7010 with any questions or to obtain additional information about the Facade Improvement Program.