

DES

Moines



Facade Improvement Incentive Program

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INTRODUCTION

The City of Des Moines has been looking for ways to revitalize the Downtown and Marina District Area through a variety of programs including a Way-finding Project (2011), creating Marina District Design Guidelines (2010), and other projects. They have identified a new project that many other cities have used to revitalize their depressed neighborhoods. Facade Improvement Programs have been used across the country by hundreds of cities, and can be seen in Washington State in cities such as Seattle, Kent, Port Angeles, Tacoma, and more. These programs encourage business owners to invest in their buildings, which encourages drivers and passersby to stop in and enjoy the neighborhood.

Marine View Drive is the main road that runs through Des Moines, and it doubles as State Highway 509. Approximately 18,000 cars pass through Des Moines everyday, and only a small fraction of that number actually stop. Most cars instead stop to the East or North in the larger towns of Kent or Burien. By improving the appearance of the area, the City is increasing opportunities for drivers to stop by drawing their attention to the local businesses.

The City of Des Moines Façade Improvement Program is a grant-based reimbursement program established to stimulate exterior building improvements in the Marina District. The program is part of an effort by the City of Des Moines to increase business, specifically along Marine View Drive, which is a part of the Highway 509 corridor. Facade improvements would encourage more interaction between businesses in Des Moines and the commuters who use State Route 509. To this end, the Façade Improvement Program has been established to encourage and provide support to property owners in their restoration efforts by providing financial incentives.



OBJECTIVES



The purpose of the program is to provide reimbursement to participating property owners, using grant and business partnership resources sufficient to produce visible changes to commercial building facades. The program utilizes private grants and partnerships with local businesses to entice private investment by property and business owners interested in improving commercial structures. The goals of this program are:

- 1) to bring more business to the area
- 2) to create a more visually appealing corridor
- 3) to make Des Moines a destination, in conjunction with Destination Des Moines

APPROVED projects

We have divided the approved projects into two tiers, Tier 1 and Tier 2, to identify their priority in receiving funding. Tier 1 projects are inexpensive, quick, and create a large impact for a low price. Tier 2 are more extensive, expensive, and difficult to implement, and have a lower visual impact per figurative dollar. As the city is receiving limited funds for this project, the city will prioritize Tier 1 projects.

TIER 1

\$100-\$5,000 per project

- Exterior paint of building facade
- Signage:
 - sign improvement
 - parking lot signage improvement
 - directional building signage
- Installing planters or new lighting
- Creating and hanging banners

TIER 2

\$2,000-\$10,000 per project

- Siding
- Architectural features:
 - variegated roof lines
 - use of materials to distinguish upper and lower
 - floors on storefronts
 - cornice
 - trellis
- Installing new building elements:
 - windows
 - doors
 - major remodels of exterior
- Awnings
- Outdoor seating
- Differentiated sidewalk design:
 - brickwork
 - tiling
 - mosaics



ELIGIBILITY

The City has set up some eligibility guidelines to ensure that business owners who take advantage of this program will be giving back to the community by using these funds as a long term investment in their building. To ensure the greatest impact, the following guidelines have been set:

- commercial/mixed-use structures
- building owners or tenants with lease authority and approval of the owner, lease must be one year or greater in length
- located within approved areas (see next section)
- owners or tenants cannot be delinquent on current city charges, taxes or assessments or have received money for façade improvements in the last 10 years

These guidelines are based on the typical guidelines our research team noted in other cities. They will ensure that the money spent through this project has a long term impact on the desired area.



LOCATION ELIGIBILITY



The Des Moines Planning Department had previously identified the areas to be targeted by such a project, and as such, the Marina District Façade Improvement Program is specifically designed for the improvements of building facades along Marine View Dr. between 216th and 227th. A second priority area is 7th Ave. between 216th and 227th. There is an emphasis on the heart intersections of 223rd and Marine View Dr. and 227th and Marine View Dr. In the appendix, Appendix [A], there is a map with “priority areas” marked to be used as a visual aid in identifying these areas.

STEPS IN THE PROCESS

1. Meet with EITHER 1-Highline CC Design Program, 2-Powell Homes, or 3-Roday Signs, to discuss desired improvements.
 - should discuss improvements in terms of Marina District Design Guidelines
 - provide photos to give designers idea of space
 - review what types of improvements are eligible through this program
2. Receive preliminary design from above chosen group. Continue going through design process until the desired design is agreed upon.
 - if using Highline CC, turn this design over to Powell Homes or Roday Signs for the next step
3. Receive an estimate and timeline for work from the above chosen group.
4. Find out what permits would need to be gotten for the project.
5. Fill out and complete an application.
6. Submit application
7. Receive word on application:
 - if accepted: Congratulations! Start the work!
 - if not accepted: go back to the designers with the feedback provided and modify the design to fit the standards requested. Resubmit to be reconsidered.
8. Apply for permits, contract work, and complete project.
9. Once project is complete, submit the following to the City to receive funds for reimbursement:
 - receipt of payment for services rendered
 - invoice from companies used (if different from payment receipt)
 - pictures of building following the construction
10. Receive reimbursement within 8-10 weeks.



APPLICATION



The team looked at applications from every city that they researched. They ended up using 2 cities' applications as a foundation for the design of Des Moines' Application. Madison, WI and Port Angeles, WA both had very detailed and easy to understand applications. They can be found here:

<http://www.cityofmadison.com/planning/pdf/FacadeGrantApp.pdf>

<http://portangelesdowntown.com/files/Facade%20Sign%20Program%2005.07.10.pdf>

The team combined the 2 applications using Microsoft Word, and will present the application to the City at the end of the Quarter. Because the City has not yet finalized the details of the proposed relationship between Destination Des Moines and the Des Moines' Planning Department, it is currently undetermined who would actually be collecting the applications for review. The application can be found in the appendix, as Appendix [C].

FUNDING

Recommended Funding Sources

Through 10 weeks of intensive research, our Funding Research team has identified the funding options which make the most sense for the City of Des Moines. The funding options fall into the following categories:

- Grants
- Loans to individual businesses
- Partnerships with local companies

Through a single application to the City, business owners would have access to all of the financial institutions described below (with the exception of PSE grants-described in detail under individual grants). The City expects that business owners would provide matching funds, or pay 50% of the cost, in order to keep the program running and available to more business owners. This is a system that has worked very well in other cities across the country.

GRANTS

Community Development Block Grants (CDBG)

The Research Team looked at a number of other cities to see how those cities funded their Facade Improvement Programs. In almost every city they looked at, they found that the CDBG was used. The CDBG is a well-established federal grant program run by the US Department of Housing and Urban Development. More than 70% of its funds go to low income or at-risk communities and housing development, while the remainder are intended to prevent blight areas, or slums. The purpose of the grant is to provide cities and towns additional funding opportunities to promote community empowerment and economic growth.

For Des Moines, the funds will come from the King County Consortium, a council formed of representatives from all involved cities and towns that decides what projects best fit the goals of the CDBG's mission. The council divides the region into 2 sections, the North/East sub-region & the South sub-region. Des Moines fits into the South sub-region, along with Algona, Black Diamond, Burién, Covington, Enumclaw, Maple Valley, Pacific, SeaTac and Tukwila.

Eligible Applicants

Eligible applicants include:

- Nonprofit organizations
- Local governments
- Public housing authorities

The City is discussing partnering with Destination Des Moines, as well as several other non-profit organizations (more detail later). As such, it is important then to discuss who can apply for CDBG funds. Destination Des Moines would be able to apply for funds, as could the City, but Powell Homes or other involved for profit companies could not be involved with the application.

Eligible Projects

There are three primary national objectives listed under the Community Development Block Grant program guidelines. The King County Consortium decides where money will be allocated based on a project's ability to meet the eligibility guidelines of CDBG funds, as defined by the US Department of Housing and Urban Development. Please note that not every project needs to fulfill all three objectives:

1. Activities Benefiting Low-Income Residents
2. Activities Which Prevent Slums or Urban Decay
3. Activities Designed to Meet Specific Community Development Needs

To apply for these funds, Des Moines will need to go through the application process listed on the King County CDBG Consortium's website, found here:

<http://www.kingcounty.gov/socialservices/Housing/ServicesAndPrograms/Programs/CommunityDevelopment.aspx>

Refer to appendix [B] for visual application cycle.

INDIVIDUAL GRANTS

In addition to money provided through the City, this program also intends to connect businesses to local opportunities for funding. Puget Sound Energy (PSE) offers a number of grants and loans to local business owners to replace lighting fixtures and improve energy efficiency. The rest of these funding sources will be set up through the City, so all the business owner needs to do is apply to the City; in this instance, however, the business owner would need to apply separately for these funds from PSE.

<http://pse.com/savingsandenergycenter/ForBusinesses/Pages/Rebates-and-Incentives.aspx>

LOANS

The City of Des Moines has no funds to put towards this project, so any funding that is needed beyond the amount provided by the CDBG could be provided by a series of government run loan programs, designed to lift the burden off the shoulders of the city. The available programs include:

- Capital Access Program (CAP)
- Craft3 Fund

The state of Washington will distribute \$19.7 million in Small Business Credit Initiative (SBCI) programs. Two of the Small Business Credit Initiative programs that the City of Des Moines could potentially look into are the Capital Access Program and the Craft3 Fund.

Capital Access Program

- Loan program to small businesses
- Targets businesses that are not eligible to borrow from large banks
- Mitigates risk by providing additional funds lenders can use to cover losses from loan defaults

<http://www.commerce.wa.gov/Programs/business/SmallBusiness/Pages/default.aspx>

Craft3 Fund

- Non-profit Community Development Financial Institution (CDFI)
- Lends to small businesses in at-risk cities
- Partners with small business lenders
- Loans within the Craft3's partnership program range from \$250,000 to \$5 million
- Smaller loans are also available directly from Craft3.

<http://www.craft3.org/Borrow/sbci>

These programs are built to specifically target areas like Des Moines that are suffering financially, but cannot afford to take on the financial burden of an improvement program. The state provides loans directly to business owners who are unable to take out loans from banks, at favorable rates.

PARTNERSHIPS

Des Moines should partner with local organizations to reduce the construction costs of their program.

Interested entities include:

- Powell Homes
- Roday Signs
- Highline Community College Design Program
- Destination Des Moines
- Des Moines' Planning Department

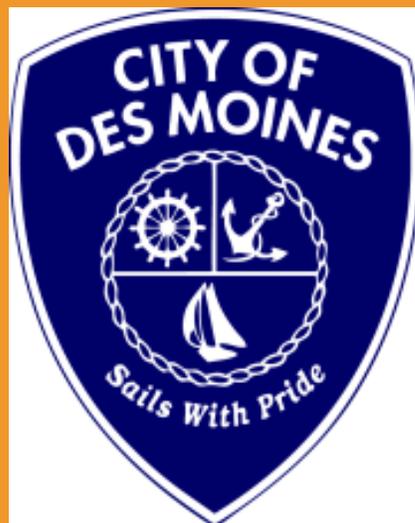
Partnering with these groups would lower the costs of the program, in addition to promoting use and interaction between local businesses and companies in Des Moines.

Powell Homes & Roday Signs

The proposed relationship with Powell Homes-a local construction company- & Roday Signs-a local sign construction company- would lower construction and design costs, which would mean that the city would require less funds to run the program. In this model, the City would write into the requirements that all work paid for through this program would need to be done through either Powell Homes or Roday Signs. In exchange, these two companies would offer the city discounted rates for work done through this program.

Both companies would be provided with the Marina District Design Guidelines, which would ensure that all work done through either company meets the expectations set forth by the program. In addition, this would take work off of the City's plate because they would not need to review the designs to ensure that each project meets the expectations of this program, rather they only need to review the application to approve the funding.

This would be beneficial for the companies as well as the City. The companies would be making profit off of the contracts, even with the discounts, and it would draw attention to them as a local company. Encouraging the use of local companies will strengthen professional relationships between local businesses, reinforce pride in the area and remind businesses of the wealth of local resources. The City needs to continue discussions with these two companies to finalize the details of this relationship, although both companies have already expressed interest in participating.



City of Des Moines Permitting Department

In addition to all of the above relationships, the Planning Department also can offer their own incentives to lower the cost to the City: they will reduce permitting fees to increase the likelihood that people will apply to the program. As of yet, it is not decided whether these incentives would involve free permits for anyone using the Facade Improvement Program, or if they would receive a hefty discount. That is one of the questions that would need to be solved through the City Council, due to the impact on revenue of allowing those permitting discounts.

Highline Community College Design Program

Highline Community College, Des Moines's Community College Design Program is always looking for professional projects to use in their studio classes. An idea that has been offered, but not extensively researched, is allowing students to redesign storefronts using these design guidelines as part of a studio class. The business owner could explain what they were looking for, and then an individual student or a class could build a potential design to present to the business owner.

The service of the students would not cost the program anything, meaning that business owners could participate in at least the design program (which would include pricing of the work) with no risk to themselves. This could increase the number of interested business owners substantially, as this is basically a chance to see what their rebranded store could look like with no cost for the service.

The school would benefit because it would diversify the classroom opportunities, strengthening their program and giving students more resume worthy opportunities. They have not been approached to discuss this in detail; the City needs to contact them to discuss this possibility. The University of Washington and many other schools use this model as a selling point in their programs.

Highline Community College is attended by many of Des Moines' younger residents. One key factor of economic improvement is improving relationships between people and local businesses; people are far more likely to go a place that they know and like. This aspect of the program will integrate local businesses with students to create lasting community bonds, which will increase pride in the Marina District for local residents.

Destination Des Moines

Destination Des Moines is a group of Des Moines' business owners trying to improve their neighborhood through a business association. They have expressed interest in partnering with the City of Des Moines' Planning Department to run this program. This relationship would reduce the cost in labor hours that this will cost the City to run. These hours would be paid for with CDBG funds, but allowing Destination Des Moines to help run the program will allow more of that money to go towards building improvements and creating making Des Moines a destination rather than a through road.

In addition, allowing local business owners to take part in the design decisions of this program will lend greater definition to the area. The business owners know what they want to see, and will be better able to design for the unique attributes of Des Moines than an outside or professional group, working based on professional standards rather than personal experience and knowledge. The applications would still need to be approved by the City, but adding this step would reduce their workload and give the business owners a greater say in the future of their community.



STEPS FOR CITY BEFORE PROGRAM IMPLEMENTATION

Finalize relationships with:

- Highline CC
- Roday Signs
- Powell Homes

Apply for CDBG

Finalize waived permit fees:

- which fees will be waived?
- is there a limit to how many fees you can get waived?
- will they be waived or discounted?

Finalize process:

- who reviews applications?
- who makes final decisions about which get done and which don't?
- who puts together info packets and pays for distribution of materials?

Advertise the program:

- run small community meeting that discusses updated sign and commercial zoning guidelines
- include in that meeting discussion of this program and how it works, its benefits, etc
- pass out pamphlets (brochure with application attached?) to business and building owners
- discuss: Should businesses that participate put signs in front of the building for some period of time afterwards stating that they participated to encourage neighboring businesses to participate.

Finalize grant numbers:

- is \$3,000 enough money to do all improvements listed under tier 1?
- is \$5,000 enough money to do all tier 2 improvements?
- How much does the city match? 10%? 20%? 30%?

Put a small blurb about this program on the Destination Des Moines and City websites

CONCLUSION

Our work this quarter, the creation of the City of Des Moines Facade Improvement Program, is intended to help the city of Des Moines revitalize its economy. By researching facade improvement programs that were successfully implemented in other cities and by finding funding sources outside of the City, we have designed a program that Des Moines can implement to move forward with the arduous task of economic revitalization. The focus of this program is low cost, high impact improvements, examples of which include painting of facades and sign replacement.

We were able to accomplish our work this quarter by maintaining an organized team structure, following a task timeline, and by working with the City of Des Moines Planning Department and other local interests. Now, with a program designed and presented to the City Council, local partnerships beginning to form, and potential pilot projects identified, the City of Des Moines is ready to take the next steps towards implementation of a program that would improve facades and bring new business to the area.



PILOT PROJECTS

The City asked the group to come up with a selection of buildings in the area that would be good candidates for this program. The following photos are taken of businesses in Des Moines in the month of November, 2012. These are necessarily the buildings or businesses that need improvements the most, but rather a varied selection to show that any business in any condition can benefit from this program.

The improvements listed are simply a handful of recommendations. Each building probably has more that could be done to it, and many buildings could do just one or two improvements and see a great change. Please use your imagination, and use these images to get an idea of the scope of project that this program hopes to initiate.

S 218TH MVD PROJECT

- replace banner signs on facade header
- replace banner sign lighting to be consistent across building
- replace monument sign to include all businesses in building
- replace monument pole to not be rusty
- repaint building banner sign strip to be consistent across strip, or at least complementary
- add in pedestrian strip from side of building out to monument sign--detail with landscaping strip to demarcate pedestrian vs. car areas
- add pedestrian scale lighting under building awning
- Replace awning (if possible) with more attractive material and place higher on building to allow better view of shops
- add landscaping features: hanging baskets, window boxes, etc.
- repaint parking lot dividers and speed bump



S 219TH PILOT PROJECT

- replace banner signs to be consistent for all businesses
- replace monument sign to hold all stores' signs
- replace pedestrian scale lighting to be consistent
- replace banner facade strip (compare Dushan's to rest of building) to be consistent across building
- add blade signs to draw customers to all stores in building
- add sign at top of stairs on side of building advertising basement shops to draw customers down-stairs
- add hanging baskets to improve appearance of building as a whole
- Name building and place name at top of monument sign to create a destination out of the building



22501 BUILDING:

- replace awning to be a "convex awning with dormer signs" like at the Corky Cellars, which will draw attention to the businesses rather than the building "22501" sign
- add landscaping or cement blocks to separate pedestrian areas from cars
- add more consistent hanging baskets OR pots, not mishmash of the two
- combine the 2 monument signs into 1 sign to reduce confusion on approaching the building



SE CORNER S226TH & MVD



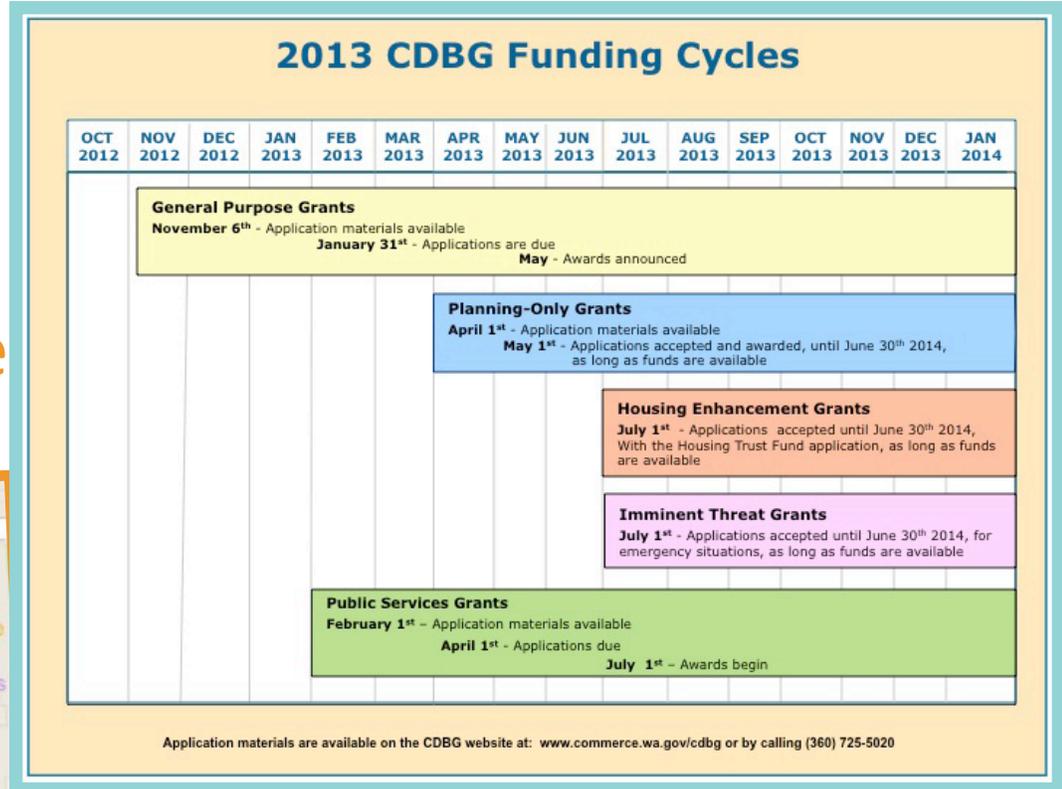
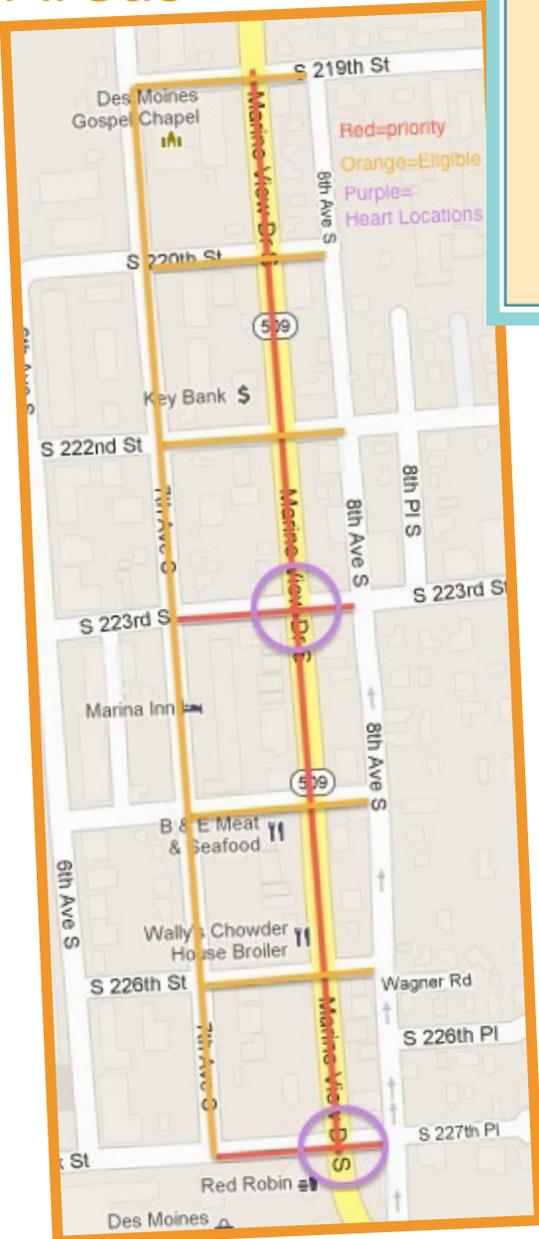
- add an awning to separate residential from commercial units
- add pedestrian scale lighting
- add parking lot lighting
- replace signage to be more consistent across the building
- replace monument sign to include all businesses on property



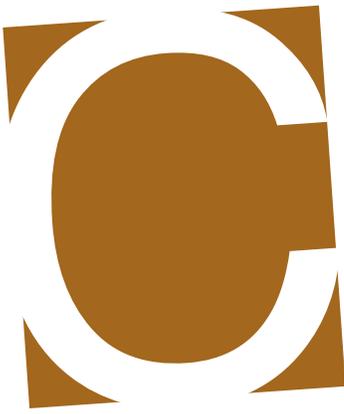
APPENDIX



Map of Eligible Areas



CDBG Application Cycles



Des Moines Application Forms

Required Materials for Application

Please attach the following materials in the order listed:

1. Color photograph of the full front facade of building (street-facing entrance)
2. Site map showing location of building or sign
3. Narrative description of proposed improvements requesting City funding (may include sketches, construction documents, photographs, etc.)
4. Property owner consent form
5. Estimated project itemized budget and timeline
6. Signed copy of Application Acknowledgment Form
7. A list of contractors, designers, etc. who will be associated with the project
8. Additional application material requested by staff

2



City of Des Moines Façade Improvement Program
 Address _____
 Phone _____
 Email _____

Application Form

Applicant Name: _____

Phone (cell): _____ Phone (work): _____

Email Address: _____

Property Owner: _____

Phone (property owner): _____

Email (property owner): _____

Business Name: _____

Business Type: _____

Building Name: _____

Address: _____

City, State, Zip Code: _____

Length of Lease: _____

Project Type: Sign Façade

Anticipated Start of Construction: ____/____/____

Anticipated Cost of Project: \$ _____

1

Property Owner Consent Form

IF APPLICANT(S) DO NOT OWN THE PROPERTY IN QUESTION:

The owner(s) of property located at _____ are fully aware of and have agreed to all proposed improvements described in this application. Applicant(s) must have any changes to project proposals approved by property owner(s) prior to allocation of funds.

Applicant's Signature: _____

Date ____/____/____

Owner's Name (printed) _____

Owner's Signature _____

Date ____/____/____

Address: _____

City, State, and Zip Code _____

Phone Number: _____

Email Address: _____

3

Acknowledgement Form

Once an application is submitted, the information is considered public information. By signing this document, the Applicant certifies that all provided information is true and complete to the best of the Applicant's knowledge and belief.

Projects being issued grant money for proposed facade and sign improvements must obtain relevant building and planning permits as required with any new construction.

The City is not responsible for the planning, design, or construction of improvements. The applicant is advised to consult with licensed architects, designers, and/or consultants before proceeding with final plans—especially those companies listed in the Façade Improvement Program pamphlet, who have been informed of the goals and guidelines of this program.

The Planning Commission may award project funding conditioned upon compliance with specifications or terms not included in the application.

The Façade Program is funded with CDBG generated money. All funded activities must comply with applicable federal, state and local laws and regulations pertaining to labor standards and payment of prevailing wages for contracted work.

Once awarded a grant, you have 120 days to execute a contract with the City of Des Moines (see example available on the City's website).

Funded improvements must be maintained for at least 5 years, after which the grant funds will be forgiven. Failure to maintain improvements while under same ownership may result in a prorated return of funds to the City of Des Moines.

Applicant Signature _____

Date: ____/____/____

4