

COMMISSIONERS ORDINANCE NO. O-2015-014

AN ORDINANCE OF THE BOARD OF COMMISSIONERS OF THE CITY OF NEWPORT, KENTUCKY AMENDING ORDINANCE O-2012-018, EXPANDING THE CENTRAL BUSINESS DISTRICT FAÇADE IMPROVEMENT PROGRAM, BOUNDARIES, AND GUIDELINES

WHEREAS, City of Newport Commissioners Ordinance O-2012-018, adopted on September 24, 2012, created the Central Business District Façade Improvement Program of the City of Newport, Kentucky which was funded with \$100,000 of Community Development Block Grant Program Income Receipts; and,

WHEREAS, guidelines were established that indicated, for maximum impact, during the first six months of the Program, funds were to be made available only to business and/or property owners with building facades facing Monmouth Street between Eighth and Ninth Streets for qualified and approved improvements thereto. Provisions stated that the initial façade improvement boundaries may be expanded for continuation of the Program within the Central Business District; and,

WHEREAS, the City wishes to expand the area served by the Façade Improvement Program, clarify the types of property eligible for treatment under the program, and increase the amount of assistance available for properties with primary façade exposure on two streets;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF NEWPORT, KENTUCKY, THAT ORDINANCE O-2012-018 IS HEREBY AMENDED TO INCLUDE THE FOLLOWING:

SECTION I

The initial Façade Improvement Program boundaries are expanded for continuation of the Program within the Central Business District. Owners of buildings with frontage located in an area bound by either side of: York Street to the west; Washington Avenue to

the east; Third Street to the north; and Eleventh Street to the south, are eligible to make application for participation in the Façade Improvement Program. (See Exhibit A.)

SECTION II

The amended Façade Improvement Guidelines, a copy of which are attached hereto and made a part hereof as if fully set forth and incorporated by reference, are hereby adopted. All other provisions of O-2012-018 shall remain in full force and effect.

SECTION III

That this Ordinance shall be signed by the Mayor, attested to by the City Clerk, recorded, published and effective upon publication.

PASSED: First reading November 23, 2015

PASSED: Second reading December 14, 2015

Jerry R. Peluso, Mayor

ATTEST:

Amy B. Able, City Clerk

PUBLISHED: By summary in the Campbell County Recorder the December 24, 2015.

CENTRAL BUSINESS DISTRICT FAÇADE IMPROVEMENT PROGRAM

Introduction

The City of Newport originally established the Central Business District Façade Improvement Program to assist owners whose properties were located on Monmouth Street, between 3rd and 11th Streets. This program was designed to provide financial assistance to property owners making façade improvements approved by both the City's Historic Preservation Officer and by the Kentucky Heritage Council. For the first six (6) months of the program, only owners whose properties were located on Monmouth Street, between 8th and 9th Street were eligible to make applications to participate in the Façade Improvement Program.

The Façade Improvement Program was capitalized by a City Commission appropriation of \$100,000 from the City's Community Development Block Grant (CDBG) program income receipts. Because CDBG program income resources are considered federal funds, recipients of façade improvement financing were required to follow certain federal guidelines.

In [December], 2015, the Newport City Commission voted to expand the area served by the Façade Improvement Program, clarify the types of property eligible for treatment under the program and to increase the amount of assistance available for properties with primary façade exposure on two streets.

Façade Improvement Guidelines

These guidelines became effective following City Commission approval on [December 14, 2015.]

- Owners of buildings with frontage located in an area bound by either side of: York Street to the west; Washington Avenue to the east; Third Street to the north; and Eleventh Street to the south, are eligible to make application for participation in the Façade Improvement Program. (See Exhibit A.)
- Properties eligible for treatment must have a commercial use on their ground floors.
- Façade improvement funding shall be made only to owners whose properties are located in the target area. This does not preclude assistance to tenant-occupied properties, but, property owners must make application for funding, complete façade improvements and agree to meet all other requirements imposed by participation in the program.
- Façade improvements funding shall not exceed 50% of the overall cost of the improvements.
- Façade improvements funding from the City shall not exceed \$7,500 for any single property, except that for properties located at street intersections which have primary façade exposure on two streets, the maximum façade improvement financing may be increased to \$15,000 for such properties.

- Façade improvements funding shall be made as a zero interest deferred payment forgivable loan secured by a mortgage on the improved property. Twenty per cent (20%) of the loan amount shall be forgiven for each year the benefitting owner continues to own the building where facade improvements are made. If the improved property is sold or transferred within five (5) years of receipt of façade improvements funding, the owner must immediately repay the City the pro rata outstanding balance of the loan.
- If the ground floor commercial use space of a property treated through the Façade Improvement Program becomes vacant, the period of loan forgiveness shall be extended beyond the five (5) year mandate mentioned above for a time equal to the amount of time the treated property remains vacant.
- Façade improvements funding will be made on a reimbursement basis. All work must be approved and completed before the City will reimburse 50% of actual documented costs.
- No façade improvements reimbursement will be provided for owner-provided labor.
- Projects with a total cost of more than \$2,000 may be subject to the requirements of the Davis-Bacon prevailing wage requirements. Applicability of these regulations will be determined on a case by case basis.
- Before the City will issue a commitment for financing, all proposed façade improvements must be approved by the City of Newport's Director of Code Enforcement, the City's Historic Preservation Officer and the Kentucky Heritage Council. All façade improvements must also comply with City building codes, the Monmouth Street Design Guidelines and Monmouth Street Design Review Criteria.
- Applicants for façade improvements financing must provide detailed material and labor estimates, including contractor bids, if applicable, with their applications.
- Some façade improvements may require environmental review and Kentucky Department for Local Government approval before they can be approved for funding under this program.
- Labor for which reimbursement is requested must be performed by contractors licensed by the City of Newport.
- Properties for which façade improvements are made must be maintained in compliance with local codes and regulations or the City may take action to recover façade improvements funding provided by the City.
- Owners seeking façade improvements funding must be current on all obligations to the City of Newport such as purchase of business licenses and remittance of tax payments due the City.

- Any City costs associated with processing and approving façade improvements funding and/or preparation of required legal documents for individual applicants may be deducted from the amount of façade improvement funding approved for a property.
- Work must be completed and approved by City inspectors within twelve (12) months of approval of City financing assistance.

Supervision and Oversight

The City's Director of Code Enforcement shall serve as initial the point of contact for all applicants and will be responsible for oversight of the application review process. Upon receipt of approval by the City's Historic Preservation Officer and the Kentucky Heritage Council, the Director of Code Enforcement will make recommendations regarding disposition of individual applications. Upon receipt of these recommendations, the City Manager will make a recommendation to the Mayor and City Commission regarding award of façade improvement financing.

Application Process

Potential borrowers shall complete and submit to the Director of Code Enforcement all application information and documents requested in Exhibit B to this document.

Applications shall be processed in the order they are received. Incomplete applications will not be processed and shall be returned to applicants with a list of missing or deficient items.

When all documentation is received and reviewed, the City's Director of Code Enforcement will make one of three recommendations to the City Manager regarding disposition of the application. These recommendations are application approval, disapproval of the application or deferral of the application until identified issues are addressed.

Compliance Monitoring

The City's Director of Code Enforcement will be responsible for an annual inspection to assure the facade of any building improved through this program is maintained in accordance with City codes and ordinances. The City's Director of Code Enforcement shall report to the City Manager not less than annually as to façade improvement recipients' compliance with these requirements. It shall be the City Manager's responsibility to authorize action to force compliance with City codes and ordinances.

The City Manager will provide annual reports to the Mayor and City Commission regarding the compliance of façade improvements financing recipients with local codes and ordinances. In the instance of non-compliance, the City Manager is empowered to take action necessary to bring the properties into compliance or to recapture the funding made available for those buildings.

Repayment of Façade Improvement Financing

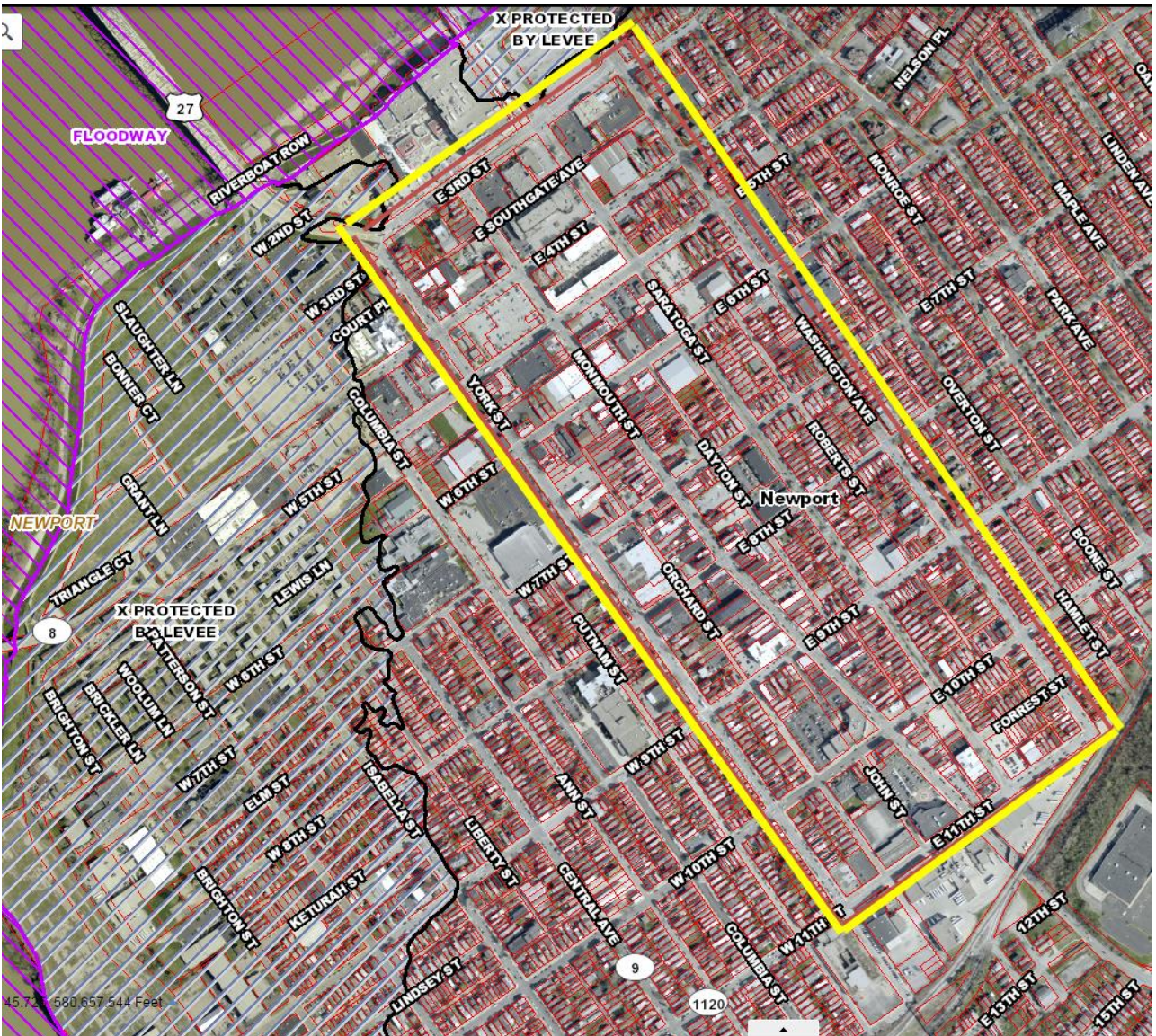
Any repayments shall be deposited into an interest bearing account established for this purpose. These repayment proceeds shall accumulate until such time as there is a balance sufficient to make additional financing available.

Amendment of Guidelines

At their sole discretion, the City Commission, by a majority affirmative vote of a quorum of its members may amend these guidelines. Any amendment must be consistent with all federal regulations and requirements associated with the expenditure of these funds. At their sole discretion, the City Commission by a majority affirmative vote of a quorum of its members may terminate the Façade Improvement Program and allocate any fund balances and future income to other CDBG-eligible activities to be approved by the Kentucky Department for Local Government, so long as the Mayor and Board of Commissioners agree to such action.

Unofficial Copy

Exhibit A



The initial Façade Improvement Program boundaries are expanded for continuation of the Program within the Central Business District. Owners of buildings with frontage located in an area bound by York Street to the west, Washington Avenue to the east, Third Street to the north, and Eleventh Street to the south are eligible to make application for participation in the Façade Improvement Program.

Exhibit B

Unofficial Copy

NEWPORT FAÇADE IMPROVEMENTS FINANCING APPLICATION

Owner Name: _____

Property Address: _____

Applicant Contact: _____ Telephone: _____

Applicant E-Mail: _____ FAX: _____

Date Property Acquired: _____ Age of Building: _____

Briefly describe proposed façade improvements. Use additional pages and attach drawings, material samples, paint chips, photographs, etc. as appropriate.

Please mark all improvements proposed in this application:

- | | | |
|---|--|---|
| <input type="checkbox"/> Awnings | <input type="checkbox"/> Exterior Lighting | <input type="checkbox"/> Shutters |
| <input type="checkbox"/> Cornice and Gutter | <input type="checkbox"/> Landscaping | <input type="checkbox"/> Sidewalks |
| <input type="checkbox"/> Demolition/Removal of Siding | <input type="checkbox"/> Masonry Repair/Tuckpointing | <input type="checkbox"/> Signage |
| <input type="checkbox"/> Doors | <input type="checkbox"/> Painting | <input type="checkbox"/> Storefront Modifications |
| <input type="checkbox"/> Other (please describe): _____ | | <input type="checkbox"/> Windows |

Estimated Cost of Façade Improvements: _____ Estimated Time to Complete Work: _____

I hereby certify that I own the building described above and am authorized to make this application.

Owner Name

Owner Signature

Date Signed