



Department of Planning & Community & Economic Development

## Planning Division

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**July 21, 2022**

To: Mayor Satya Rhodes-Conway and Madison Common Council

From: Report of the Façade Grant Team:

Tom Otto, Office of Business Resources Specialist – Economic Development Division – Team Lead

Rebecca Cnare, Urban Design Planner – Planning Division

Heather Bailey, Preservation Planner – Planning Division

Jessica Vaughn, Urban Design Commission Secretary – Planning Division

Attachments: Draft of New Eligibility Map, Current Façade Grant Objectives, Current Program Summary,  
Photo Examples of previous Façade Grants

### **Façade Grant Staff Team Process Analysis and Recommended Changes**

In light of the 100th City of Madison Façade Grant, The Façade Grant Staff Team reviewed the grant program, process, and outcomes. The City has awarded over \$1,285,200 in grants over approximately 20 years, which has leveraged over \$3,290,600 in private investments.

However, the process requirements, unchanged grant amount, and lengthy review process for the limited funds have limited the potential impact of the program. In recent years, several special area plans have recommended that the grant program add eligibility for several small commercial corridors, such as Cottage Grove Road and others. The Façade Grant Staff Team analyzed the existing program and identified issues as related to Equity, Process and Program Objectives, as noted below:

#### *Equity:*

- Application fee
- Complicated contract
- Submittal requirements: i.e. architectural drawings
- Financial match requirement
- Limited eligibility areas

#### *Process:*

- Perceived difficulty of process and length of time for grant approvals
- Complicated contract
- Enlargement of eligibility area and opportunities for different sizes of grants
- Using Government Accounting Standards Board accounting principles

#### *Program Objectives:*

- Supporting Downtown core, traditional shopping streets, business districts, established and emerging activity centers
- Supporting entrepreneurship of historically underrepresented business and property owners
- Environmental benefits of enhanced streetscape appearance, walkability, and improved building energy efficiency
- Increasing tax base, and supporting local job growth

**Staff Recommendations:**

**1. Remove \$100 application fee:**

It is a nominal amount, but is a barrier to businesses interested in the program.

**2. Remove complicated contract and implement a Purchase Order method for grant disbursement:**

Purchasing guidelines allow disbursements of up to \$50,000 through a purchase order as long as funds are annually budgeted for use in the Façade Grant program. The contract process is complicated for smaller sums of money.

**3. Increase the Façade Grant program eligibility city-wide:**

The program should increase eligibility city-wide, but maintain focus and emphasis on local commercial activity centers as shown on an updated map (draft map attached for reference). Applicants not in the targeted areas on the map could still be eligible if they meet criteria of an emerging commercial node, or are in activity areas noted in City Neighborhood or Special Area Plans. Increasing eligibility would potentially require a budget request for additional funding in future budgets. Staff also recommends adding the following guidelines to determine what commercial properties are eligible:

- a. Keeping the Eligibility Map frequently updated to reflect planning efforts.
- b. Targeting customer-facing businesses such as retail, restaurant and some services.
- c. Adding a local requirement that an applicant's business and/or property must be occupied by locally owned and/or controlled businesses and/or located within buildings owned by local residents, using the City's Small Businesses Equity and Recovery Program (SBER) grants as a guide for eligibility.

**4. Remove match requirement for grants under \$10,000, increase grant amount, and implement a tiered grant system:**

The \$10,000 maximum grant amount has not been increased since the program's inception. A tiered grant system may allow staff to grant more money for projects that are truly outstanding, and reduce process and match requirements for smaller grants that support small businesses and/or support historically underrepresented entrepreneurs. Staff recommends the following system:

- a. 'Mini' Façade Improvement Grant – up to \$10,000 total grant:
  - i. Provide funds for smaller improvements of existing businesses and support new local entrepreneurs
  - ii. Examples: 961 S Park Street (Formerly Barriques), 336 W Lakeside Street (vacant at time of grant), 1825 E Johnson St (Dog Haus University), 2121 N Sherman (Two Good Dogs) 1968 Atwood Ave (Ideal Bar), 824 E Johnson street (East Johnson Street Family Restaurant)
  - iii. Projects could include lighting, awnings, visual impact projects, some signage, and some maintenance (paint, tuck pointing, etc.)
  - iv. Requirements:
    - No architectural drawings required,
    - No applicant funding match required
    - Staff review and approval with no further process
- b. Façade Improvement Grant – Between \$10,000 - \$20,000 per street facing façade:
  - i. Provide funds for major exterior renovations, full façade replacement, and/or historic restoration
  - ii. Examples: 317 State St (Irish Pub), 1875 Monroe St (Neuhauser Pharmacy), 12 S Carroll St (Fromagination), 3402 Monroe St (Arbor House-Plough Inn Restoration), 916 Williamson St (Madison Sourdough Company), 852 Williamson Street (Willy Pub)
  - iii. Requirements:
    - Architectural drawings or other application materials to clearly describe the changes being proposed
    - Full match from applicant for any amount over a \$10,000 grant award.
    - Requires both Façade Grant Staff Team and Urban Design Commission Approval

- a. Additional façades:
  - i. If more than one façade is street facing, then project would be eligible for an additional \$20,000 grant for one additional street facing façade, for a grant total of \$40,000
  - ii. Up to \$50,000 for a Flatiron Building with three street facing sides.

## **5. Simplify the Façade Grant Approvals Process**

- a. Remove Façade Grant program from The Community Development Authority and place program in the Office of Business Resources within the Economic Development Division,
  - i. The Façade Grant Staff team should continue to be made up of the Urban Design Commission Secretary, The City Preservation Planner, a City of Madison Planner with a design background, and a member of the Office of Business Resources,
- b. Allow Façade Grant Staff Team approval of all grants \$10,000 or less unless other ordinances override, for example:
  - i. Urban Design Commission, or staff designee approval would still be required for projects within Urban Design Districts or zoning district requiring Commission approval,
  - ii. Landmarks Commission, or staff designee approval, would still be required for properties that are designated landmarks, within historic district, or that have historic significance,
  - iii. Urban Design Commission Approval would still be required for grants of \$20,000 and above, or as an appeal body to staff's requirements.
- c. Remove Common Council/Finance Committee approvals for individual grants less than the amount otherwise required for Common Council approval, and funding is authorized during the budget process.
  - i. Façade Grant Staff Team will notify Alders of Façade Grant applications in their districts.

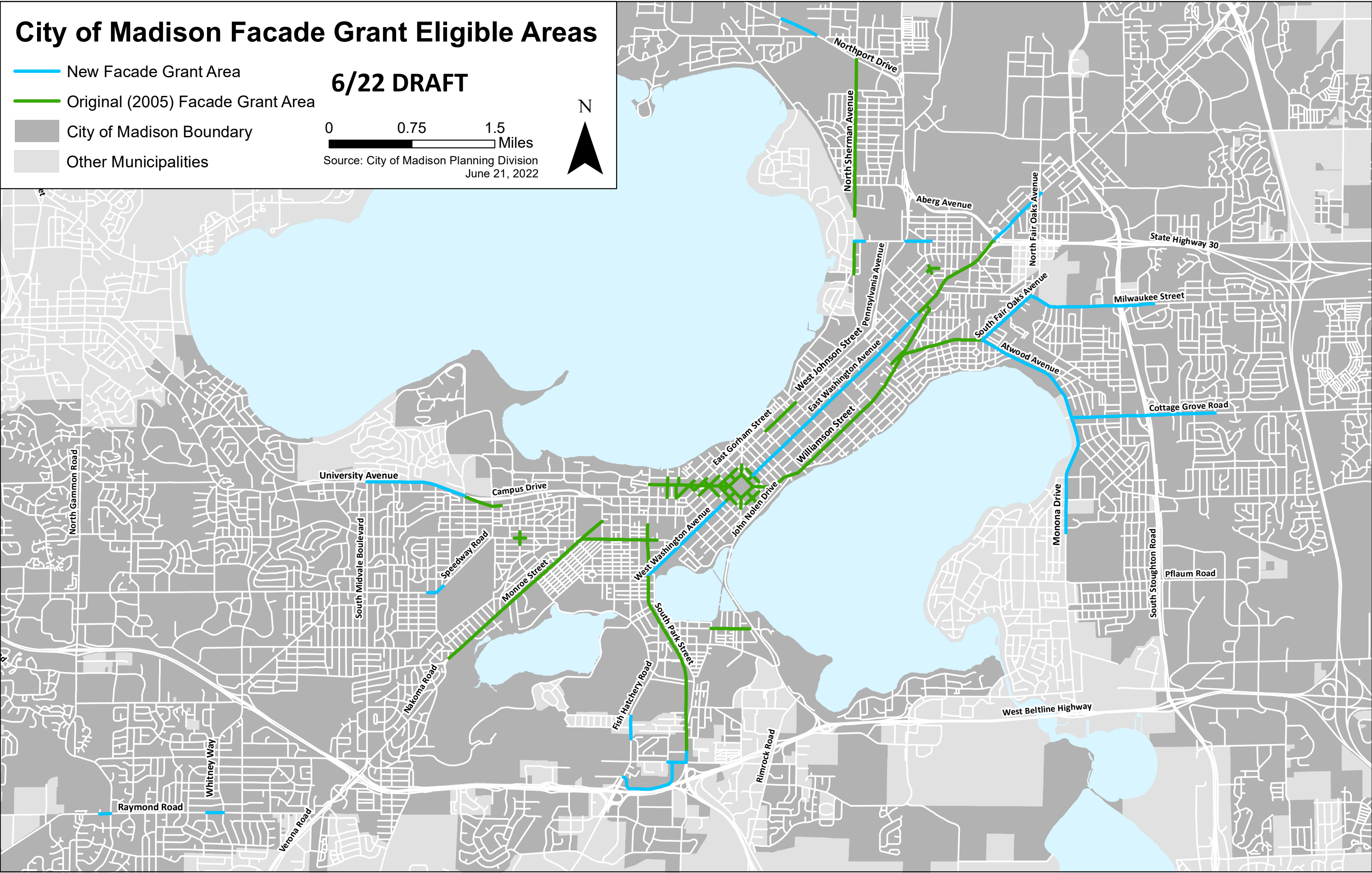
# City of Madison Facade Grant Eligible Areas

- New Facade Grant Area
- Original (2005) Facade Grant Area
- City of Madison Boundary
- Other Municipalities

6/22 DRAFT

0 0.75 1.5 Miles

Source: City of Madison Planning Division  
June 21, 2022



# Program Objectives 2000-2022



## CITY OF MADISON FAÇADE IMPROVEMENT GRANT PROGRAM *Building and beautifying Madison, one storefront at a time*

Department of Planning & Community & Economic Development  
Economic Development Division  
215 Martin Luther King Jr. Blvd., Suite 300  
Tom Otto (608) 243-0178  
[totto@cityofmadison.com](mailto:totto@cityofmadison.com)  
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### OBJECTIVES AND CRITERIA

All applications for Façade grants will be reviewed for compliance with the following Objectives and Criteria, which were approved by the Common Council on February 3, 2004.

#### PROGRAM OBJECTIVE

Restoring, or substantially beautifying, or enhancing the entire façade or elevation of a commercial building.

#### GENERAL CRITERIA FOR THE FAÇADE IMPROVEMENT GRANT PROGRAM

1. The Program is intended to assist property owners or tenants with improvements or restorations of the esthetics and architectural appearance of a complete building façade. The Program is not intended for repairs or maintenance activities.
2. The Program is intended to assist projects that promote retail activities, create an attractive environment, encourage neighborhood character and architectural design, use quality materials, and incorporate good design concepts. Projects meeting these objectives are eligible for a grant for up to one half the cost of façade improvements (see General Criteria #5).
3. The Program is intended to assist small private businesses. Property owners of service or commercial/mixed-use structures and building tenants, with leases of more than one year in length, are eligible for funding. Governmental entities and public and quasi-public authorities are ineligible for funding.
4. The funds may be used to restore the historical appearance of a building or to rehabilitate, enhance, or beautify the structure. Eligible items include uncovering and restoring historical façades, removing existing façade materials and replacing them with more appropriate and attractive designs and materials, and other detailing which leads to a substantially enhanced appearance.

Although not eligible for funding on their own, the following may be funded as part of a more comprehensive façade improvement: windows, doors, exterior cleaning, tuckpointing, painting, exterior lighting, shutters, gutters, awnings, and historical architectural elements.

The Program will only fund projects that significantly improve the visual appearance of the whole façade of the property from the street. Design and permit fees associated with the construction are also eligible projects costs.

5. Grants will be provided in an amount up to 50% of the total project cost, to a maximum of \$10,000 per street facing façade. Maximum amounts would range from \$10,000 for a single street facing façade, \$20,000 for a building with two facades, and \$25,000 for “flatiron” buildings. The owner/tenant must use private, non-City, funds to match the City’s grant.
6. Review of a specific application will be completed by a staff team consisting of the Manager of the Office of Economic Revitalization, the Housing Rehabilitation Specialist, the Planner III, Historic Preservation; the Office of Business Resources Manager, and the Principal Planner, or designee. The Director of the Department of Planning and Community and Economic Development is an alternate for any absent member.
7. Properties located in the following target area are eligible:
  - Properties located in the Central Business Improvement District
  - King Street
  - 300, 400, and 500 blocks of East Wilson Street
  - Williamson Street
  - Atwood Avenue
  - East Washington Avenue from Fourth Street to Highway 30
  - South Park Street
  - East Johnson Street
  - Regent Street
  - All of Monroe Street
  - Winnebago Street
  - Lakeside Street
  - Old University Avenue from Chestnut Street to Farley Avenue
  - Sherman Avenue
  - All commercially zoned City designated historic landmarks in the City of Madison

Please see the attached maps for more detail on the exact areas.

## **SPECIFIC REQUIREMENTS FOR THE FAÇADE IMPROVEMENT GRANT PROGRAM**

1. Projects must be started within 30 days following approval and completed within 120 days. Extensions to the 120-day completion period may be granted for inclement weather, or the ordering of special building materials. If the applicant requests an extension in writing, the City will notify the applicant of its approval or denial.
2. A Letter of Assurance that construction has not been completed prior to grant approval.
3. The owner/tenant shall comply with all applicable provisions of the Madison General Ordinances concerning equal employment opportunity and affirmative action programs and practices in connection with the construction work being completed using these funds. The

owner/tenant shall assist and actively cooperate with the City in obtaining the compliance of contractors with such provisions of the Ordinances, and with the rules, regulations, and relevant orders issued by the City pursuant to such provisions of the Ordinances.

4. The owner/tenant/contractor shall obtain the required permits before beginning the construction work. Copies of the permits shall be furnished to the Economic Development Division staff.
5. Owner/tenant will pay for the completed construction work and submit paid receipts and lien waivers from the contractors to the Economic Development Division staff for payment. Proof of completion, copies of lien waivers, and compliance with code requirements will be required before reimbursement.

### **ITEMS TO BE INCLUDED IN THE FAÇADE IMPROVEMENT GRANT PROGRAM REQUEST SUBMITTALS**

1. Applications must be submitted to the Economic Development Division, 215 Martin Luther King Jr. Blvd., Suite 300, along with the \$100 application fee.
2. The application from an owner should include a copy of the building deed, or land contract. An application from a tenant must include a copy of the lease and written approval from the owner for the application.
3. Both applications must include photographs of the facades to be improved.
4. If the application is conditionally approved, the owner/tenant will be required to prepare and submit cost estimates and drawings of the proposed work, in order to obtain final approval.

### **APPROVAL REQUIREMENTS FOR THE FAÇADE IMPROVEMENT GRANT PROGRAM**

The Common Council has designated the Community Development Authority of the City of Madison (CDA) as the agent of the City for the purposes of operating and administering the Façade Improvement Grant Program. The CDA is responsible for reviewing the administration of the Façade Improvement Grant Program by the Department of Planning and Community and Economic Development (DPCED) staff and making recommendations to the Mayor, and Common Council on matters pertaining to program policies, procedures, and administration. Consistent with the rehabilitation loans of the City administered by the CDA, the Director of the DPCED or his designee is hereby authorized and directed to administer the Façade Improvement Grant Program.

1. The DPCED Director, with the approval of the CDA, is authorized to make such rules and regulations and to issue such orders and notices, in such form or manner as may be necessary and proper to put into full force and effect any and all of the provisions of the Façade Improvement Grant Program.
2. The DPCED Director, under appropriate circumstances or conditions and with the prior approval of the CDA, is authorized to waive such provisions or requirements as are promulgated in the Façade Grant Program.



3. The DPCED Director is authorized on behalf of the CDA to call upon any department, board, commission, or agency of the City for assistance and cooperation in carrying out the Façade Grant Program, and all City departments, boards, commissions, and agencies are authorized and directed to cooperate with and furnish assistance to the CDA, the DPD Director, and the DPD staff in carrying out the Program.
4. The DPCED Director, or designee, is authorized on behalf of the CDA to approve or reject Façade Improvement Grant Program applications under procedures set forth herein.
5. Following submission of the application and fee, the proposal will be reviewed with the owner/tenant, a site visit will be conducted, the proposal will be referred to the Urban Design Commission (UDC) for comments and recommendations, and if the proposal meets the requirements of the Façade Improvement Program, a conditional letter of approval will be forwarded to the owner/tenant. This letter may require improvements or changes in order to qualify for the Grant.
6. An applicant, if approved, will receive a commitment letter from the City stating the approval and any conditions appropriate to the approval. This letter must be signed by the Director of the Planning and Community and Economic Development Department or the Director of the Economic Development Division, or the Manager of the Office of Economic Revitalization. All other communications from staff are advisory and do not represent commitments





# CITY OF MADISON FAÇADE IMPROVEMENT GRANT PROGRAM

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Program Summary  
2000-2022



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## PROGRAM SUMMARY

Attractive building facades support and encourage local businesses. They can have a significant effect on the attractiveness and marketability of the surrounding area. To encourage business owners to reinvest in the downtown and smaller, neighborhood business areas, the City of Madison is offering grants to assist in the exterior renovations of these otherwise sound and vital properties.

### Applicant Eligibility Requirements

Property owners of service or commercial/mixed-use structures and building tenants, with leases of more than one year in length, located within the target area, are eligible for funding. Governmental entities and public and quasi-public authorities are ineligible for funding.

### Property Eligibility Requirements

Properties that are used in whole or part for service or commercial activities are eligible for funding. The program is intended to assist projects that promote retail activities, create an attractive environment, encourage neighborhood character and architectural design, use quality materials, and incorporate good design concepts. Projects meeting these objectives are eligible for a grant for up to one half the cost of facade improvements.

**In order to qualify, applicants cannot start on their project until after receiving the necessary approvals. If work begins before application or approval, the City cannot fund the project with Facade Improvement Grants.**

### Target Area

- Properties located in the Central Business Improvement District
- King Street
- 300, 400, and 500 blocks of East Wilson Street
- Williamson Street
- Atwood Avenue
- South Park Street
- East Johnson Street
- Regent Street
- All of Monroe Street
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- Lakeside Street
- Old University Avenue from Chestnut Street to Farley Avenue
- Sherman Avenue

- All commercially zoned City designated historic landmarks in the City of Madison

Please see the attached maps for more detail on the exact areas.

### **Grant Amount**

Grants will be provided in an amount up to 50% of the total project cost, to a maximum of \$10,000 per street facing facade. Maximum amounts would range to \$10,000 for a single facade, \$20,000 for a building with two facades, and \$25,000 for “flatiron” buildings. The owner/tenant must use private, non-City funds to match the City’s Grant.

### **Eligible Costs**

Grants may be used for comprehensively restoring or substantially beautifying, or enhancing the entire facade or elevation of a commercial building. Eligible items include uncovering and restoring historical facades, removing existing facade materials and replacing them with more appropriate and attractive designs and materials, and other detailing which leads to a substantially enhance appearance.

Although not eligible for funding on their own, the following may be funded as part of a more comprehensive facade improvement: windows, doors, exterior cleaning, tuck-pointing, painting, exterior lighting, shutters, gutters, awnings, and historical architectural elements. The program will fund projects that significantly improve the visual appearance of the property from the street. Design and permit fees associated with the construction are also eligible project costs.

### **Ineligible Costs**

The cost of new construction, repair or replacement of a roof, work to an alley facade, work that principally involves minor repairs, painting or maintenance, billboards, landscaping or paving are not eligible under the grant program.

### **Grant Requirements**

Projects must be started within 30 days of approval and completed within 120 days. Extensions to the 120-day completion period may be granted for inclement weather, or the ordering of special building materials. The applicant must request an extension in writing. The City will notify the applicant in writing of its approval or denial.

The Owner/tenant shall comply with all sign control ordinances contained in chapter 31 of the Madison General Ordinances and keep the exterior surfaces maintained to prevent deterioration and to present an attractive appearance. The owner/tenant shall comply with all applicable provisions of the Madison General Ordinances concerning equal employment opportunity and affirmative action programs and practices in connection with the construction work being completed using loan funds. The owner/tenant shall assist and actively cooperate with the City in obtaining the compliance of contractors with such provisions of the Ordinances, and with the rules, regulations and relevant orders issued by the City pursuant to such provisions of the Ordinances.

**In order to qualify, applicants cannot start on their project until after receiving the necessary approvals. If work begins before application or approval, the City cannot fund the project with Facade Improvement Grants.**

## **Processing Steps**

- Step 1** Applications must be submitted to the Economic Development Division, 215 Martin Luther King Jr. Blvd., Suite 300, Madison 53703 along with a \$100 application fee. Checks should be made payable to the City of Madison. An application from a tenant must include a copy of the lease and written approval from the owner. Applications must include photographs of the facades to be improved.
- Step 2** A City staff team will visit the site to discuss the proposed improvements. If the proposal meets the requirements of the Facade program, a Conditional Letter of Approval will be sent to the owner/tenant. This letter may require modifications or changes to the original proposal.
- Step 3** The applicant must submit plans and drawings to the Urban Design Commission (UDC) and, if necessary, to the City agencies including the Landmarks Commission, Plan Commission, Traffic Engineering and Zoning Board of Appeals. City staff will let the applicant know of any requirements beyond that of the UDC.
- Step 4** The applicant will then submit approved drawings and cost estimates to the Economic Development Division for review.
- Step 5** The Economic Development Division will prepare the appropriate resolutions for Board of Estimates and Common Council action.
- Step 6** Following approval by the Board of Estimates and Common Council, the Economic Development Division will prepare and furnish the applicant with the grant agreement.
- Step 7** The applicant must sign the grant agreement and return to the City.
- Step 8** The applicant must obtain permits for the required work. The applicant must display the sign provided by the City on the site indicating "Financing provided in part by the City of Madison Facade Improvement Grant Program."
- Step 9** The applicant pays for the completed construction work and submits paid receipts and lien waivers from the contractors to the Economic Development Division.
- Step 10** Following a final inspection, the Economic Development Division authorizes a check for the approved amount.