

Worthington Economic Development Authority

Façade Improvement Matching Grant Program

The Worthington EDA recognizes that healthy commercial business districts play an important role in the vitality of Worthington and understands that there are many challenges that commercial businesses can face. The Façade Improvement Matching Grant Program aims to help revitalize and sustain the City's business districts. The Façade Improvement Matching Grant is designed to help create healthy commercial areas by providing incentives to improve the appearance of building façades and stimulate private investment.

To ensure eligibility and adequate funding in the program year, projects must be approved by the Worthington EDA before any work is completed. Any work that is performed before the project is formally approved by the EDA will be ineligible for grant funding.

Who can apply for a matching grant?

Building owners and commercial tenants (with property owner's approval) can apply for a Façade Grant if:

1. They are located within an eligible zoning district AND
2. The façade improvements are for a commercial business or commercial building.

Contact the City of Worthington Zoning Department at (507) 372-8640 if you are unsure about the zoning of a property. A list of the eligible zoning districts can also be found online at ci.worthington.mn.us/economic-development.

For-profit and not-for-profit entities are eligible to apply, as long as the grant is used for a commercial building. Most commercial uses are retail and office; however, other use may qualify, such as day care centers. Mixed-use buildings are eligible for the commercial portion for the building.

A property owner who leases a commercial building for religious use is eligible to apply for a grant in the improvements do not promote the religious use and would remain in place regardless of changes in the tenant (i.e., tuckpointing, windows, lighting). Signs, stained glass windows, and murals are examples of façade improvements that would normally be eligible but would be *ineligible* when they promote a religious use.

How much are the matching grants?

In most areas, one matching grant can be a maximum of \$5,000 per storefront. Contact the Worthington EDA to discuss if your building qualifies as having more than one storefront. In the 'B-2' – Downtown Commercial zoning district, or for targeted business as defined by the Program in other commercial zoning districts, a matching grant can reach up to \$10,000. The list of eligible

zoning districts also includes the maximum grant amount for each area. You can apply for more than one grant, provided the cumulative total of all the Façade Improvement Grants awarded does not exceed the maximum grant amount. If you have received a Façade Improvement Grant in the past, contact the Worthington EDA to determine your eligibility for a second grant.

All grants must be matched. The list of eligible areas includes the match ratio for each area. In areas with a 1:1 match, every grant dollar must be matched by one dollar. In areas with a 1:2 match, every grant dollar must be matched by two dollars. In the Downtown Business District, the Façade Grants will pay for 50% of the total project costs, up to a maximum of \$10,000. In all other commercial business districts, the Façade Grants will pay for 33% of the total project costs, up to a maximum of \$5,000. Matching dollars can come from any non-Worthington EDA source. Examples include private equity and loans.

The following targeted businesses will also be eligible for a 1:1 match up to \$10,000 in **any** commercial zoning district:

- Restaurant and Bar
- Entertainment
- Hotel and Lodge (Motel, Inn et al)
- Brewery
- Distillery
- Wine Bar/Winery
- Souvenir Shop/Boutique
- Night Club
- Coffee Café
- Museum, Music Venue, or other Arts and Culture
- Watercraft Rental

This is a reimbursement program. You must complete and pay for the total project cost or total private match, prior to receiving a reimbursement check from the Worthington EDA.

What will the matching grant dollars pay for?

The Façade Improvement Matching Grant Program can pay for many exterior, façade improvements. The work must be visible from a public street (and not an alley). The City of Worthington has adopted the City of Minneapolis Façade Design Guide. Review the Façade Design Guide at ci.worthington.mn.us/economic-development, which shows specific façade improvements that are encouraged and discouraged. **Discouraged activities are not eligible for matching grants.**

The following are eligible improvements for façade matching grants:

- Exterior painting, re-siding, or professional cleaning
- Restoration of exterior finishes and materials
- Masonry repairs and tuck pointing

- Removal of architecturally inappropriate or incompatible exterior finishes or materials
- Restoration of architectural details or removal of materials that cover architectural details
- Repair or replacement of windows and doors (if replacement, windows, and doors must be architecturally appropriate)
- Window and cornice flashing and repair
- Canopy or awning installation and repair
- Murals
- Installation or repair of exterior signage
- Removal of barriers to access the building from outside for people with disabilities
- Exterior lighting
- Contracted labor related to any of the above improvements, including design work for projects that are completed
- Wall, window, hanging, and monument signs advertising the business name and identity
- Living wall or “green façade”
- Landscaping projects or components may be approved on a case-by-case basis
- Multiple improvement projects, not to exceed the maximum grant amount per business or storefront

The City of Worthington requires permits for most of the eligible improvements listed here. If you have any questions about permits, please call (507) 372-8640 or visit the Worthington Building Department at 303 Ninth Street, Worthington, MN 56187.

What will the matching grant dollars NOT pay for?

The following activities are not eligible for matching grants:

- Improvements in progress or completed prior to preliminary approval
- Routine maintenance that is not part of an eligible façade improvement project
- Billboards
- Roofing
- Mechanical and HVAC systems
- Interior work
- New construction
- Pylon, temporary, or roof signs
- Interior window displays
- Security systems (including metal roll down gates, window bars, cameras)
- Trash and mechanical enclosures
- Fencing
- Parking areas
- Improvements to non-commercial buildings
- Improvement to a building interior, rear, or side not visible from the main street
- Backlit awnings (see pages 12-13 and 16-17 of the Design Guide)
- Any other improvement **not** deemed eligible on the above list

The City has small business loan programs with favorable interest rates to assist with many interior and system improvements that are not eligible for façade matching grants. Contact Matt Selof at (507) 372-8640 or msselof@ci.worthington.mn.us for more information.

How do I receive a grant?

Step 1: Be sure you meet program requirements.

- ✓ The property is located in an eligible zoning district.
- ✓ The property is up-to-date on all property taxes.
- ✓ All construction management is your responsibility.
- ✓ This is a reimbursement program; you must complete and pay for the private match for the work before the program administrator will issue a reimbursement check. See Step 6 for further information.

Step 2: Set up a meeting with the program administrator to discuss your project and review the Façade Design Guide.

Step 3: Submit the Façade Improvement Matching Grant Program Application and Participation Agreement to the program administrator, including:

- a. A written description of the project and other supporting materials that accurately represent scope and intent of project improvements.
- b. Two (2) contractors' bids that meet the following guidelines.
 - i. Both bids must be for identical scopes of work.
 - ii. If qualified to do so, you may perform the work yourself; however, grant funds can only be used to compensate for materials, not for labor or the purchase of rental of tools and equipment. Sweat equity labor includes that of a friend, relative, or anyone with a financial interest in the business or property.
 - iii. Evidence that contractors are licensed, bonded, and/or insured.
 - iv. Applicants are encouraged to solicit estimates from women and minority contractors.
 - v. Projects totaling less than \$1,000 and murals only need to submit one bid.
 - vi. Grant amounts are based on the lower bid; however, you are free to accept the higher bid.
 - vii. The EDA may exempt specialized components of the project from the two-bid requirement on a case-by-case basis based on local contractor availability.
- c. **All applications are reviewed and approved by a Worthington EDA subcommittee.**

Step 4: Receive a signed copy of the Façade Improvement Matching Grant Program Application and Participation Agreement from the program administrator after the project has been approved. The Participation Agreement authorizes you to proceed with the project. Any work

must be pre-approved by the Worthington EDA to be eligible for this program. Any work that is performed before the project is formally approved by the EDA will be ineligible for grant funding. Before you begin, be sure to obtain all the necessary City permits for the project or ensure your contractor pulled the necessary permits. Permit and taxes paid verification is required prior to grant disbursements.

Step 5: Complete the project and submit the documentation to the program administrator within nine (9) months of the date on the signed Participation Agreement. The grant funds will be disbursed to you or to your contractor(s) by the program administrator after they have received **ALL THREE (3)** of the following items (if more than one contractor is used, you must submit all four items for each contractor):

- a. **Proof of final inspection** by the City of Worthington Building Department for work requiring a City permit (a copy of the permit signed off by the City Building Official).
- b. **Final invoice** from the contractor showing the total project cost.
- c. **Proof of payment** paid to contractor in one of the following two forms. You should be total satisfied with the work before paying.
 - a. A **lien waiver** – a statement issued by the contractor that advises the client that they, the contractor, (a) have been paid in full for the total project cost, (b) are satisfied with the compensation for the work they performed, and (c) waive their right to place any liens on the property for the work completed. *(If there are significant material costs, we advise you obtain a lien waiver from the materials supplier, advising that the contractor paid them in full).* **OR**
 - b. **A cancelled check AND a signed receipt** – if you only paid the matching funds (private match) portion of the contract and the contractor will wait for the final payment. You will need a copy of the actual cancelled check(s), returned to you by the bank you used to pay the contractor. Both the front and back of the check must be copied and must be made payable to the contractor for a minimum of the private match. You will also need a properly executed receipt, signed by an authorized officer of the contracting firm that includes the contractor’s name, address, telephone number, and notation that a minimum of the *private match* was paid in full.

Who can I contact at the City?

Matt Selof
303 Ninth Street (507) 372-8640
Worthington, MN 56187 mselef@ci.worthington.mn.us

List of Eligible Zoning Districts

ADMINISTRATOR	ELIGIBLE ZONING DISTRICTS	MATCH RATIO / MAX GRANT
Matt Selof (507) 372-8640 mselef@ci.worthington.mn.us	Neighborhood Business District (B-1)* Central Business District (B-2) General Business District (B-3)* Shopping Centers District (B-4)*	1:2 / \$5,000 1:1 / \$10,000 1:2 / \$5,000 1:2 / \$5,000

**Targeted businesses as defined by the Program will be eligible for a 1:1 match up to \$10,000 in any commercial district*