



City of Michigan City Redevelopment Commission Façade Program

Program Purpose

The Michigan City Façade Program through the Redevelopment Commission (“Commission”) is designed to promote the continued use and maintenance of commercial and mixed-use buildings. It is intended to help property owners and commercial tenants to rehabilitate and restore the visible exterior of existing structures. Improvements must meet criteria for appropriateness of design. Forgivable loans are provided to property owners or commercial tenants in recognition of the positive impact that individual building improvements can have on the overall appearance, quality and vitality of downtown Michigan City.

Eligible Properties

To be eligible for a Façade Program forgivable loan, an applicant and building shall meet all of the following criteria:

- 1) A building must be used in whole or half for commercial purposes and taxed commercial and located within the area defined by Exhibit A attached map.
- 2) Property, building and applicant shall not be delinquent in property taxes.
- 3) Properties and buildings with existing code violations or deficiencies must include their remedy as part of the proposed improvements.
- 4) Property required to be free of any tax liens and mechanic’s liens and provide evidence that payments on any loans secured by the building are current.

What Loans Are Available?

The maximum amount of the forgivable loan for a specific property will be set forth in a Façade Improvement Agreement between the Commission and the property owner or tenant. If costs exceed the original estimates, the property owner or tenant shall be solely responsible for the payment of the full amount of the excess. The Commission cannot reimburse more than the total amount specified in the Agreement.

Forgivable loans are subject to Federal and State taxes, and are reported to the Internal Revenue Service on Form 1099. You are required to provide your taxpayer ID number or social security number as part of the Façade Improvement Agreement. Property owners and tenants should consult their tax advisor for tax liability information.

Property owners or commercial tenants who install at least \$1,000 of improvements are eligible to receive a forgivable loan of 60 percent of the cost of construction of exterior building improvements, including 100% of architectural fees, totaling up to \$30,000 per building for construction and architectural fees combined.

The amount of any forgivable loan for architectural services shall be limited to \$5,000 not to exceed 12% of the value of work to be performed per building, whichever is less. Where architectural services are required, the owner or tenant should retain an architect to prepare a conceptual design and cost estimate for work proposed. If the project is approved by the commission, the architect may provide bidding and construction plans and documents, as well as construction supervision. Only those architectural services directly related to the approved façade improvement will be reimbursed.

Eligible Improvements

- Front doors (exterior) – installation, repair and replacement of doors and hardware to provide public access, or where current doors do not meet the building and fire codes or it will improve the overall appearance of the building.
- Painting – painting of the exterior surface of buildings.
- Shutters and Awnings – repair, replacement or addition of exterior shutters and awnings. (Exceptions: mansard roofs, back-lit and/or plastic awnings are not eligible for funding)
- Signs – repair and replacement – all exterior signage must be brought into compliance with existing city ordinance.
- Exterior ADA Improvements– repair and replacement or installation of exterior stairs, porches, ramp, and railings.
- Walls – repair, replacement, restoration, and rebuilding of exterior walls, including: cleaning, sealing, tuck pointing, painting, removal of materials and replacement with appropriate materials, etc. Repair and replacement of cornice and parapet portions of walls are also eligible.
- Windows – repair of frames, sills, glazing, replacement of glass and installation of new windows
- Lighting – installation, repair and replacement of decorative lighting mounted on a building that illuminates the façade or signage.
- Removal of chain link fencing

The following items are not eligible for forgivable loans under the Façade Improvement Program:

- Building Permit fees and related costs
- Extermination of insects, rodents, vermin and other pests
- Sidewalks – replacement or private sidewalks
- Roofing
- Bars on windows
- Title reports and legal fees
- Acquisition of land or buildings
- Air conditioning and heating facilities
- Electrical wiring or service upgrade, except electrical work necessary to illuminate an eligible sign.
- Elevators – repair or installation
- Interior floor or ceiling replacement and repair
- Plumbing
- Refinancing existing debt
- Sprinkler systems
- Sweat equity
- Working capital for businesses
- Resurfacing of parking lots
- Landscaping
- Chain Link Fencing

Improvements not specifically listed as eligible or ineligible are subject to review as to eligibility and approval or disapproval by the Michigan City Redevelopment Commission.

The Redevelopment Commission will consider the architectural appropriateness of proposed improvements using the approval and recommendation by the Planning Department and /or Historic Preservation Commission as required. Improvements that are not architecturally appropriate, as determined by the Commission, are not eligible for a forgivable loan.

Approval of Façade Improvement Agreement

Buildings that have not received a Façade Improvement Program forgivable loan in the past will have first consideration. After all first time users are processed, the remaining applications will be considered in the order in which they were received. In the event that the total amount of the potential forgivable loans exceeds the amount budgeted for the program for that fiscal year, the applications which cannot be approved due to budget limitations will be carried over for consideration during the following fiscal year. Not more than one Façade Agreement shall be approved for a building in any fiscal year, and a Façade Agreement shall not be approved if a Façade Improvement grant was made for

the same portion of the building within the previous five years. The maximum forgivable loan funding per building is \$30,000.

Commencement of Work

After the Façade Improvement Agreement is approved by the Redevelopment Commission, applicants may obtain a building permit and begin the work. DO NOT START BEFORE – APPLICANTS WILL NOT BE GUARANTEED TO BE REIMBURSED FOR WORK DONE PRIOR TO REDEVELOPMENT COMMISSION APPROVAL OF THE FAÇADE IMPROVEMENT AGREEMENT.

Completion of Work

All improvements shall be completed and requests for reimbursement submitted within 180 calendar days after the Commission’s approval of Façade Improvement Agreement unless otherwise authorized by the Commission for a maximum of a one (1) year extension. It shall be the applicant’s sole responsibility to make sure that all deadlines are met. All requests for extension must be submitted in writing to the Director of Redevelopment/Executive Director prior to the expiration of the initial deadline to complete the work and submit requests for reimbursement. In the event that an applicant fails to comply with these deadlines or otherwise requests an extension from the Commission, the Commission may terminate its obligation to reimburse the applicant. The commission may consider properly permitted work that was completed within the past two (2) year period but was not submitted to the grant program. The permitted work still must comply with the criteria listed in the terms and conditions of the grant program and application.

Reimbursement Payments

Upon completion of the work, the owner or tenant shall submit copies of all architect’s invoices, contractor’s statements, lien waivers and invoices to the Director of Redevelopment/Executive Director, as evidence that the owner or tenant has paid the architect and contractor(s). You should use the forms provided in this application. Payment will be authorized upon completion of all work items as originally approved and receipt of all of the required documents.

The Director of Redevelopment may authorize reimbursement to be made in two payments, if all of the following conditions are present: 1) The first partial payment may be made upon completion of work representing at least fifty percent (50%) of the amount specified in the Façade Improvement Agreement; 2) The architect’s invoices, contractor’s statements, invoices, notarized final lien waivers and proof of payment for the completed work have been submitted; 3) The remaining work is expected to be delayed for thirty days or more following completion of the initial work due to weather, availability of materials, or other circumstances beyond the control of the owner or tenant.

Reimbursement for architectural services will be made at the same time reimbursement is provided for improvements, and only if a Façade Improvement Agreement has been approved by the Redevelopment Commission. Architectural services may be reimbursed, at the sole discretion of the Commission, as follows:

Concept Plans and cost estimates prepared before approval of a Façade Improvement Agreement.

Architectural construction drawings and specifications for the improvement to the extent required by the Michigan City Building Code, following Commission approval of a Façade Improvement Agreement.

Construction supervision conducted after Commission approval of the Façade Improvement Agreement.

Major changes or elimination of improvements must be approved by the Redevelopment Commission. Minor changes must be approved by the Director of Redevelopment/Executive Director.

Alterations

The property owner and tenant shall be responsible for maintaining the façade improvements without alteration for three (3) years unless approved by the Director of Redevelopment/Executive Director. A restrictive covenant limiting alterations may be required by the Commission at the time of approval of the Façade Improvement Agreement.

FACADE PROGRAM – STEP-BY-STEP PROCESS

1. Review the Program Description and contact the Planning Department to see if the improvements you are considering are eligible.
2. Define the scope of your proposed improvements. This will probably involve consulting with an architect or other appropriate design professional (for projects that do not need an architect, consult with a contractor).
3. Complete this application including appropriate plans and description of work to be done.
4. Submit a façade improvement application to the Planning Department, 100 E. Michigan Blvd., Michigan City, IN.
5. Submit an application for a Certificate of Appropriateness and a copy of your façade improvement application to the Historic Preservation Commission and attend the scheduled Historic Preservation Commission meeting if necessary when contacted to present your proposed improvements and to receive the Commission's approval or suggested revisions to your project design.
6. If necessary, revise plans and return to the Planning Department or Historic Preservation Commission for second review.
7. Submit final revised plans, estimates, proof of Zoning Approval and Approved Certificate of Appropriateness and signed Façade Improvement Agreement to Planning Office.
8. Director of Redevelopment will approve or disapprove content of Façade Improvement Agreement.
9. Application and grant agreement are forwarded to the Redevelopment Commission for their review and approval.
10. Apply for a building permit or improvement location permit through the Building Inspections Office.
11. Pick up permit at Building Inspections Office when notified.
12. Construct per approved plans and call Building Inspections Office to schedule inspections as required.
13. Finish Construction.
14. Call the Building Inspection Office for final inspection.
15. Request reimbursement: Submit Invoices, orders, Treasurer's Form (to show compliance with property tax), Lien Waivers, etc., to Planning Department

16. Receive payment from Redevelopment Commission for eligible project costs based on the façade improvement agreement.

MICHIGAN CITY FAÇADE PROGRAM

Application Form

1. Applicant Information

NAME: _____

ADDRESS OF PROPERTY TO BE IMPROVED:

NAME OF BUSINESS: _____

TAX ID#/SOCIAL SECURITY #: _____

HOME ADDRESS: _____

BUSINESS PHONE: _____ HOME PHONE: _____

FAX: _____ EMAIL: _____

2. Project Information

BUILDING LOCATION: _____

BUSINESS(ES) LOCATED IN BUILDING:

BUILDING AGE: _____ BUILDING LOCATED IN HISTORIC DISTRICT? _____

BUILDING ZONED AS: _____ PIN NUMBER: _____

OWNER OF RECORD: _____

IF LEASED: Lease Expires _____ Renewal Term _____

3. Project Description

Describe in detail the proposed scope of work including design firm and/or contractor(s) selected. In describing project, be sure to differentiate between interior renovations vs. exterior façade improvements to be undertaken. Use separate sheet(s) if necessary.

Anticipated Construction

Start Date: _____ Completion Date: _____ Total Project Cost: _____

4. Mortgage Information

Is there a current Mortgage on the property: YES _____ NO _____

If YES, Holder of Mortgage

Date of Mortgage: _____

Original Amount: _____ Current Balance: _____

Are there any other loans, liens, deed restrictions on the property:

YES _____ NO _____

If YES, please list:

Provide evidence that loans secured by the building are current.

5. Building Information

Will project result in a change of use for the building? YES _____ NO _____

Uses of the building after completion of the façade project:

1st Floor:

2nd Floor:

3rd Floor:

Other:

6. Other Required Documentation

- a. Property deed with legal description of property
- b. Proof that all property taxes are paid and current
- c. Proof of Title Commitment showing current ownership of property and an indication of clear title free of any other liens or encumbrances.
- d. Proof of property and liability insurance
- e. Signed mortgage note
- f. Copies of any leases associated with property
- g. Project budget
- h. Two (2)-contractor quotes/construction bids for total façade project
- i. Photographs of proposed project site

I/We certify that all information set forth in this application is a true representation of the facts pertaining to the subject property for the purpose of obtaining funding under the Façade Improvement Program. I understand and acknowledge that any willful misrepresentation of the information contained in this application could result in disqualification from the program, requiring any funds already disbursed to be repaid in full to the Michigan City Redevelopment Commission.

The applicant further certifies that he/she has read and understands the Façade Program Guidelines. If a determination is made by the Commission that program funds have not been used for eligible program activities, the Applicant agrees that the proceeds shall be returned, in full, to the Michigan City Redevelopment Commission and acknowledges that, with respect to such proceeds so returned, he/she shall have no further interest, right, or claim. It is understood that all Façade Program funding commitments are contingent upon the availability of program funds.

Signed this _____ day of _____, 20 _____

By: _____

**City of Michigan City
Facade Agreement**

THIS AGREEMENT, entered into this ____ day of _____, 20__, between the City of Michigan City, Indiana Redevelopment Commission (hereinafter referred to as “COMMISSION”) and the following designated OWNER/LESSEE, to wit:

Owner/Lessee’s Name: _____

Name of Business: _____

Tax ID#/Social Security # _____

Address of Property to be Improved:

PIN Number: _____

WITNESSETH:

WHEREAS, the COMMISSION has established a Façade Improvement Program for application within the Michigan City Façade Program -Area (“Program Area”); and

WHEREAS, said Façade Improvement Program is administered by the COMMISSION with the advice of the Planning Department and Historic Preservation Commission and is funded from Tax Increment Financing funds for the purposes of controlling and preventing blight and deterioration within the Program Area; and

WHEREAS, pursuant to the Façade Improvement Program COMMISSION has agreed to participate, subject to its sole discretion, 1) in compensating Owners/Lessees for the cost of eligible exterior improvements to commercial establishments within the Program Area up to a

maximum of sixty percent (60%) of the approved contract cost of such improvements and 2) in reimbursing Owners/Lesseees for 100% of the cost of the services of an architect for such façade improvements up to a maximum of 12% of project cost, or \$5,000 whichever is less, per building, as set forth herein, but in no event shall the total COMMISSION participation exceed a maximum reimbursement amount of thirty thousand dollars (\$30,000) per building; and

WHEREAS, the OWNER/LESSEE's property is located within the Façade Improvement Program Area, and the OWNER/LESSEE desires to participate in the Façade Improvement Program pursuant to the terms and provisions of this agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements obtained herein, the COMMISSION and the OWNER/LESSEE do hereby agree as follows:

SECTION 1:

With respect to façade improvements to the front and side of a building and related eligible improvements, the COMMISSION shall reimburse OWNER/LESSEE for the cost of improvements to the OWNER/LESSEE'S property at the rate of sixty percent (60%) of such cost, and shall reimburse OWNER/LESSEE for 100% of the cost of fees for architectural services pertaining to such improvements, up to a maximum amount of 12% of project cost or \$5,000, whichever is less per building as defined herein, provided that the total reimbursement for improvements to the front and side of a building and related eligible improvements and architectural services shall not exceed thirty thousand dollars (\$30,000) per building.

The actual total reimbursement amounts per this Agreement shall not exceed \$30,000 for façade improvements per building to the front and sides of a building and related eligible improvements. The improvement costs that are eligible for Commission

reimbursement include all labor, materials, equipment and other contract items necessary for the proper execution and completion of the work as shown on the plans, design drawings, specifications and estimates approved by the City. Such plans, design drawings, specifications and estimates are attached hereto as Exhibit I.

SECTION 2: No improvement work shall be undertaken until its design has been submitted to and approved by the Redevelopment Commission. Following approval, the OWNER/LESSEE shall contract for the work and shall commence and complete all such work and submit all requests for reimbursement to the Director of Redevelopment within six months from the date of such approval by the Redevelopment Commission. The OWNER/LESSEE may seek an extension of the deadline, not to exceed 12 months, for completing the work and submitting its request for reimbursement from the Director of Redevelopment, however, such request must be made in writing and submitted to the Director of Redevelopment prior to the expiration of the initial deadline to complete the work and submit the requests for reimbursement. In the event that the OWNER/LESSEE fails to comply with these requirements the COMMISSION may terminate this Agreement and its obligation to reimburse the applicant.

SECTION 3: The Director of Redevelopment shall periodically review the progress of the contractor's work on the façade improvement pursuant to this Agreement. Such inspections shall not replace any required permit inspection by the Building Inspectors. All work which is not in conformance with the approved plans, design drawings and specifications shall be immediately remedied by the OWNER/LESSEE and deficient or improper work shall be replaced and made to comply with the approved plans, design drawings and specifications and the terms of this Agreement.

SECTION 4: Upon completion of the improvements and upon their final inspection and approval by the Director of Redevelopment, the OWNER/LESSEE shall submit to the COMMISSION a properly executed and notarized contractor statement showing the full cost of the work as well as each separate component amount due to the contractor and each and every subcontractor involved in furnishing labor, materials or equipment in the work. The OWNER/LESSEE shall also submit to the COMMISSION a copy of the architect's statement of fees for professional services for preparation of plans and specifications. The COMMISSION shall, within thirty (30) days of receipt of the contractor's statement, proof of payment and lien waivers, and the architect's statement, issue a check to the OWNER/LESSEE as reimbursement for work completed as per the façade agreement, subject to the limitations set forth in Section 1 hereof.

In the alternative, at its sole discretion, COMMISSION may reimburse the OWNER/LESSEE in one or two payments. The first payment may be made only 1) upon completion of work representing 50% or more of the maximum reimbursement specified in Section 1 hereof and 2) upon receipt by COMMISSION of the architect's invoices, contractor's statements, invoices, and 3) upon a determination by the Director of Redevelopment that the remainder of the work is expected to be delayed for thirty days or more following completion of the initial work due to weather, availability of materials, or other circumstances beyond the control of the OWNER/LESSEE. The second, final payment shall be made by COMMISSION only upon submittal of all necessary documents as described herein.

SECTION 5: If the OWNER/LESSEE or his contractor fails to complete the improvement work provided for herein in conformity with the approved plans, design drawings and specifications and the terms of this Agreement, then upon written notice being given by the Director of Redevelopment to the OWNER/LESSEE, by certified mail to the address listed above, this Agreement shall terminate and the financial obligation on the part of the COMMISSION shall cease and become null and void.

SECTION 6: Upon completion of the improvement work pursuant to this Agreement and for a period of three (3) years thereafter, the OWNER/LESSEE shall be responsible for properly maintaining such improvements in finished form and without change or alteration thereto, as provided in this Agreement, and for the said period of three (3) years following completion of the construction thereof, the OWNER/LESSEE shall not enter into any Agreement or contract or take any other steps to alter, change or remove such improvements, or the approved design thereof, nor shall OWNER/LESSEE undertake any other changes, by contract or otherwise, to the improvements provided for in this Agreement unless such changes are first submitted to the Director of Redevelopment, and any additional review body designated by the Director, for approval. Such approval shall not be unreasonably withheld if the proposed changes do not substantially alter the original design concept of the improvements as specified in the plans, design drawings and specifications approved pursuant to this Agreement. OWNER/LESSEE shall execute and record a restrictive covenant, in the form supplied by the Commission. This shall be recorded in the Office of the Recorder of LaPorte County. Proof of recording shall be provided to the Commission prior to the issuance of any reimbursement of funds.

OWNER/LESSEE further acknowledges in the event any unapproved changes, alterations, or demolition are effected upon the herein described improvements during the aforereferenced three-year (3) time period, the OWNER/LESSEE, or their successor or assignee, shall be financially liable to the COMMISSION in a pro rata amount as calculated by the number of months remaining in said three-year (3) time period. (By way of example: in the event of the modification or demolition of a facade improvement valued at \$30,000 two (2) years after completion, the OWNER/LESSEE or their successor in interest would be responsible for the sum of \$10,000 in repayment to the COMMISSION. $\$30,000 \text{ divided by } 36 \text{ months} = \$833.33/\text{month} \times 12 \text{ months} = \$10,000.$)

SECTION 7: The OWNER/LESSEE releases the COMMISSION from, and covenants and agrees that the COMMISSION shall not be liable for, and covenants and agrees to indemnify and hold harmless the COMMISSION and its officials, officers, employees and agents from and against, any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever arising out of, resulting from or in any way connected with directly or indirectly with the façade improvements(s), including but not limited to actions arising from the Indiana Common Construction Wage Act (Ind. Code § 5-16-7 et seq.) The OWNER/LESSEE further covenants and agrees to pay for the COMMISSION and its officials, officers, employees and agents for any and all costs, reasonable attorneys' fees, liabilities or expenses incurred in connection with investigating, defending against or otherwise in connection with any such losses, claims, damages, liabilities, or causes of action. The

COMMISSION shall have the right to select legal counsel and to approve any settlement in connection with such losses, claims, damages, liabilities, or causes of action. The provisions of this section shall survive the completion of said façade improvement(s).

SECTION 8: Nothing herein is intended to limit, restrict or prohibit the OWNER/LESSEE from undertaking any other work in or about the subject premises which is unrelated to the façade improvement provided for in this Agreement.

SECTION 9: This Agreement shall be binding upon the COMMISSION and upon the OWNER/LESSEE and its successors, to said property for a period of three (3) years from and after the date of completion and approval of the façade improvement provided for herein by the Redevelopment COMMISSION. It shall be the responsibility of the OWNER/LESSEE to inform subsequent OWNER(s)/LESSEE(s) of the provisions of this Agreement.

IN WITNESS THEREOF, the parties hereto have executed this Agreement on the date first appearing above.

OWNER/LESSEE

MICHIGAN CITY

REDEVELOPMENT COMMISSION

President

DECLARATION OF RESTRICTIVE COVENANT ON REAL PROPERTY

THIS DECLARATION OF RESTRICTIVE COVENANT ON REAL PROPERTY is made by _____

[owner(s) name(s)]

as of the _____ day of _____, 20__.

WHEREAS, _____

[owner(s) name(s)]

_____ is/are the owner(s) of certain real property (the Subject Property) located in Michigan City, La Porte County, Indiana, more particularly described as:

[insert Subject Property legal description]

WHEREAS, the Subject Property is located within the Michigan City Façade Improvement Program Area (FIP), as administered by the Michigan City Redevelopment Commission (MCRC); and

WHEREAS, the owner(s) of the Subject Property have applied for and been approved to receive a FIP loan; and

WHEREAS, as a condition to the issuance of the aforereferenced FIP loan, the MCRC desires to restrict the change, alteration, removal, or demolition of any approved and funded façade improvements to the Subject Property; and

WHEREAS, the owner(s) are willing to record this Restrictive Covenant in order to finalize the UADFIP loan process:

NOW, THEREFORE, _____

[owner(s) name(s)]

_____ hereby agrees and declares:

1. Once completed, no façade improvements to the Subject Property which have been approved and funded by the MCRC shall be altered, changed, removed, or demolished in any way except for normal maintenance and/or repair without the prior written approval of the MCRC.

2. Such express restriction shall commence upon the final completion of said improvement(s) and continue for a period of three

FINAL WAIVER OF LIEN

STATE OF INDIANA)
) SS
COUNTY OF)

GTY. # _____

LOAN # _____

TO WHOM IT MAY CONCERN:

Whereas the undersigned has been employed by _____
to furnish _____

_____ for the premises known as _____
of which _____ is the Owner/Lessee.

The undersigned, for and in consideration of _____
(\$ _____) Dollars, and other good and valuable consideration, the receipt
whereof is hereby acknowledged, do(es) hereby waive and release any and all lien or claim of, or
right to, lien, under the statutes of the State of Indiana, relating to mechanics' liens, with respect
to and on said above-described premises, and the improvements thereon, and on the materials,
fixtures, apparatus or machinery furnished and on the moneys, funds or other considerations due
or to become due from the owner, on account of labor, services, materials, fixtures, apparatus or
machinery heretofore furnished or which may be furnished at any time hereafter, by the
undersigned for the above-described premises.

Given under _____ hand _____ and seal _____
this _____ day of _____, _____.

Note: All waivers must be for the full amount paid. If waiver is for a corporation, corporate name should be used,
corporate seal affixed and title of officer signing waiver should be set forth; if waiver is for a partnership,
partnership name should be used, partner should sign and designate himself as partner.

