



2022-2024 City of Mesa

# Downtown Façade Improvement Program Application

## Introduction

The American Rescue Plan Act of 2021 (“ARPA”) established the Coronavirus State and Local Fiscal Recovery Fund (“CSLFRF”), delivering \$350 billion to eligible state, local, territorial, and Tribal governments across the country to support their response to and recovery from Coronavirus Disease 2019 (“COVID-19”). The City of Mesa, as an eligible local government, received CSLFRF monies to be used in accordance with ARPA. ARPA sets forth the eligible uses of CSLFRF monies, including responding to the negative economic impacts of COVID-19 by providing assistance to small businesses located in business districts disproportionately impacted by COVID-19. Rehabilitation of commercial properties, storefront improvements, and façade improvements is an eligible use of CSLFRF monies to aid small businesses located in business districts disproportionately impacted by COVID-19. In accordance with ARPA, the City of Mesa has allocated a portion of the CSLFRF monies received to a 2022 Façade Improvement Program.

Mesa’s Downtown Façade Improvement Program is a City managed program offering design and construction services with variable grant awards up to \$170,000 in direct construction funding for façade improvements to commercial and mixed-use properties located in the Historic Downtown core.

The Central Main Plan identifies the Downtown Façade Improvement Program (“Façade Program”) as an important element of the plan’s prosperous community and pedestrian friendly goals for activating commercial properties and creating a high-quality environment that is attractive to existing and new employers, residents and visitors.

Façade improvement programs exist across the nation and have proven benefits for district revitalization. The Façade Program began in Mesa in 2017 and was designed to help improve and revitalize downtown Mesa. The 2017-2018 Façade Program improved eight façades on Main Street. Aside from improving building aesthetics and the public space in downtown, the Façade Program: attracted new small businesses,

reduced tenant turnover, converted low-activity spaces to higher and better uses, and resulted in increased sales and job creation for impacted businesses. The 2022-2024 Façade Program is calibrated to achieve similar economic outcomes.

### **Grant Administration**

The Office of Downtown Transformation within Mesa’s City Manager’s Office administers the Façade Program. Funding for the 2022 Façade Program was approved by the Mesa City Council on June 16, 2022. Information on the structure of the Façade Program is provided below, but generally speaking the program’s grant funding is distributed by the City directly to architects and contractors who perform work on building façade improvements in downtown Mesa for tenants and property owners who are accepted as participants in the Façade Program. Awarded tenants and property owners will not receive any funding directly and will be responsible for matching a portion of the awarded funding for the façade improvement project for their property (“Project”) and for any costs related to the Project not covered by the grant.

Per ARPA, façade improvement is an eligible use of CSLFRF monies to assist small businesses impacted by COVID-19. The distribution of CSLFRF monies for the Façade Program will be in accordance with ARPA and other applicable state and federal laws.

### **Eligibility**

Per ARPA, small businesses impacted by COVID-19 and small businesses in disproportionately impacted business districts are eligible to receive Façade Improvements funds. ARPA sets forth in detail the definition of “small business” and the eligibility requirements the City will comply with in awarding these funds. Property owners and tenants of property in Downtown Mesa, Arizona are eligible to apply, which is the area of Mesa located between South Country Club Drive to North Center Street, and West 1<sup>st</sup> Avenue to West 1<sup>st</sup> Street. Note that, if a tenant applies, they are required to have the property owner’s permission to participate in the Façade Program and the property owner will be asked to acknowledge or execute certain documents related to the program.

### **Grant Amount**

The following provides a breakdown of what the grant funding for the Façade Program covers. Each program participant will be awarded a specific amount of grant funding for the Project at the awarded property. The participant will be responsible for a 5% match of the Direct Construction Costs (see below) to be paid to the City. It is important

to note that all participants in the Façade Program are responsible for covering all costs for the improvement of the building façade that are not covered under the program.

Design

100% of façade design, an estimated benefit of \$15,000.

Permitting

100% of building permitting and associated permitting labor costs.

Demolition and Construction

\$7,500 per linear foot of building façade is covered for demolition and construction costs up to \$170,000. All demolition and construction costs are referred to hereafter as “Direct Construction Costs.”

Additional Direct Construction Costs are determined at the sole discretion of the City on a case-by-case basis based on the Project goals and unique conditions of the awarded property. Properties with two stories or a side alley colonnade are eligible for up to \$80,000 in additional Direct Construction Costs for a maximum total grant for demolition and construction of \$250,000.

Unforeseen Conditions

Many of the buildings in Downtown Mesa’s historic core are not constructed to modern standards. As such, sometimes unexpected problems are found during demolition or construction that require additional remediation. In these situations, the Façade Program will cover 100% of the cost, even if the cost is beyond the grant amount awarded for the Project. An increase to the grant amount for a Project based on such unforeseen conditions does not increase the private property owner’s 5% match requirement. Protecting private partners from the risks of construction is a priority of the Downtown Façade Improvement Program.

Example: A Project unexpectedly discovers asbestos during demolition. The Façade Program pays 100% of the remediation cost for the area of the property impacted by the Project with no additional match requirement on the part of the Participant.

**Façade Design**

The design of the Project is driven by the property owner and supported by the architect. The City does not require a particular motif or design for the Project, but the design must achieve the following program objectives:

- Provide ample shade to the public space
- Significantly enhance the aesthetic appeal of the storefront and pedestrian experience
- Meet form-based code standards as well as any other code and zoning requirements

Similar to all major façade changes to buildings fronting an arterial street, all Projects will be reviewed by the City’s Design Review Board. The City reserves the right to require design changes for design elements that are contrary to the Façade Program goals or inconsistent with an urban downtown environment.

### **Match Requirement**

Participants must contribute a match valued at 5% of the Direct Construction Cost of the Project.

Example: If a Project’s costs are construction of \$100,000 and design of \$15,000 with an overhead of \$20,000, then the Façade Program participant would only pay 5% of the construction costs, or \$5,000, to the City as the construction costs of \$100,000 . The participant would not pay 5% of the design or overhead costs as those are not Direct Construction Costs.

Applicants selected to be a participant in the Façade Program will receive a notice of award in late 2022. Upon receiving a notice of award, Participants must sign a program agreement to become a participant. Participants must pay their 5% match requirement at least 30 days prior to notification of commencement of construction.

Example: If the Direct Construction Cost of a façade was \$60,000, the match requirement would be \$3,000. If the Direct Construction Cost was \$170,000, the match requirement would be \$8,500.

### **Expenses Beyond the Grant Award**

*All elective costs beyond the grant award are entirely the responsibility of the participant. This does not affect the match requirement amount due to the City.*

Example: A participant receives a grant award of \$150,000 for Direct Construction Costs. The participant must pay \$7,500 to fulfill their 5% match requirement. After working with the architect to design a Project estimated to cost the full grant award of

\$150,000, the property owner decides that she would like additional work done to her façade with a final constructed cost of \$170,000. The estimated \$20,000 in work beyond the grant amount is not covered by the grant and the participant will be responsible for these costs in addition to the match requirement; however, the match requirement will not increase as it is based off the original grant award.

### **Other Commitments by Private Property Owner**

#### Easement

Property owners must provide the City with a fully transferrable 10-year façade easement to ensure that the Project façade remains on the property for at least 10 years. Changes to the façade over the next 10 years must be approved in writing by the City's Office of Downtown Transformation; however, the City will strive to work with the property owner on any requested changes. Easements are provided by the property owner at no cost to the City and will be in the City's standard form for such easements.

#### Encroachment Permit

An encroachment agreement (permit) is required to be entered into with the property owner for any Project improvements that extend into the City's right-of-way. Encroachment agreements are provided by the City at no cost to the property owner as a part of participation in the Façade Program and will be in the City's standard form for such agreements.

Example: A design includes a shade canopy that extends over the sidewalk. Because the sidewalk is the City's right-of-way, an encroachment agreement is required for the canopy.

#### Reporting

Participants will be required to provide reporting until the end of 2026. Reporting will be required quarterly for jobs created and year-over-year percent change in gross revenues. The City will collect and report all other metrics. Participants agree to work with the City on any additional metrics/reporting needed related to the funding source.

#### Responsiveness

Participants must be responsive to requests from all Project professionals, including City staff, and any architects and contractors. The success of the Façade Program and completion of the Project are dependent upon timely and accurate feedback and direction to Project professionals. If the Participant is not the property owner, the

property owner must also ensure that they are responsive to requests. Failure to be timely responsive can result in a Project not being completed and Participants removed from the program.

Commitment to Participate

It is essential that participants who commit to the Façade Program participate until Project completion. Participants should bear in mind that the Façade Program is a multi-year commitment.

**Anticipated Timeline**

|   |            |
|---|------------|
| Application Submittal and Participant Selection | Late 2022  |
| Design Phase                                    | Early 2023 |
| Receive Building Permits                        | Late 2023  |
| Construction                                    | 2024       |

**PLEASE PRINT LEGIBLY AND FULLY COMPLETE QUESTIONNAIRE**

**Section I – General Information**

**Participant Contact Information** *(This is the primary point of contact for the Project)*

\_\_\_\_\_  
First Name *(print)*

\_\_\_\_\_  
Last Name *(print)*

\_\_\_\_\_  
E-mail

\_\_\_\_\_  
Phone

**Property Owner Information**

\_\_\_\_\_  
First Name *(print)*

\_\_\_\_\_  
Last Name *(print)*

\_\_\_\_\_  
E-mail

\_\_\_\_\_  
Phone

Same as Participant

**Property Information** *(Must be in Downtown Mesa between West 1<sup>st</sup> St. and West 1<sup>st</sup> Ave., and South Country Club Drive and South Center Street)*

Property Address \_\_\_\_\_

Owner's Mailing Address \_\_\_\_\_

Current Use of Property \_\_\_\_\_

Total Building Square Footage \_\_\_\_\_

Year Constructed \_\_\_\_\_

If Tenant Occupied:

Tenant/Business Name \_\_\_\_\_

Phone \_\_\_\_\_

|   |     |    |
|---|-----|----|
| Intent to Enhance or Incorporate Historic Façade Elements?<br><i>(Selecting “Yes” means that Participant will be required to consult with Mesa’s Historic Preservation Officer during design)</i> | Yes | No |
| Property currently has a Colonnade?   | Yes | No |

| Selection Criteria*         |   |                 |
|-----------------------------|---|-----------------|
| Criteria Name               | Criteria Definition   | Criteria Weight |
| Location                    | <ul style="list-style-type: none"> <li>Property has city-owned colonnades</li> </ul>  | 45              |
| Impact                      | <ul style="list-style-type: none"> <li>Condition of existing façade and colonnades, where applicable</li> <li>Property is adjacent to other properties that have applied for façade improvement</li> <li>If cuts must be made to the middle of a colonnade segment, the design solution can still produce an aesthetically appealing public space</li> <li>Contribution of the Project to the downtown redevelopment goals of the City, <i>i.e.</i> night-time activation, improved pedestrian experience, elimination of blighting conditions</li> </ul> | 40              |
| Historic Preservation       | <ul style="list-style-type: none"> <li>Intent to enhance or incorporate historic façade elements</li> </ul>   | 10              |
| Unique Benefit & Assistance | <ul style="list-style-type: none"> <li>Improved façade will provide unique benefits to the building or business (<i>i.e.</i>, use of frontage, resolve issue caused by existing colonnade/façade)</li> <li>Special need for assistance that the selection committee should be aware of (<i>i.e.</i>, issues with or problems caused by existing colonnade/façade)</li> </ul>  | 5               |

**\* The City may take into account any information related to each criteria and may utilize information not provided in the application.**



Participant's Status of Property Ownership for the Façade Improvement (check one):

- Tenant. Participant rents/leases the property.
- Property Owner -- Individual Ownership. Participant is an individual, sole proprietorship, or single member LLC that is the sole owner of the property.
- Property Owner -- Single Business or Legal Entity (other than Individual Ownership). Participant is a representative of the owner of the property which is a single business or legal entity.
- Property Owner – More than One Owner. Property has more than one legal owner (for example, a married couple owns the property). If multiple owners, please provide additional property owners' contact information in the space below, including name, mailing address, phone and email address.

---

---

---

---

## Section II – Acknowledgement of Terms

I, \_\_\_\_\_, understand that the grant award from the Façade Program may only be used for the property located at: \_\_\_\_\_.

I understand the City of Mesa will contract for design and construction services, and that the City of Mesa will procure and assign an architect and a contractor to my Project.

I understand that, in order to participate in the program, the participant must enter into a Downtown Façade Improvement Program Agreement with the City of Mesa (“Program Agreement”) within 30 days of notice of award or the City of Mesa may revoke my grant award. If the property owner is not the participant, the property owner will also be required to execute the Program Agreement with the City.

I understand that the property owner must grant the City of Mesa a ten (10) year façade easement on the property and, if applicable, an encroachment agreement. ***If the owner fails to honor the terms of the easement, encroachment agreement, or Program Agreement, or the participant fails to honor the terms of the Program Agreement, the City could find the participant in default for the required terms of the Façade Program and the City may request immediate repayment of the entire Project amount or cease funding of the Project.*** I also understand that in the event the property is sold or ownership is transferred in any way, the façade easement and encroachment agreement remain in force until the end of the ten (10) year agreement period.

I understand that the participant is financially responsible for 5% of estimated Direct Construction Costs to be paid to the City 30 days before the start of construction. I understand that this grant match will be fully refunded, without interest, should the façade not be constructed, unless the failure to construct is due to the property owner’s or participant’s failure to meet Program terms and conditions, including voluntarily exiting the Program or not meeting the requirements in the Program Agreement.

I understand that the participant will be informed of its budget before design work begins with the assigned architect. I understand that a participant may spend more than the grant award budget to improve the façade, but the participant is 100% liable for the amount in excess of the grant budget. It is the participant’s responsibility to inform the

City and architect if it wishes to spend more than the grant amount on façade improvements for the Project

I understand that the participant and property owner are required to work in collaboration with architects, contractors, tenants and the City of Mesa on the Project and that they will be required to respond in a timely manner to requests from these parties in order to participate in the Façade Program.

I understand that Façade Program funding is a combination of ARPA and Congressional allocations made to the City, and that the City is not obligated to provide funding for Façade Program activities should the rules or regulations related to the funding source prohibit the Façade Program’s intended uses.

WITH AN APPLICATION FOR ANY BENEFIT OR PRIVILEGE (A.R.S. § 13-2704), SUCH AS THE FAÇADE PROGRAM, THE CITY OF MESA CONSIDERS THE INFORMATION ON THIS APPLICATION AND ANY DOCUMENTATION SUBMITTED RELATED TO THE FAÇADE PROGRAM TO BE MATERIAL TO PARTICIPATION IN THE PROGRAM.

PARTICIPANT CERTIFICATION: I certify and swear that the information on this form and the documentation submitted to the City of Mesa is accurate and complete to the best of my knowledge and belief. I understand that false statements or information may be punishable as a criminal offense, are grounds for denial of my application, and will entitle the City to seek reimbursement of any funds or other assistance provided under the Façade Program.

I UNDERSTAND that submission of this application does not guarantee Façade Program participation or the receipt of assistance of any kind. Program funds or assistance awarded will be at the City’s sole and absolute discretion based on eligibility and available funding. The City may require additional information or documentation for evaluation.

**Participant**

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Property Address: \_\_\_\_\_

### Section III – Supplementary Documents & Submission Information

*Please submit all supplementary documentation with this application form*

- If the building is being leased, provide a copy of the current, fully executed lease(s)
- Copy of deed of trust related to any mortgage, and any other liens or encumbrances on the property
- Copy of deed transferring ownership to current owner(s) of the property
- Evidence that the property is current in the payment of any property tax
- If there is any litigation impacting the property, please include a statement regarding information about the litigation, including the parties, the court litigation is in, and the case number.
- If property belongs, in whole or in part, to a business or legal entity: Names, addresses and phone numbers of officers/partners/trustees/members or similar persons involved in the ownership of the entity, as well as the articles of incorporation, by-laws, partnership agreements, or other formation/operational documents.
- All supplementary document listed in **Attachment A, Part 1** “Downtown Façade Improvement Program Checklist - Application”

Mesa has worked to simplify Façade Program processes and will be available for assistance to help tenants, property owners, and contractors be successful. That said, the use of federal funds does require documentation and justification for the Project expenses. Please see **Attachment A, Part 2** “Downtown Façade Improvement Program Checklist – Notice of Award” for a list of all information that must be submitted by the participant for the design phase of the Project. For this effort to be successful, your attention to detail will be helpful and appreciated.

For more information on the Façade Program and answers to Frequently Asked Questions, please see **Attachment B**.

#### **Submit Applications To:**

Office of Downtown Transformation  
City of Mesa City Plaza Building  
20 East Main Street, Suite 700 Mesa, AZ 85201  
Mesa, AZ 85201

Applications may be submitted via email to the address below, or mailed or delivered in person to the security desk of the City Plaza Building noted above.

**Application must be received by the City no later than 5:00pm (MST) October 6, 2022.**

It is the responsibility of the Participant to ensure the application is received by the deadline.

**Direct All Questions To:**

Anthony Rodriguez  
City of Mesa  
Office of Downtown Transformation  
20 East Main Street, Suite 700 Mesa, AZ 85201  
480-644-4750  
[anthony.rodriquez@mesaaz.gov](mailto:anthony.rodriquez@mesaaz.gov)

# Attachment A

## Downtown Façade Improvement Program Check List

### Part 1. DOCUMENTS TO INCLUDE WITH YOUR APPLICATION

#### **PART 1: APPLICATION**

- a. Fully completed application, including attachments
- b. Signed acknowledgement of terms by property owner
- c. Statement of interest
- d. Exterior photos of the façade
- e. Copy of existing lease (may redact sensitive information, such as lease rate)
- f. Copy of deed of trust related to any mortgage, and any other liens or encumbrances on the property
- g. Copy of deed transferring ownership to current owner(s) of the property
- h. Evidence that the property is current in the payment of any property tax (may redact sensitive information)
- i. If there is any litigation impacting the property, include a statement regarding information about the litigation, including the parties, the court litigation is in, and the case number.
- j. ONLY if property belongs to a corporation, partnership or trust:  
Names, addresses and phone numbers of officers/partners/trustees/members or similar persons involved in the ownership of the entity, as well as the articles of incorporation, by-laws, partnership agreements, or other formation/operational documents

If your property is selected to participate in the Façade Improvement Program, you will be required to complete the following steps below:

**Part 2. WHAT TO DO AFTER NOTICE OF AWARD**

**PART 2:**

**NOTICE OF  
AWARD**

- a. Submit fully completed Program Agreement within 30 days of Notice of Award
- b. Attend a program kickoff meeting
- c. Schedule a time to meet with your assigned architect to begin developing your façade improvement concept
- d. Develop a concept for your façade improvement and your desired budget

*Attachment B*

# Frequently Asked Questions

## **Is there a detailed schedule?**

We can't provide many exact dates at this point in time, but we can provide the below general sequence of events of major milestones with date estimates.

- September 8, 2022: Façade Forum Day. Property and business owners are invited to attend and learn about the Façade Program in an informal setting
- September 1, 2022 - October 6, 2022: Application window open
- October 2022: Application evaluation by the Office of Downtown Transformation
- November 2022: Notice of Awards sent to participants
- December 2022: Program Agreement required to be submitted to City
- Mid 2023: Kickoff meeting with the architect. Property/business owners begin working with the architects on a design concept. Initial design concept must be submitted to the City for initial approval. Participants can expect to meet several times with their architect to refine and finalize the design. Property owner must sign-off on the final design.
- Fall 2023: Architect submits their documents for review by the City. Design Review Board review. Revisions may be required. Architect begins design development and composition of construction documents
- Late 2023: Architect submits plans to City for plan review. Plan review generally takes three months
- Early 2024: Construction begins on the first façade Projects. Façades will likely be constructed on a rolling basis, meaning that not all façades will be under construction at the same time. Participants can expect regular Project meetings with the contractor to discuss and work through issues.
- Late 2024: Construction projects are completed. Any payments for change orders initiated by the Participant are due. The City will coordinate media events to create earned media for downtown and participating businesses. Participants are expected to assist in City media events and provide information for media releases.

## **I am a tenant. Do I need the property owner's approval to apply for the Façade Program?**

Yes. The nature of the Façade Program requires improvements to private property façades, so the City cannot act without the express signed consent and active cooperation of the property owner. The property owner must be an active and informed participant, even if the application is submitted by a tenant and the tenant is the primary contact for

design. Property Owner, at a minimum, will be required to execute certain documents with the City, including the façade easement, encroachment agreement (if applicable), and acknowledge the Program Agreement.

**I am a property owner. Do I need to work with my tenant?**

Yes. It is important to discuss the Project with your tenant as construction will affect their business. Façade improvement will create disruption during construction in 2024 which can last anywhere between two and five months, depending on the extent of the Project. Tenants can expect noise and barricading around their façade during construction.

If you have a new tenant lease your building during the Façade Program process, it is the property owner’s responsibility to share the façade design with the tenant and make them aware that there will be disruptions associated with construction.

**Will tenants lose business access during construction?**

No. The City will require that reasonable business access be maintained at all times.

**This is American Rescue Plan Act (ARPA) funding — how much reporting and grant management am I required to do?**

The City of Mesa strives to minimize the obligation of reporting of the property owner and tenant, but participants will be required to provide certain information to the City to assist the City in meeting its quarterly reporting requirements under ARPA and any other reporting requirements related to other funding sources. Such information may include data about job creation, percentage of revenue increases and other business metrics and will need to be provided through the end of 2026. Participants will be notified when the information and data is due to the City.

New tenants leasing buildings after completion of construction will be required to participate in reporting even though they were not part of the design or construction process. It will be the property owner’s responsibility to ensure new tenants provided the needed information.

**Do I get to choose my design consultant and the contractor for construction?**

No. In order to use ARPA funding and minimize the burden of reporting requirements on property and business owners, the City of Mesa will solicit, select and manage the architect and contractor. The City pays the architect and contractor directly and the

business/property owner will not be invoiced for any of the standard work or otherwise be involved with billing with the exception of the match and participant initiated change orders. **What happens if I change my mind about the design after giving my final approval?**

Construction projects must often implement changes to the approved plans due to a myriad of factors, including supply shortages, unforeseen conditions and other issues that were not anticipated during design. Changes during construction are referred to as change orders. Property or business owners may initiate change orders during construction in some situations, but change orders initiated simply because of different preferences or other non-essential reasons are the financial responsibility of the owner and may not be accepted.

By way of example, if the property owner changes tenants after approving their plans and the new tenant does not like a fixture on the façade, it may be possible to swap out the fixture, but the full cost is borne by the property owner, as participant, not the City.

The City reserves the right at its sole and absolute discretion to approve all change orders, even those requested and paid for by the property owner or tenant. For example, if an owner requests a change order at the end of a Project, the request may be denied if it affects the construction schedule of other Projects or because the change is extensive enough that it requires returning to the City's Planning division for approval.