

**CITY OF ALBERT LEA  
BROADWAY RIDGE GRANT FUND POLICY**

**SECTION 1: PURPOSE**

- A. The Broadway Ridge Grant Fund will provide financial assistance to owners of historic commercial property interested in façade improvements for preserving the architectural character that is unique to Albert Lea's downtown National Commercial Historic District.

**SECTION 2: GOALS AND OBJECTIVES**

- A. To assist the owners of buildings within the National Commercial Historic District in downtown Albert Lea With façade improvements in order to preserve the historic character of these buildings.
- B. To leverage private investment and provide public grant assistance to projects, that otherwise may not occur for façade renovation and preservation of heritage buildings.
- C. To stimulate renovation and preservation of historic facades.
- D. To support the goals and objectives of the Heritage Preservation Commission (HPC) for the preservation of buildings within the National Commercial Historic District.

**SECTION 3: IDENTIFICATION OF THE DISTRICTS FINANCING PROBLEMS**

- A. Like many older communities, primary retail businesses have moved from the downtown to shopping centers and highway/auto oriented centers. New low and moderate income housing has been constructed outside of the downtown core that is handicap accessible with convenient on-site parking. Residential apartments above stores are primarily vacant and retail floors have been changed to service oriented businesses, lower volume retail, or are vacant. Groceries, other than conveniences, are generally not available in the downtown and parking is not convenient to the upper floor dwellings on a 24hour basis. This has resulted in cash flow issues for owners due to lower rents. Costs have increased to maintain buildings that are obsolete, show age deterioration, and have less marketability until the character of the downtown changes to a highly desirable business and living area. Owners are therefore less able to borrow for improvements based on available cash flow. The Minnesota Department of Revenue has determined that tax revenue may be used for historic district funding and appropriate expenditures.

**SECTION 4: NEED FOR ASSISTANCE**

- A. Building owners may be in need of grants and other public financing to assist in façade improvements in order to leverage bank loans for storefront and interior improvements that will assist in improving rental cash flow. Façade improvements are needed to enhance and preserve the historic character of the buildings.

## **SECTION 5: GUIDELINES FOR IMPROVEMENTS**

- A. The guidelines for building restoration and modification are found in the City of Albert Lea Heritage Preservation Commission's "Architectural Guidelines for Historic Preservation" for the National Commercial Historic District and in the U.S. Secretary of Interior Standards for Historic Rehabilitation. The period of significance for the District is 1874 to 1928 and building character is encouraged to reflect this period as deemed appropriate by the City of Albert Lea Heritage Preservation Commission (The HPC).

## **SECTION 6: ELIGIBILITY REQUIREMENTS**

- A. Projects must be located in the National Commercial Historic District, with the primary target area being buildings on Broadway Avenue between Main Street and Fountain Street and any contributing building within the National Commercial Historic District. All properties located within the National Commercial Historic District are eligible to apply for improvements to their building.
- B. To be eligible, rehabilitation design shall respect the architectural and historical integrity of the building and retain those elements that enhance the building, as per the Secretary of Interior Standards and the "Architectural Guidelines for Historic Preservation" and shall have received a certificate of appropriateness from the Albert Lea HPC.

## **SECTION 7: TARGETING / PRIORITY CRITERIA**

- A. Requests for grants from the Broadway Ridge Grant Fund are expected to be diverse. The Albert Lea Heritage Preservation Commission will therefore review façade improvements in accordance with the criteria established herein.
  - 1. Buildings on Broadway Avenue located between Fountain Street and Main Street have first priority; buildings south of Main Street may be given priority depending on a more specific renovation plan for the block. Buildings not located on Broadway Avenue will have a lower priority.
  - 2. Buildings that have been identified by City staff as being in critical need of repair located in the target area.
  - 3. Buildings that contribute to the National Commercial Historic District.
  - 4. Buildings with special characteristics that enhance the Historic District and attract local business and heritage tourism.

## **SECTION 8: ELIGIBLE PROJECTS ACTIVITIES**

- A. The Grant Fund may only be used to pay for façade improvements. The façade includes those portions of the building visible from a public street. Projects may include:
  - 1. Repair/replacement of windows and doors
  - 2. Masonry repair/replacement
  - 3. Canvas awnings
  - 4. Lighting
  - 5. Signage
  - 6. Painting
  - 7. Architect's Plan and Estimate

8. Other approved exterior improvements excluding roofs.
9. Interior modifications required to complete façade improvements.

**B. Ineligible Improvements**

1. Expenditures such as roofs, tinted windows, vinyl awnings, inventory and equipment, operating expenses, non-fixed improvements, and general maintenance are ineligible.

**SECTION 9: FUNDING**

The Grant Fund was established through contributions from the City of Albert Lea and Freeborn County. The City Manager may choose to use other sources to fund projects under this program subject to City Council approval. There may also be deferred loans or low interest revolving loans depending on the owner's long term objectives and ownership plan. Grants under this program of less than \$150,000 or 50% of the project costs are not considered to be a Business Subsidy under 2010 Minnesota Statutes 116J.993(5).

**A. MAXIMUM GRANT:**

1. The maximum grant on a typical façade not exceeding 900 sq. ft. of street façade surface area will be up to \$25,000 or a 50/50 match on the first \$50,000 of total project costs. The grant is subject to the owner providing a permanent façade easement to the City of Albert Lea.
2. The maximum grant on a building with a street façade area of more than 900 sq. ft. including front and side of a building shall not exceed \$50,000 on a 50/50 match for the first \$100,000 of total project cost. The grant is subject to the owner providing a permanent façade easement to the City of Albert Lea.

**B. SMALL PROJECTS MATCHING GRANTS:** A matching 50/50 grant of up to \$2,500 may be permitted for projects such as window repair/replacement, awnings, signs, and other non-structural façade improvements without the requirement for an easement agreement. It must be approved by the HPC with a certificate of appropriateness and must be determined by an architect, structural engineer, or the building official that there are no structural issues with the property. A property owner who uses the \$2,500 matching grant must wait five years to receive another \$2,500 matching grant. The property owner may apply during the five years for the larger grant, however, the \$2,500 will be subtracted from the maximum grant award and an easement agreement will be required. The \$2,500 grant is not subject to the requirement for a permanent easement.

**C. PROJECT PHASING:** Projects may be phased, subject to the development of a total plan, in which case the grant funds will pay for that part of the work that is completed and the grant will be aggregated into the single grant. Aggregated projects may not exceed five years from start to finish and are subject to the maximum grant. Grants for phased projects that exceed \$2,500 shall be subject to a permanent façade easement to the City of Albert Lea.

**D. FEES AND TAXES:** Grantees are responsible for any of their legal fees associated with making the Broadway Ridge Grant. Taxes and assessment must be current on the property and are not eligible for payment from Grant funds.

## **SECTION 10: PROCEDURE FOR GRANT APPLICATION**

- A. Interested owners/businesses shall set a meeting with City Manager's Office or Planning & Development staff to review the potential project, discuss eligibility, and review the application process, Heritage Preservation Commission Guidelines, and the grant policies.
- B. Grant applications will be received and reviewed on a first come basis. Prior to receiving approval on the grant, your project must be approved by the HPC through a Certificate of Appropriateness. The HPC has a regular monthly scheduled meeting on the 2nd Tuesday of the month and meets a minimum of 4 times per year. Applications shall be submitted to the City Manager's Office, 221 E. Clark St., Albert Lea, MN.
- C. The property owner or business owner, with the owner's approval, may obtain the Grant application from the City Manager's Office at 221 E. Clark Street, Albert Lea, Minnesota.
- D. Please provide the following documentation and take the following action:
  - 1. Prepare the application along with current and historic photos, and design plans illustrating the proposed work.
  - 2. A set of improvement plans and itemized estimate of listed improvement components based on a minimum of two contractor's detailed written quotes for the project. For large project over \$2,500 these plans and estimates must be prepared by a registered architect.
  - 3. Explain or illustrate how all exterior code violations will be remedied as part of the project.
  - 4. The Grant application shall be signed by the owner of record.
  - 5. Prepare financial information as to the source of private funds to match the grant and complete the project. The owner is required to pay contractors in full and Grant funds will reimburse paid contractor invoices up to 50% of the invoice, however, the total payments shall not exceed the grant amount established in the Construction Award/Grant Agreement. The owner shall show the source of funds for full payment of the contractor.
  - 6. Submit the application for Certificate of Appropriateness to the Buildings and Inspections Department and the grant application to the City Manager's Office. A review will be scheduled with the Heritage Preservation Commission (HPC) and Building Inspection staff. You will have an opportunity to discuss the project. An on-site visit may be requested.
  - 7. Receive a Certificate of Appropriateness from the Heritage Preservation Commission.
  - 8. Execute the Construction Award/Grant Agreement including the Easement Agreement prior to the start of any improvements for which Grant assistance is to be provided. The Grant assistance represents a public value from the project and requires the property owner to execute a façade easement on the exterior of the

building to the city of Albert Lea that preserves and protects the approved design of the project building. The Easement Agreement shall be recorded at the Freeborn County Recorder's office and remain on the property until amended or released by the Albert Lea City Council.

9. Submit project Grant Payment requisitions or paid contractor invoices, as required in the Construction Award/Grant Agreement, to the City Manager's Office. The improvements will be inspected by the City Building Official for approval of the completed work. Partial requisitions and payments will be permitted.

#### **SECTION 11: EASEMENT BUY-OUT.**

- A. If the owner chooses to terminate the Easement Agreement the owner may "buy-out" the agreement with interest.
- B. The minimum term of an Easement Agreement shall be 25 years. If the Easement Agreement is terminated prior to the 25<sup>th</sup> year the owner shall pay one-twenty-fifth of the grant value for each remaining year with interest. If the Easement Agreement is terminated prior to the 10<sup>th</sup> year the grant shall be repaid in full with interest. The interest rate will be established in the Easement Agreement.

#### **SECTION 12: PAYMENT IN LIEU OF TAXES OR MINIMUM ASSESSMENT**

- A. The grant supporting the building improvements represents a value increase in the building that may not be fully reflected in the property taxes. Non-profits may not be required to pay property taxes. The Grant Agreement will include a provision for non-profits to make a payment in lieu of taxes.

For Questions, contact Wendy Flugum City Manager's Office [wflugum@ci.albertlea.mn.us](mailto:wflugum@ci.albertlea.mn.us), 507.377.4330