BUILDING IMPROVEMENT
INCENTIVES

MAIN STREET SOLUTION CENTER

ABOUT THE SOLUTION CENTER

The Main Street Solution Center is a free access portal to resources for communities and organizations working to revitalize and strengthen their local economies. The Solution Center's curated resources are designed to help guide and inspire local leaders and advocates as they navigate the complexities of downtown and neighborhood business district revitalization and economic growth.

ABOUT THE PARTNERSHIP

This Main Street Solution Center publication was underwritten by Michigan Main Street and Main Street Iowa. Their generous support demonstrates a shared vision and ongoing commitment to freely share knowledge, experience, tools, and best practices to fuel revitalization and economic growth in their own communities, and in locales spanning the nation.

ABOUT THE CREATORS

Leigh Young, AICP is Senior Main Street Specialist with Michigan Main Street and a driving force behind the creation of the Main Street Solution Center. Her deep passion for planning, placemaking, community engagement, and sustainable urban development is evident in her work to advance the cause for revitalization and economic development in downtown and neighborhood business districts across Michigan.

Jay Schlinsog, CMSM is the owner of Downtown Professionals Network (DPN), a Franklin, TN-based firm specializing in innovative, market-driven downtown and business district revitalization and economic development solutions. He brings more than thirty years of experience gained while serving as chief executive with chamber and district management organizations, and through his work with communities and organizations across the United States.

Ben Muldrow is a partner at Arnett Muldrow & Associates, a consultancy renowned for its creative approach to economic development, branding, and marketing strategies for small towns and cities across the nation. He brings an innovative mindset and a deep understanding of the unique dynamics of community branding to each engagement, blending traditional community values with modern marketing techniques to help communities and districts unlock their potential.

A GUIDE FOR BUILDING IMPROVEMENT INCENTIVES

What is a façade or building improvement incentive improvement program?

Most façade and building improvement incentive programs offer a financial incentive to inspire private property owners to restore or upgrade their buildings.

Façade improvement programs and incentives focus on the visible, corridor-facing components of their properties. The desire to improve property aesthetics often is a final recommendation of a planning and outreach process, which may include a visual preference survey or other feedback tools. Conducting outreach to residents and businesses during the early program planning stages is crucial. There are numerous options of visual preference styles that will improve aesthetics, create unified character, and drive visitation and business through curb appeal. However, the visual style ultimately selected should always maintain historical context and appropriateness with the downtown or district. These programs have had success in multiple environments.

The restoration of building facades (masonry, tuck- pointing, etc.) is a common program activity. Other common applications include painting or replacing windows, signs, awnings, canopies, lighting, and other exterior elements. Typically, assistance is awarded in the form of technical assistance, grants, rebates or reimbursements, or low- or no- interest loans.

Building improvement programs and incentives often resemble façade programs in terms of approach and structure, but may include support and financial incentives for structural and interior renovations. Examples of eligible activities include the installation of sprinkler systems, repairs to roofs, floors and ceilings, improvements to "white box" and create move-in ready spaces, and the introduction of demising walls to create micro retail spaces.

Both approaches incentivize property owners to make improvements and support efforts to retain or attract quality tenants, making façade and building improvement incentives valuable business and economic development tools.

Façade and building improvement incentives can play a significant role in preserving and revitalizing downtown and neighborhood commercial districts. Here's a step-by-step guide to help get you started.

1. Program Development

Define Objectives: Clearly outline the goals of the incentive program, such as preserving historic character, improving visual appeal, or retaining or attracting more businesses.

Budget Planning: Determine the total budget for the program, considering sources of funding such as government and foundation grants, revolving loan funds, and partnerships with local historic preservation and economic development organizations.

Eligibility Criteria: Establish who can apply (e.g., property owners, tenants with owner consent), which types of properties are eligible (e.g., commercial, mixed-use), and specific requirements (e.g., historic significance, location within the district, economic impact).

Incentive Details: Decide on the structure of the incentive grant or loan structure, such as the maximum amount available per project, match requirements (e.g., 50/50 match), eligible expenses (e.g., exterior painting, signage, tenant buildout), and application deadlines.

2. Program Guidelines and Application

Develop Guidelines: Create comprehensive guidelines detailing the application process, eligibility criteria, eligible and ineligible expenses, selection criteria, and obligations of recipients.

Application Form: Design an application form that collects necessary information, including project descriptions, budget estimates, proposed design plans, and historical significance, if applicable.

Review Process: Outline the process for reviewing applications, including the formation of a review committee, evaluation criteria, and timelines for decision-making.

3. Outreach and Promotion

Marketing Strategy: Develop a strategy to promote the incentive program to potential applicants, using tools such as brochures, social media, local media, workshops, and direct outreach to property owners.

Information Sessions: Host information sessions to explain the program details and application process, and to answer questions from interested parties.

4. Application Review and Selection

Review Applications: Create a review committee to evaluate applications based on established criteria, considering factors such as impact on district revitalization, adherence to historic preservation standards, and overall project feasibility.

Selection and Notification: Select recipients based on the committee's recommendations and notify all applicants of decisions.

5. Implementation and Monitoring

Agreement and Disbursement: Execute agreements with selected recipients outlining the terms of the award, including project timelines, reporting requirements, and disbursement schedules.

Project Implementation: Monitor the progress of funded projects, providing assistance as needed and ensuring that work complies with the agreed-upon plans and timelines.

Completion and Reporting: Upon project completion, review final reports, including before-and-after photographs, financial documentation, and any required narrative reports. Arrange for site visits to verify project completion.

6. Evaluation and Adaptation

Program Evaluation: Upon completion of projects, evaluate the program's impact on the district, considering factors such as improved aesthetic appeal, increased foot traffic, enhanced property values, changes in occupancy and business activity, and the dollar amount of investments leveraged.

Adaptation: Use feedback from participants and observations from the program's implementation to adjust and improve the effectiveness of future program iterations.

Organizing a façade or building incentive program requires careful planning, clear communication, and ongoing management. The payoff, however, can be significant and can catalyze the preservation and revitalization of a historic downtown or neighborhood commercial district.

What could it include?

What could it exclude?

The administering organization must determine what is "eligible" and "ineligible." Examples of activities, work items, and improvements typically designated either eligible or ineligible include:

Typically Eligible

· Actual construction costs

· Application fees

· Architectural or engineering services

· Removal of inappropriate features

· Restoration of missing or altered features

· Replacement of private sidewalks when it improves pedestrian circulation

· Landscape improvements/restoration

· Parking lot improvements, especially where improvements lead to better compliance with local codes and improve safety and access

· Screening of service areas such as utilities and trash containers

· Installation/restoration of architectural features

· Installation of traditional awnings

· Masonry restoration or repair

· Painting, in conjunction with other restoration or rehabilitation

· Maintenance and preservation of historic signs

· Construction of accessibility improvements to the exterior

Typically Ineligible

· Building permit fees (exceptions: could be eligible, wholly or in part, if using a rebate structure, or could be waived by the local jurisdiction as an additional program benefit)

· Extermination of insects, rodents, etc.

· Title reports and legal fees

· Repair or installation of elevators *

· Interior improvements to the floor or ceiling *

· Plumbing and electrical equipment *

· Sprinkler systems *

· Mechanical equipment *
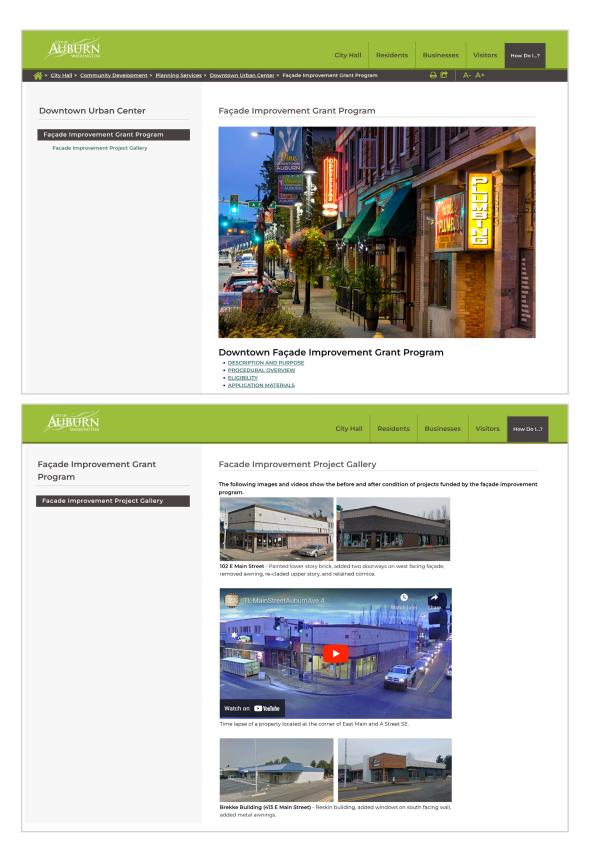
· Flat roofs or other work not visible from public space *

· Working capital

· Painting masonry that was not previously painted

· Refinancing existing debt

· Sweat equity

· Acquisition of land and/or buildings

*   Building incentive programs and other business development incentives promoting interior improvements would likely designate these items as "eligible."

The City of Auburn (WA) website includes links to view or download [Downtown Façade Improvement Grant Program](#) information and application materials, and a project gallery highlighting impacts.

The Owosso, MI Revolving Loan Fund (RLF) and Grant Program makes low interest loans and grants available for interior renovations and upgrades to, for example, help activate vacant space, support small business development, and encourage upper-level residential uses. See the RLF & Grant Program Rationale Worksheet on the following page, and visit the Owosso Main Street website to view and download current program information and application materials.

OWOSSO MAIN STREET

city of Owosso
M·I·C·H·I·G·A·N

Revolving Loan Fund

Check out this new funding opportunity offered by Owosso Main Street/DDA and the City of Owosso. Our goal is to help support future development and redevelopment throughout our city.

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New Local Funding Source!

What is it?

The Owosso Revolving Loan Fund is a newly updated loan and grant program offered by Owosso Main Street/DDA and the City of Owosso. If you are a commercial property owner in the City of Owosso and are interested in redeveloping your buidling, please contact us for more information.

How Can It Help?

✔ Low Interest loans for redevelopment
✔ Fire Suppression Grants
✔ Elevator Installation Grants
✔ Achitectural Service Grants
✔ First Floor Build-out
✔ For more information contact us today!

Activate Vacant Space!

Small Business Development!

Upper-Level Residential Development!

MSSC

CITY OF OWOSSO, MICHIGAN
OWOSSO MAIN STREET/DDA (OMS)
REVOLVING LOAN FUND (RLF) & GRANT PROGRAM
RATIONALE WORKSHEET

301 W Main Street, Owosso, MI | 989.413.3344 | downtownowosso@gmail.com | www.downtownowosso.org

*APPLICATION MUST SCORE **30** OR MORE POINTS TO BE CONSIDERED ELIGIBLE FOR A LOAN.*

APPLICANT NAME:_____ DATE REVIEWED:_____

PROJECT ADDRESS:_____

PROJECT SCOPE OF WORK: _____

_____

Rationale Worksheet			
Criteria	**Score Range**	**Score**	**Explanation/Feedback:**
Will proposed loan or grant dollars be used to leverage additional State/Federal Programs?	0-15		
Does the project help fulfill OMS Transformation Strategy?	0-10		
Is the project supported by a relevant business plan?	0-10		
a) Does the project activate currently vacant or underutilized property within the district? OR b) Is the project an existing business expanding their product/services based on customer demand/feedback or new innovative items/new technologies.	0-10		
Does the project have a well-articulated path to completion?	0-10		
Does the project provide the best use/business type for the district?	0-10		
Does the project have formal plans, site renderings, and/or cost estimates?	0-5		
Does the project have adequate matching funds?	0-5		
TOTAL=			