

YPSILANTI DDA BUILDING REHABILITATION PROGRAM

Application Checklist

Please provide information for the following items. Refer to Application Packet for description of requested materials.

1. Applicant Information _____
2. Project Information _____
3. Project Description _____
4. Mortgage Information _____
5. Building Information _____
6. Signed Application Form _____
7. Signed Mortgage Note _____
8. Other Required Documentation
 - A. Property deed with legal description _____
 - B. Proof that all property taxes are paid and current _____
 - C. Proof of property and liability insurance _____
 - D. Copies of any leases associated with property _____
 - E. Two contractor quotes for total façade project _____
 - F. Photographs of proposed project site _____
9. Attachment Two _____
10. Attachment Three _____
11. Attachment Four _____
12. Attachment Five _____
13. Building Rehabilitation Agreement _____

YPSILANTI DDA BUILDING REHABILITATION PROGRAM

PURPOSE

As a fundamental goal of the Ypsilanti Downtown Development Authority (YDDA), the YDDA has determined that it is in the best interest of the public to halt property value deterioration, to eliminate that deterioration, and to promote economic growth and vitality within the Downtown Districts. In response to this stated objective, the YDDA has created the Building Rehabilitation program to rehabilitate and reuse older buildings in the Downtown Districts. The program is focused on providing financial assistance for upgrading older buildings to meet modern building code and accessibility requirements as well as to create consistency in design, materials and architectural character thereby enhancing the physical appearance of the Downtown. The buildings, once rehabilitated, must make a positive contribution to the overall character and architectural integrity of Downtown Ypsilanti. A successful rehab program will also leverage additional private capital results in continued growth and development within the borders of the DDA.

ELIGIBILITY

A property must be located within the one of the YDDA districts to be eligible. The program is open to both property owners and tenants; however, the owner must sign the Building Rehabilitation Agreement if the applicant is a tenant. Applicants will be required to complete an application packet provided by the YDDA. The following eligibility criteria also apply:

For Building Rehabilitation Grants:

1. Projects should include exterior façade improvements as part of the total project scope, or verify that appropriate façade improvements will be undertaken within the time period prescribed by the YDDA.
 2. Projects must maintain or create first floor retail, commercial or professional uses to be eligible for program funding.
 3. Program funds can be utilized for interior renovation and construction costs, with an emphasis on barrier free design requirements and/or state and local fire and safety codes.
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1. The building must meet a basic condition test, which indicates that the property appears to be structurally sound, the roof intact and meets basic public safety codes.
 2. The YDDA Economic Restructuring & Design Committee must approve the proposed improvements.
 3. Awnings and signs may be eligible expenses under program guidelines, as long as they are part of a comprehensive building rehabilitation project.
 4. Only facades abutting public rights-of-way are eligible for assistance. Highly visible rear facades will be considered.

5. Building owners and tenants are eligible for the grant program. If a tenant applies for assistance, they must provide written proof that the building owner has authorized proposed improvements and evidence of an executed lease for a term equal to the Façade Improvement Agreement.
6. All improvements first must acquire Historic District Commission (HDC) approval in order to ensure that all modifications are in accordance with HDC guidelines.

Additional Grant Requirements:

1. Applicant must provide proof that all property taxes are current and that the subject property is properly insured.
2. Applicant must provide detailed project financing and cost information and provide proof of available project funding in the form of bank/loan commitment letter(s) or personal equity.
3. Annual program funding will be limited, with projects awarded as funds are available. The YDDA will make final determinations on individual project eligibility and can reject any application based upon required insufficient program funds.
4. At least two licensed contractor quotes must be submitted, however, the applicant will not necessarily be required to accept the low bidder.
5. A minimum of 5% owner cash equity (of total project costs) will be required for all projects utilizing bank or other public financing.
6. All required municipal or government permits must be obtained prior to construction starting up.
7. Funds will be provided on a draw basis upon completion of work. Executed contracts and/or contractor invoices and proof that all required licenses, permits, and inspections have been received must be presented prior to disbursement of program funds.
8. Construction must commence within 90 days of approval for funding, verified by an award letter from the YDDA, and be completed within 120 days after construction start date as verified by the YDDA. Requests for time extensions must be submitted in writing and will only be approved upon the express written consent of the YDDA.
9. Applicant must agree to abide by the items outlined in Attachment Two: Cooperation Agreement.

INELIGIBLE USES OF PROGRAM FUNDS

Program funds cannot be utilized for any of the following uses:

1. Refinancing or paying off existing debt

2. Property acquisition
3. Site plan, building or sign permit fees
4. Property appraisal costs, legal fees, or loan origination fees
5. Labor costs paid to the owner/applicant or relatives of owner/applicant
6. Building Demolition
7. Environmental consulting, testing, or actual abatement/clean-up costs
8. Purchase or upgrade of equipment.

PROGRAM REQUIREMENTS

Applicants will be required to complete an application packet provided by the YDDA. Applications may be obtained at the offices of the YDDA or by calling 734-482-1410. In addition to all required forms, architectural renderings and/or project descriptions must be presented in sufficient detail to demonstrate the exact scope of work. The following items will also be required as a part of the review/approval process:

1. A valid mortgage on the subject property and/or personal guarantee will be required as collateral.
2. Building Rehabilitation Program funding cannot exceed 50% of total project costs, or \$30,000, whichever is less.
3. Construction must commence within 90 days of approval for funding, verified by an award letter from the YDDA, and the Project must be completed within 120 days after the construction start date as verified by the YDDA. Requests for time extensions must be submitted in writing and will only be approved upon the expressed written consent of the YDDA.
4. After completion of the Project, and for a period of five (5) years thereafter, the Developer, its successors and assignees, agree not to modify or alter the façade of the building without the express written permission of the DDA.
5. Any façade alterations first must be reviewed by the Historic District Commission in order to ensure compliance with HDC guidelines.

FINANCING GUIDELINES

Applicants must demonstrate proof of available project funding, whether owner equity or private financing.

Program financing will be in the form of a reimbursement to the property owner/applicant. The reimbursement will be disbursed on a draw basis, under the terms and conditions specified in the Development Agreement.

APPLICATION & SELECTION PROCESS

YDDA staff will work closely with property owners and tenants to market the program and determine initial eligibility under program guidelines. Once the initial scope of work has been determined, staff will present the project to the YDDA Economic Restructuring & Design Committee. This committee will meet as needed to provide input, make suggestions to scope of work and approve or deny individual projects. Upon preliminary approval by committee, the project will be submitted to YDDA Board of Directors for final approval. Upon approval of the YDDA Board of Directors at a regularly scheduled monthly meeting, an Agreement will be executed and the project can proceed.

Selection Criteria

1. Buildings with first floor retail uses or projects, which will result in new commercial occupancy, will receive funding priority.
2. Projects, which will result in the creation or rehabilitation of upper story residential units or loft apartments, will also be considered.
3. Additional criteria that address the economic impacts of the proposed improvement and the overall program goals are included in Attachment Three and Four of this packet.
4. Attachment Five of this packet addresses General Design Guidelines that will govern the evaluation taken by Project Review Committee of proposed improvements.

SOURCE OF PROGRAM FUNDING

The YDDA and Washtenaw County Economic Development & Energy provide all funding for this program.

RIGHTS RESERVED

The YDDA reserves the right to reject any and all applications up to the limit of closing. The specific program guidelines herein are subject to revision or amendment by the YDDA Board of Directors. The YDDA may discontinue this program at any time, subject to the availability of program funding.

DEFAULT AND REMEDY

To access program funds, applicants must demonstrate a bona fide commitment to implement building improvements and must certify that construction will commence within 90 days of funding approval, verified by an YDDA award letter, and that the Project will be completed within 120 days of the start of construction as verified by the YDDA. The applicant will be in default if rehabilitation is not undertaken within the specific time period.

In the event of default all program funds applied to the project shall become due and payable, plus collection costs and reasonable attorney fees, if applicable. One or more of the following events shall constitute default:

1. The Owner/Applicant fails to pay, when due, any real estate taxes or special assessments on the subject property.
2. The Owner/Applicant expends program funds for uses other than approved project costs as represented in the original application.

3. If, during a period of five (5) years following the completion of the project, the Owner/Applicant transfers ownership or interest in subject property to another party, unless, such transfer secures the prior written approval of the YDDA.
4. Borrower defaults on private bank loan or other public financing made in conjunction with the DDA Building Rehabilitation Program.
5. After completion of the Project, and for a period of five (5) years thereafter, the Developer, its successors and assigns, agree not to modify or alter the façade of the building without the express written permission of the YDDA.

**YPSILANTI DDA
BUILDING REHABILITATION PROGRAM**

Application Form

1. Applicant Information

NAME: _____

BUSINESS ADDRESS: _____

HOME ADDRESS: _____

BUSINESS PHONE: _____ HOME PHONE: _____

FAX: _____ EMAIL: _____

2. Project Information

BUILDING LOCATION: _____

BUSINESS (ES) LOCATED IN BUILDING: _____

BUILDING AGE: _____

BUILDING ZONED AS: _____ BUILDING SEV: _____

OWNER OF RECORD: _____

IF LEASED: Lease Expires _____ Renewal Term _____

3. Project Description

Describe in detail the proposed scope of work including design firm selected if applicable. 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: _____

5. **Building Information**

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

Uses of the building after completion of the Rehabilitation 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 property and liability insurance
- d. Signed mortgage note
- e. Copies of any leases associated with property
- f. Project budget
- g. Two (2)-contractor quotes/construction bids for total project
- h. 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 YDDA Building Rehabilitation 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 YDDA.

The applicant further certifies that he/she has read and understands the YDDA Building Improvement Program Guidelines. If a determination is made by YDDA staff that program funds have not been used for eligible program activities, the Applicant agrees that the proceeds shall be returned, in full, to the YDDA 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 YDDA funding commitments are contingent upon the availability of program funds.

The applicant understands that Construction must commence within 90 days of approval for funding, verified by a YDDA award letter, and be completed within 120 days after construction start date, as verified by the YDDA. Requests for time extensions must be submitted in writing and will only be approved upon the express written consent of the YDDA.

Signed this ____ day of _____, 20 ____

By: _____

ATTACHMENT TWO

General Design Guidelines

1. Changes to the façade of the buildings will not remove, alter, damage or cover up significant architectural features of the building which are original or which reflect a major alteration that is itself architecturally coherent, or which help create a unified and attractive appearance to the building.
2. Changes to the façade of buildings will either; 1) partially or fully restore to the appearance of the building based on actual evidence, including photographs, written documentation, data on the building or site or other data, or 2) represent a modern treatment which blends into and is compatible with the building and adjoining buildings.
3. In general, the Economic Restructuring Committee will encourage repair and preservation of existing features of facades, unless alterations to these facades have resulted in an incoherent, unattractive or inharmonious appearance. While encouraging correction of such alterations, the committee will advocate minimal alterations of harmonious features.
4. For facades which have previously been substantially altered and for which a modern treatment is chosen, such a treatment will conform with the features, materials, rhythms, color and general appearance of the building and those adjoining, particularly if the building is one in a row of buildings with identical or similar design features.
5. Paint colors will either be based on original colors obtained from paint samples on the buildings, or be compatible with adjoining buildings and colors on W. Cross Street. Trim colors, which highlight building details, will be encouraged. Spectacular colors will be avoided.
6. The size, color and shape of a sign should complement the building and add to the historic flavor of the area.
7. The surface cleaning of the structures will be undertaken with the gentlest of means possible. Cleaning methods that damage the historic building materials, particularly sandblasting, shall not be undertaken.
8. Any alterations to a building's façade first must obtain consent by the Historic District Commission to ensure that all alterations follow HDC guidelines.

I/We certify that I/We have read and understand the above design guidelines.

Applicant

Date

ATTACHMENT THREE

Cooperation Agreement for Building Rehabilitation Program

If the project for which this application is submitted is approved for funding by the Board of Directors of the YDDA, the applicant shall cooperate with the YDDA in furtherance of its fundamental goal of halting property value deterioration, eliminating that deterioration, and promoting economic growth and vitality within the Downtown Development Area by:

- Participating in YDDA sponsored tours of Downtown
- Working with the YDDA on business development programs.
- Committing where possible to uniform store hours
- Participating in downtown promotion
- Design review for any changes to the facade

Applicant

Date

ATTACHMENT FOUR

Additional Criteria

Please use this sheet to answer the following attach additional sheets as necessary:

1. Project Start Date: Completion Date:

2. Economic Impact:

A. Projected Real Property Tax Increase:

B. Projected Personal Property Tax Increase:

C. Temporary (construction) Jobs Created:

D. Permanent Jobs Created:

Applicant

Date

ATTACHMENT FIVE

Grant Criteria: Building Rehabilitation Program

Applications for funding under the YDDA's Building Rehabilitation Programs will be evaluated using the following criteria. These criteria ensure that each project that is approved contributes to the continuing revitalization to the YDDA Development Area, as well, as contributing to the wise use of monies allocated for such goals.

1. Specifications, Bids (2) and Cost Analysis: Is the DDA receiving value for the monies requested?
2. Overall Project Impacts: How will the DDA district benefit?
3. Needs Assessment: Are there special factors that should be considered in evaluation of this project?
4. Timetable of Project: Does the project demonstrate a willingness to complete the proposed improvements in a timely manner?
5. Economic Impact: Does the proposed project demonstrate positive economic impacts in any of the following areas?
 - a. Projected property and personal tax increases
 - b. Job creation: construction and permanent

Applicant

Date

BUILDING REHABILITATION
AGREEMENT (_____Project)

This Building Rehabilitation Agreement (the "Agreement") is made as of _____, 2010, between the YPSILANTI DOWNTOWN DEVELOPMENT AUTHORITY, a Michigan p

PREMISES

WHEREAS, the YDDA was created pursuant to the Downtown Development Authority Act, Act 197 of the Public Acts of 1975, as amended (the "Act") in 1982 by Ordinance adopted by the City of Ypsilanti; and

WHEREAS, the Act recognizes as essential public purposes the halting of property value deterioration and the promotion of economic growth; and

WHEREAS, the Act has expressly provided the YDDA with the power and authority to implement programs and otherwise engage in activity that has the objective of accomplishing the foresaid purposes within the YDDA development area; and

WHEREAS, pursuant to the power and authority granted to the YDDA by said Act it has established the Building Rehabilitation Program (the "Program") as an incentive for property owners/tenants to improve commercial buildings located within the Development Area and thereby halt property value deterioration and promote economic growth; and

WHEREAS, the Program is intended to create consistency in design, materials, and architectural character, thereby enhancing the physical appearance of downtown Ypsilanti; and

WHEREAS, the Developer owns/leases property located in the Development Area as described in Exhibit A (the "Site") and desires to make façade improvements at the Site (the "Project"), the design, description and estimated costs of which are set forth in Exhibit B; and

WHEREAS, the YDDA has approved the Developer's application to participate in the Program and undertake the Project; and

WHEREAS, the YDDA has further agreed to reimburse the Developer up to fifty percent (50%) of the total cost of the Project, but not to exceed Forty Five Thousand Dollars (\$45,000.00) pursuant to the terms of the Program and this Agreement.

In consideration of the foregoing premises and the mutual covenants contained in this Agreement, the Developer and the YDDA hereby covenant and agree as follows:

ARTICLE I

COVENANTS OF THE DEVELOPER

Construction. The Developer shall construct and complete the Project in an expeditious and workmanlike manner pursuant to and in accordance with Exhibit C. Developer shall commence construction within 90 days from the date of this Agreement and Developer shall complete the Project within 120 days of the start of construction.

Payment of Taxes. The Developer agrees to pay, or cause to be paid, all real property, personal property and other taxes due and owing with respect to the Site, as and when the same become due. Developer recognizes and agrees that the failure by Developer to pay these taxes, or cause them to be paid, is an event of default and a breach of this Agreement.

Priority Obligations. The Developer understands and agrees that the order of priority of payments from YDDA is as follows:

- a. The annual operating expenses of the YDDA;
- b. Obligations of the YDDA for prior projects; and
- c. Payments due Developer under this Agreement.

Indemnification of YDDA and its Agents.

a. The Developer shall indemnify and hold the YDDA and its members, officers, agents and employees (the "Indemnified Persons") harmless from any loss, expense (including reasonable attorney fees and expenses), or liability of any nature due to any and all suits, actions, legal or administrative proceedings, or claims against the Indemnified Persons by reason of the reimbursement for the cost of the Project, if made by third parties alleging personal injuries suffered by them while on the Site arising or resulting from, or in any way connected with, the Project. If any suit, action or proceeding is brought against any Indemnified Person, that action or proceeding shall be defended by counsel to the Developer.

b. The Developer shall not be obligated to indemnify and reimburse any Indemnified Person under subsection (a) if a court of competent jurisdiction finds that the liability in question was caused by willful misconduct or gross negligence of the involved Indemnified Person, unless the court determines that, despite the adjudication of liability, but in view of all circumstances of the case, the Indemnified Person(s) is (are) fairly and reasonably entitled to indemnity for the expenses which the court considers proper.

c. The Developer shall also indemnify and reimburse the YDDA for all reasonable costs and expenses, including reasonable attorney fees and expenses incurred in:

- (i) enforcing any obligation of the Developer under this Agreement or any related agreement,
- (ii) taking any action requested by the Developer, or
- (iii) taking any action considered necessary by the YDDA and which is authorized by this Agreement.

d. The obligations of the Developer under this section shall survive any assignment of this Agreement, unless the YDDA otherwise expressly and specifically agrees in writing.

Agreement not to Change Façade Without Consent of YDDA. After completion of the Project, and for a period of five (5) years thereafter, the Developer, its successors and assigns, agree not to modify or alter the façade of the building without the express written permission of the YDDA. All permitted modifications to the façade shall be consistent with the guidelines established for the Program. This restriction may be enforced either by an action at law, or by an injunction or other equitable proceeding. If requested, the Developer agrees to execute an easement in the building in favor of the YDDA, for the purposes set forth herein, which easement shall be perpetual, and run with the land.

ARTICLE II

COVENANTS OF THE

YDDA

Payments to Developer; Conditions Precedent. Provided that (i) there shall be no event of default or breach of any of the covenants and agreements of the Developer under the terms of this Agreement, (ii) no construction liens shall have been filed against the Site, (iii) Developer shall have provided the YDDA with such sworn statements, waivers of lien, affidavits, other documents, paid receipts and other proof of payment from Developer and from any general contractor, subcontractors, suppliers and laborers as shall be required by the YDDA, (iv) the Project shall have been constructed to the date of Developer's request for reimbursement in a manner satisfactory to the YDDA and in accordance with the approved application under the Program and pursuant to Exhibit C, and (v) the amount of the requested reimbursement plus all previous reimbursements to the Developer from the YDDA for the Project shall not exceed Forty Five Thousand Dollars (\$45,000.00), the YDDA shall disburse to the Developer a check in the amount of fifty percent (50%) of the costs of the Project made to the date of the request for reimbursement.

Additional Indebtedness. This Agreement shall not prevent the City or the YDDA from issuing any bonds, notes or other evidences of indebtedness secured by or payable from the tax increments collected from the Development Area which have a priority over the obligations of the YDDA to the Developer under this Agreement.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Representations and Warranties of the Developer.

- a. The Developer (i) is duly organized and validly existing as a _____ in good standing under the laws of the State of Michigan with power under the laws of such state to carry on its business as now being conducted, (ii) is duly qualified to do business in the State of Michigan, and (iii) has the power and the authority to own or lease the Site and the Project.
- b. There is no violation or default by the Developer under any indenture, contract, mortgage, lien, agreement, lease, loan agreement, note, order, judgment, decree or other instrument of any kind or character to which it is a party and by which it is bound, or to which it or any of its assets are subject, wherein a default or violation would materially and adversely affect any of the transactions contemplated by, or the validity of, this Agreement. Compliance with the terms, conditions and provisions of this Agreement does not conflict with, and will not result in or constitute a breach of, or default under, any of the foregoing.

Representations and Warranties of the YDDA.

- a. The YDDA is a public body corporate, duly existing and validly created pursuant to the Act. The YDDA has taken all actions necessary to authorize the execution and delivery of this Agreement.
- b. There is no action, suit, proceeding or investigation before any court, public board or body pending to which the YDDA is a party, or to the best knowledge of the YDDA threatened against the YDDA, contesting the establishment of the YDDA or the validity or binding effect of this Agreement.

ARTICLE IV

DEFAULT

Event of Default. An Event of Default shall consist of any misrepresentation or failure to comply with the terms and provisions hereof by either party. In addition, an Event of Default shall include any misrepresentation made in the application by Developer.

Remedies. Upon the happening of an Event of Default, the non-defaulting party shall be entitled to seek all remedies available at law or in equity. In the event of suit, the prevailing party shall be entitled to recover its costs and attorney fees.

ARTICLE V

MISCELLANEOUS

Assignment of this Agreement. No party to this Agreement may transfer, assign or delegate to any other person or entity all or any part of its rights or obligations arising under this Agreement without the prior written consent of all other parties hereto. Consent may be given or withheld in the sole and absolute discretion of the party from whom consent is sought. The obligations of the Developer under this Agreement shall survive any assignment, unless the DDA otherwise specifically and expressly agrees in writing.

Notices. All written notices, certificates or communications required by this Agreement to be given shall be sufficiently given and shall be deemed delivered when personally served or when mailed by registered or certified mail, postage prepaid, return receipt requested, addressed to the respective parties at the last known address of the receiving party.

Amendment. No amendment or modification to or of this Agreement shall be binding upon any party hereto until such amendment or modification is reduced to writing and executed by all parties hereto.

Entire Agreement. This Agreement contains all agreements between the parties. There are no other representations, warranties, promises, agreements or understandings, oral, written or implied, among the parties, except to the extent reference is made thereto in this Agreement.

Binding Effect. This Agreement shall be binding upon the parties hereto and upon their respective successors and assigns.

Severability. If any clause, provision or section of this Agreement shall be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision or section shall not affect the validity of any of the remaining clauses, provisions or sections of this Agreement.

Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute the same instrument.

Captions. The captions and headings in this Agreement are for convenience only and in no way limit, define or describe the scope or intent of any provision of this Agreement.

Applicable Law. This Agreement shall be governed in all respects, whether as to validity, construction, performance and otherwise, by the laws of the State of Michigan.

Mutual Cooperation. Each party to this Agreement shall:

- (a) take all actions required of it by the terms of this Agreement as

expeditiously as possible;

(b) cooperate, to the fullest extent possible, with the other party to this Agreement and with any individual, entity or governmental agency involved in or with jurisdiction over the engineering, design, construction or operation of the Project, or any other improvements which are undertaken in connection with the foregoing, in the granting and obtaining of all easements, rights of way, permits, licenses, approvals and any other permissions necessary for the construction or operation thereof.

(c) execute and deliver all documents necessary to accomplish the purposes and intent of this Agreement, including, but not limited to, such documents or agreements as may be required by the Developer's lenders with respect to the Project to secure the Developer's financing from such lenders;

(d) use its best efforts to assist the other party to this Agreement in the discharge of their respective obligations hereunder; and

(e) use its best efforts and cooperate with the other party to assure that all conditions precedent to the completion of the Project is timely satisfied.

Permits and Approvals. The Developer shall be responsible for obtaining, at its sole cost and expense, all easements, rights-of-way, licenses, permits, approvals and any other permission necessary for the construction of the Project.

Force Majeure. No party hereto shall be liable for the failure to perform its obligations hereunder if such failure is due to unforeseeable events beyond the party's reasonable control and without such party's fault or negligence, including, but not limited to, acts of God, acts of the public enemy, acts of the federal government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes and embargoes, and delays of contractors due to such causes. Said failure to perform shall be excused only for the period during which the event giving rise to said failure to perform exists; provided, however, that the party seeking relief from its obligations under this Section 512 shall notify the other parties in writing, setting forth the event giving rise to such failure to perform, within ten (10) days following the occurrence of such event.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

YPSILANTI DOWNTOWN
DEVELOPMENT AUTHORITY

By:

Its:

DEVELOPER:

By _____

Its:

List of Exhibits

Exhibit A – The Project Site

Exhibit B – Design, Description and Cost of Project

Frequently asked Questions Regarding the Building Rehabilitation Grant

Q. Who is Eligible for the program?

A. Any property must be located within the one of the YDDA districts to be eligible. The program is open to both property owners and tenants; however, the owner must sign the Building Rehabilitation Agreement if the applicant is a tenant. Applicants will be required to complete an application packet provided by the YDDA.

The Following eligibility requirements also apply:

1. Projects should include exterior façade improvements as part of the total project scope, or verify that appropriate façade improvements will be undertaken within the time period prescribed by the YDDA.
2. Projects must maintain or create first floor retail, commercial or professional uses to be eligible for program funding.
3. Program funds can be utilized for interior renovation and construction costs, with an emphasis on barrier free design requirements and/or state and local fire and safety codes.

Q. When is the Building Rehabilitation Program's application available?

A. The applications will be available as early as March in order to enable to provide applicants ample time to complete their projects during the warmer months.

Q. How can you obtain a Building Rehabilitation Program Application?

A. Applications are available on the YDDA website or at the YDDA office located at 32 N. Washington Ste 14.

Q. When will the Building Rehabilitation Program funds be available?

A. Program funds will be available at the beginning of the fiscal year, July 1st, 2013. **All payments will be made upon project completion.**

Q. What is the application deadline?

A. There is no application deadline however funds will be made available on a first-come first-serve basis.

Q. What are the Program Requirements?

A. Applicants will be required to complete an application packet provided by the YDDA. Applications may be obtained at the offices of the YDDA or by calling 7 3 4 - 4 8 2 - 1 4 1 0 . In addition to all required forms, architectural renderings and/or project descriptions must be presented in sufficient detail to demonstrate the exact scope of work.

The following items will also be required as a part of the review/approval process:

1. A valid mortgage on the subject property and/or personal guarantee will be required as collateral.
2. Building Rehabilitation Program funding cannot exceed 50% of total project costs, or \$30,000, whichever is less.
3. Construction must commence within 90 days of approval for funding, verified by an award letter from the YDDA, and the Project must be completed within 120 days after the construction start date as verified by the YDDA. Requests for time extensions must be submitted in writing and will only be approved upon the expressed written consent of the YDDA.
4. After completion of the Project, and for a period of five (5) years thereafter, the Developer, its successors and assignees, agree not to modify or alter the façade of the building without the express written permission of the DDA.
5. Any façade alterations first must gain permission from the Historic District Commission in order to ensure compliance with HDC guidelines.

Q. What is the programs focus?

A. Providing financial assistance for upgrading older buildings to meet modern building code and accessibility requirements as well as to create consistency in design, materials and architectural character thereby enhancing the physical appearance of the Downtown.

Q. Are there any guidelines in terms of financing?

A. Yes, the guidelines are as follows:

Applicants must demonstrate proof of available project funding, whether owner equity or private financing.

Program financing will be in the form of a reimbursement to the property owner/applicant. The reimbursement will be disbursed on a draw basis, under the terms and conditions specified in the Development Agreement.

Q. What are the selection guidelines for this program?

A. The selection guidelines are as follows:

1. Buildings with first floor retail uses or projects, which will result in new commercial occupancy, will receive funding priority.
2. Projects, which will result in the creation or rehabilitation of upper story residential units or loft apartments, will also be considered.
3. Additional criteria that address the economic impacts of the proposed improvement and the overall program goals are included in Attachment Three and Four of this packet.
4. Attachment Five of this packet addresses General Design Guidelines that will govern the evaluation taken by Project Review Committee of proposed improvements.

If your project is in accordance with these guidelines YDDA staff will present your project to the ER and Design committee. On that committee's approval individual projects will be presented to the DDA Board of Directors for final approval.

Q. Is grant funding available for business equipment purchase?

A. No, YDDA's mission is to improve the Economic Vitality of the YDDA districts, meaning that all improvements must be attached to the building. This is in order to continue the success of the YDDA districts as a whole rather than the success of a single business.

Q. What is the Source of funding for the Building Rehabilitation Grant?

A. The YDDA and the Washtenaw County Economic Development and Energy provide all funding for this program.

Q. Can you default on this program?

A. Yes, In the event of default all program funds applied to the project shall become due and payable, plus collection costs and reasonable attorney fees, if applicable. One or more of the following events shall constitute a default:

1. The Owner/ Applicant fail to pay, when due, any real estate taxes or special assessments on the subject property.
2. The Owner/Applicant expends program funds for uses other than approved project costs as represented in the original application.
3. If, during a period of five (5) years following the completion of the project, the Owner/Applicant transfers ownership or interest in subject property to another party, unless, such transfer secures the prior written approval of the YDDA.
4. Borrower defaults on private bank loan or other public financing made in conjunction with the DDA Building Rehabilitation Program.
5. After completion of the project, and for a period of five (5) years thereafter, the Developer, and its successors and assigns not to modify or alter the façade of the building without the expressed permission of the YDDA.

Q. What are the ineligible uses of this program?

A. Program funds cannot be used by the following guidelines:

1. Refinancing or paying off existing debt.
2. Property acquisition.
3. Site Plan, building or sign permit fees.
4. Property appraisal costs, legal fees, or loan origination fees.
5. Labor costs to the owner/applicant or relative of the owner/applicant.
6. Building Demolition.
7. Environmental consulting, testing, or actual abatement/ clean up costs.

Q. What projects require building permits?

A. **City building permits required, with Plans and Mortgage Survey**

- New buildings
- New homes
- Sun rooms

- Commercial additions or alterations*
- Residential additions or alterations
- Residential decks
- Porches (front and rear)
- Garages
- Interior alteration
- Exterior alteration
- Kitchen remodel when plumbing or electrical configurations are altered
- Basement finishes

** 3 sets of sealed plans (11x17) are required for all commercial projects*

City building permits required, without plans

- Roofs (house and/or garage)
- Windows
- Doors (new & replaced)
- Siding, gutters & trim
- Demolition (wrecking clearances are required from utility authorities, i.e. gas, electric, and water/sewer)

Q. Who should we contact to verify needed permits and/or plan approval?

A. You should contact the Building Department at:

3rd Floor City Hall
1 S. Huron St.
Ypsilanti, MI. 48197
Phone: (734) 482-1025
Fax: (734) 483-744
fdanielsjr@cityofypsilanti.com

You should also contact the Historic District Commission for review if your project is within the districts boundaries. You can contact the HDC at:

1 S Huron St, Ypsilanti, MI 48197
(734) 483-9646
(734) 483-7260 Fax
hintern@cityofypsilanti.com

***The YDDA reserves the right to reject any and all applications up to the limit of closing. The specific program guidelines herein are subject to revision or amendment by the YDDA Board of Directors. The YDDA may discontinue this program at any time, subject to the availability of program funding.**