

City of Peoria Old Town Commercial Rehabilitation Program

A significant component of the adopted Old Town Peoria Revitalization Plan concerns promoting improvements to the exteriors of commercial buildings in Old Town. In furtherance of this policy, the City of Peoria has developed a Commercial Rehabilitation Program (“Program”) encompassing the area south of Grand Avenue depicted on the map below (Target Area).



The Program is designed to promote and assist with the improvement of targeted Old Town commercial properties through exterior rehabilitation of facades on primary structures and related structural and site elements including parking areas and walkways. The City’s goal is to use the Program as a tool to preserve the history of the area, as well as revitalize the commercial district and reinvigorate private investment in these properties. These preservation and revitalization efforts will help to eliminate slum and blight, promote commercial redevelopment activities, improve the aesthetics of the Old Town Area, and enhance the overall quality of life for Peoria residents.

The Program will provide funding and technical and design assistance to eligible property owners in the targeted Old Town area. A summary outline of the process follows:

- A notification of eligibility and a Commercial Rehabilitation Program Application will be sent by the City to all properties in the target area. That letter will include an estimated date that rehabilitation assistance will be available and how much is available through the City's annual CIP budgeting process. The amount will be based on the City's funding for the fiscal year.
- After receiving a completed Commercial Rehabilitation Program Application from an interested property owner, City staff will confirm the owner's eligibility. If the owner is eligible, City staff will start the process by meeting with the owner to discuss a rehabilitation concept and budget for his or her property.
- If the owner and City are able to agree upon the improvements to be made and a budget, the property owner will then execute a Rehabilitation Easement Agreement ("Agreement") for the property pursuant to which the City will provide funding for completion of all necessary engineering, structural, and architectural plans and construction. The City funding would be made available for payment of eligible project costs as the work is completed pursuant to a progress schedule set forth in the Agreement.
- The Agreement will be recorded and run with the land, granting the City a facade easement for twenty (20) years covering the area of the project improvements and will grant the City access to inspect and, if necessary, enforce the property owner's maintenance obligations concerning the improvements during the term of the Agreement. The Agreement will be recorded when the project is completed and accepted by the City.
- The owner will not be required to repay the City for the eligible rehabilitation work, provided the owner fully complies with all the terms and conditions of the Agreement (see Exhibit A) and cooperates with the City in preserving the improvements. The funding indebtedness will be reduced at a rate of five percent (5 %) per year for every year of full compliance with the Agreement. Full repayment of the then remaining balance plus five percent (5%) annual interest will be required if the property owner fails to fully comply with the Agreement after having received prior written notice from the City of any noncompliance and had an opportunity to cure any deficiency.
- Any proposed changes to the City approved rehabilitation improvements must be in accordance with the City's Design Review Manual for Old Town and approved in writing by the City prior to any work being performed. Failure to obtain prior approval would be a breach of the Agreement subjecting the property owner to being required to fully repay the then outstanding balance of the City funding provided with interest.

Eligibility for Program Participation

A person, corporation, association or other legal entity holding fee simple title to any commercial real property that is located in the eligible program area (see map on previous page) may apply for Program benefits. Tenants must obtain the consent of their

landlords in writing in order to participate in the Program. The Commercial Rehabilitation Program Application may be made directly by the property owner or by an agent authorized in writing to act on behalf of the property owner. If the real property is under joint ownership, the application must be on behalf of or with the authorization of all of the owners of the real property.

Commencement and Deadlines for Work

Any construction or rehabilitation activity that is included in the project scope of work will not commence, **nor will costs be incurred**, prior to the date the City informs the applicant in writing that all program documents are signed and finalized (see contractual requirements below.) A project timeline estimate will be provided to the applicant upon finalization of the program documents. The City will provide communication to the applicant regarding any changes in the timeline through the project period.

Other Program Requirements

Once an application for the Commercial Rehabilitation Program is approved in writing by the City, the property owner is required to execute and/or provide the following documents:

- A. **Rehabilitation Easement Agreement.** This document sets forth the terms and conditions for participation in the Program. Some of the key terms include scope of work, funding amount, and owner maintenance requirements.
- B. **Title Report.** The property owner must obtain and submit with his or her application a title report for his or her property identifying any interest that may affect the City's enforcement of the Agreement. Applicants also may be required to supply additional information relating to liens and encumbrances on the property in order to be approved.
- C. **Consent Agreement.** The property owner must obtain duly acknowledged consent agreements from all lienholders or other persons or entities with an interest in the subject real property, including commercial buildings and related structures thereon, consenting to the grant of the rehabilitation easement. To expedite this process, the applicant must submit the contact party name and loan number for each lienholder and is encouraged to seek consent in principle as early in the application process as possible.
- D. **Insurance Certificate.** The property owner must provide a certificate of property and liability insurance that certifies the subject real property, including without limitation the building or structures thereon, is insured for amounts acceptable to the City from an insurer acceptable to the City. A copy of the insurance certificate will be an attachment in the final contract documents.