



Downtown Upper Story Residential Program 2014 Guidelines

Purpose of the Grant Funds

The Michigan City Uptown Arts Uppers Story Residential Program through the Redevelopment Commission (“Commission”) is designed to promote new downtown residential units. The goals of this program are to support additional residential units in downtown, add residential density back to the Uptown Arts District to support existing businesses, and create economic development opportunities within the district as well as the surrounding area. Furthermore, the project supports preservation through adaptive reuse of historic buildings within the historic districts as well as the construction of new mixed-use buildings in downtown

Application Process

Applicants **must** first schedule and meet with the Planning Director and staff to discuss their project prior to submitting an application.

Eligible Properties

To be eligible for the grant program, an applicant and commercial building shall meet all of the following criteria:

- New units in the upper stories of commercial, mixed-use buildings located in the Uptown Arts District between **11th and 4th Streets and between Washington and Pine Streets**
- Applicant, property and building shall not be delinquent in property taxes.
- Properties and buildings with existing code violations or deficiencies must include their remedy as part of the proposed improvements.
- Property required to be free of any tax liens and mechanic’s liens and provide evidence that payments on any loans secured by the building are current.
- Residential spaces created between August 25, 2013 and August 25, 2014 within the area stated above may be considered but must meet same criteria as the new residential units.

Application

Applications are to be submitted to the Planning Director or their designee.

A completed application in general consists of the following information:

- Predevelopment meeting with the Planning Director or their designee
- A completed application form
- Narrative description of all rehabilitation work to be completed at the location
- Several color photos of the current location

- Design plans which accurately delineate the square footage of units and accurately detail any alterations made to the structure
- Itemized project cost estimate based on contractor estimates
- Evidence of ownership
- Evidence of property insurance
- Projected date of project completion
- Evidence of secured funding to complete project

General Eligible Expenses

- Residential units on the upper stories of commercial, mixed-use buildings
- All residential units are eligible but apartment/rental space is highly desirable
- Designer or Architectural fees up to 12% of total project cost
- Grant can only be used to create residential upper story space in commercial, mixed-use buildings both new and existing
- Any interior work to the upper stories of the structure
- Window replacement or rehabilitation
- Appliances and mechanicals which are permanently affixed to the structure
- Finish work and cabinetry which are permanently affixed to the structure
- Sprinkler systems and fire suppression systems
- Units need to be of superior quality, design, and functionality **The goal of the program is not to cram units into buildings but create safe, high quality units with ample space and accommodations.*

Examples of Ineligible Expenses

- Creation of retail space in upper stories
- Demolition of historic façade if applicable or alteration of the historic façade
- Purchase of appliances which are not permanently affixed to the structure
- Purchase of any luxury item that is not permanently affixed to the structure
- Any ground floor repairs that do not directly benefit the creation of residential units on the upper story **Exceptions may include the creation of ground floor entrances in the form of historic recessed entries on the front facade and/or other entry ways to access upper story residential space.*

Grant Procedure

The Michigan City Planning Department along with representatives of the Redevelopment Commission will review the applications and make recommendations for funding. Each application will be evaluated on its own merits and how it fits into the goals of the Downtown Upper Story Residential Program.

Funding and Payment

The program is a reimbursement grant paid upon completion of the project. Once a Certificate of Occupancy (C of O) has been issued, grant funds are released to the awardee.

Applicants are eligible for up to \$15,000 per unit. A maximum of four (4) units per floor will be funded with a maximum eight (8) units per building and a maximum funding of \$120,000 per building.

Multiple units are preferred however the commission will consider the creation of single units and reserves the right to reduce the eligible amount for single unit projects. The intent of the funding is to create additional quality units in downtown.

The property which a grant is being applied for must be current on all taxes, fees, utilities, etc.

A development agreement will be executed between the City of Michigan City Redevelopment Commission and the awardee. The development agreement will outline the roles of all parties as well as completion time and financial commitments. **Construction may not begin until a Development Agreement is executed.*

The awardee has **12 months** from the execution of a development agreement to complete their project. This timeframe includes receiving a State of Indiana Construction Design Release (CDR) for the units and a Certificate of Appropriateness from the Historic Review Board if applicable.

Recipient Notification and Additional Information

All applicants will be notified if their project has been accepted as described in the original application, accepted with conditions, or rejected.

Selected applicants will be presented to the Michigan City Redevelopment Commission (MCRC) for final approval of their application, afterwards a letter of receipt will be sent to the applicant.

Upon project completion, awardee must submit all receipts for purchases of materials and payments for work completed by contractors, designers, and engineers to the Planning Director or their designee.

The Planning Director or their designee will inspect the completed work for conformity with the executed development agreement, plans, and designs.

A Certificate of Occupancy is required and must be issued before the project will be considered a complete project and eligible for reimbursement.

Parking for residences in downtown is always a complicated issue. This program will be required to meet the parking regulations in Section 18 of the Michigan City Joint Zoning Ordinance.

This program can be coupled with the downtown façade improvement grant or other grants as available.

Please contact the Michigan City Planning Department

Michigan City Planning Department

City Hall

100 E. Michigan Blvd.

Michigan City, Indiana 46360

219-873-1419

syork@emichigancity.com

MICHIGAN CITY UPPER STORY RESIDENTIAL PROGRAM APPLICATION

1. Applicant Information

NAME: _____

ADDRESS OF PROPERTY TO BE IMPROVED:

NAME OF BUSINESS: _____

TAX ID#/SOCIAL SECURITY #: _____

HOME ADDRESS: _____

BUSINESS PHONE: _____ HOME PHONE: _____

FAX: _____ EMAIL: _____

2. Project Information

BUILDING LOCATION: _____

BUSINESS(ES) LOCATED IN BUILDING:

BUILDING AGE: _____ BUILDING LOCATED IN HISTORIC DISTRICT? _____

BUILDING ZONED AS: _____ PIN NUMBER: _____

OWNER OF RECORD: _____

IF LEASED: Lease Expires _____ Renewal Term _____

Owner _____

3. Project Description

On a separate page please describe in detail the proposed scope of work including design firm and/or contractor(s) selected. In describing project, be sure to include the total number of new units to be created and the square footage of each new unit.

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:

Provide evidence that loans secured by the building are current.

5. Building Information

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

Uses or anticipated uses of the floors:

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 Title Commitment showing current ownership of property and an indication of clear title free of any other liens or encumbrances.
- d. Proof of property and liability insurance
- e. Signed mortgage note
- f. Copies of any leases associated with property
- g. Project budget
- h. Two (2)-contractor quotes/construction bids for total project
- i. Photographs of proposed project site
- j. Detailed drawings and design layouts

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 Upper Story Residential 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 Michigan City Redevelopment Commission.

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

Signed this _____ day of _____, 20 _____

By: _____

CITY OF MICHIGAN CITY
UPPER STORY RESIDENTIAL
REIMBURSEMENT GRANT AGREEMENT

THIS AGREEMENT, entered into this ____ day of _____, 20__, between the City of Michigan City, Indiana, Redevelopment Commission (hereinafter referred to as “COMMISSION”) and the following designated OWNER, to-wit:

Owner Name: _____

Owner Mailing Address: _____

Tax I.D. #/Social Security #: _____

Address of Property to be Improved:

PIN Number: _____

WITNESSETH:

WHEREAS, the COMMISSION has established an Upper Story Residential Grant Program (“USRG”) for application within the Michigan City Uptown Arts District (“District”), more specifically that area situated between 11th Street on the south, Fourth Street on the north, Washington Street on the west, and Pine Street on the east: and

WHEREAS, said USRG Program is administered by the COMMISSION with

the advice of the Planning Department and various other municipal boards and agencies, and is funded from Tax Increment Financing (“TIF”) funds for the purposes of controlling and preventing blight and deterioration within the District: and

WHEREAS, pursuant to the USRG Program, COMMISSION has agreed to participate, subject to its sole discretion, in compensating OWNER for the cost of eligible interior and exterior improvements to upper stories of commercial, mixed use buildings located within the District, up to the sum of Fifteen Thousand Dollars (\$15,000) per unit. A maximum of Four (4) units per floor will be funded with a total maximum of Eight (8) units per building and a maximum funding of One Hundred Twenty Thousand (\$120,000) per building. All payable upon the issuance of a Certificate of Occupancy (C of O); and

WHEREAS, the OWNER’s property is located within the Uptown Arts District, and the OWNER desires to participate in the USRG Program pursuant to the terms and provisions of this agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the COMMISSION and the OWNER do hereby agree as follows:

SECTION 1:

With respect to upper story residential unit(s) located within mixed use buildings situated within the District, at the location specifically set forth

above, and related eligible improvements, the COMMISSION shall reimburse OWNER for the cost of improvements to the OWNER'S property which specifically contribute to the creation of one or more residential units in an amount not to exceed Fifteen Thousand Dollars (\$15,000) per unit, with a maximum of Four (4) units per floor and no more than Eight (8) units per building. The COMMISSION shall further reimburse OWNER for one hundred (100%) percent of the cost of fees for architectural services pertaining to such improvements, up to a maximum amount of Twelve (12%) percent of project costs as defined herein, provided that the total reimbursement for each residential unit including related eligible improvements and architectural services shall not exceed Fifteen Thousand Dollars (\$15,000) per residential unit or One Hundred Twenty Thousand Dollars (\$120,000) per building.

The improvement costs that are eligible for COMMISSION reimbursement include all labor, materials, equipment, and other contract items necessary for the proper execution and completion of the work as shown on the plans, design drawings, specifications, and estimates approved by the City. Such plans, design drawings, specifications, and estimates are attached hereto as "Exhibit 1".

SECTION 2:

No improvement work shall be undertaken until its design has been submitted to, and approved by the Redevelopment Commission. Following approval, the OWNER shall contract for the work, and shall commence and complete all such work, and submit all requests for reimbursement to the Planning Director within Six (6) months from the date of such approval by the Redevelopment Commission. The OWNER may seek an extension of the deadline, not to exceed Twelve (12) months, for completion of the work and submission of its request for reimbursement from the Planning Director, however, such request must be made in writing and submitted to the Planning Director prior to the expiration of the initial deadline to complete the work and submit the requests for reimbursement. In the event that the OWNER fails to comply with these requirements, the COMMISSION may terminate this Agreement and its obligation to reimburse the Applicant.

SECTION 3:

The Planning Director shall periodically review the progress of the contractors' work on the creation and completion of each unit approved pursuant to the terms of this Agreement. Such inspections shall not replace any required permit inspection by the Building Inspectors. All work which

is not in conformance with the approved plans, design drawings, and specifications shall be immediately remediated by the OWNER, and deficient or improper work shall be replaced and made to comply with the approved plans, design drawings, and specifications, as well as the terms of this Agreement.

SECTION 4:

Upon completion of the improvements, and upon their final inspection and approval by the Planning Director, the OWNER shall submit to the COMMISSION, a properly executed and notarized contractor statement showing the full cost of the work, as well as each separate component amount due to the contractor and each and every subcontractor involved in furnishing labor, materials or equipment in the work. The OWNER shall also submit to the COMMISSION a copy of the architect's statement of fees for professional services for preparation of plans and specifications. The COMMISSION shall, within Fifteen (15) days of receipt of the OWNER's Certificate of Occupancy, contractors' statement, proof of payment and lien waivers, and the architect's statement, and completion of inspection by the Plan Director which confirms total compliance with all terms of this agreement, issue a check to the OWNER as reimbursement for and pursuant

to, the amounts and terms as set forth within "Section 1" of this Agreement and originally authorized by the COMMISSION.

SECTION 5:

If the OWNER or his contractor fails to complete the improvement work provided for herein in conformity with the approved plans, design drawings, and specifications and the terms of this agreement, then upon written notice being given by the Planning Director to the OWNER, by Certified Mail, to the address listed above, this Agreement shall terminate and the financial obligation on the part of the COMMISSION shall cease and become null and void.

SECTION 6:

Upon completion of the improvement work pursuant to this Agreement, and for a period of Three (3) years thereafter, the OWNER shall be responsible for properly maintaining such improvements in finished and habitable form and without change or alteration thereto, as provided in this Agreement, and for the said period of Three (3) years following completion of the construction thereof, the OWNER shall not enter into any agreement or contract or take any other steps to alter, change, or remove such improvements or the approved use thereof, nor shall OWNER

undertake any other changes, by contract or otherwise, to the improvements provided for in this Agreement unless such changes are first submitted to the Planning Director and any additional review body designated by said Planning Director, for approval. Such approval shall not be unreasonably withheld if the proposed changes do not substantially alter the original design concept of the improvements as specified in the plans, design drawings, and specifications approved pursuant to this Agreement. OWNER shall execute and record a restrictive covenant in a form substantially the same as supplied by the COMMISSION.

SECTION 7:

The OWNER releases the COMMISSION from, and covenants and agrees that the COMMISSION shall not be liable for, and further covenants and agrees to indemnify and hold harmless the COMMISSION and its officials, officers, employees, and agents from and against, any and all losses, claims, damages, liabilities, or expenses, of every conceivable kind, character, and nature whatsoever arising out of, resulting from, or in any way connected with, directly or indirectly, the “USRG” improvement(s), including, but not limited to, actions arising from the Indiana Common Construction Wage Act (IND. Code 5-16-7 *et seq*). The

OWNER FURTHER covenants and agrees to pay for the COMMISSION and its officials, officers, employees, and agents for any and all costs, reasonable attorney fees, liabilities or expenses incurred in connection with investigating, defending against, or otherwise in connection with any such losses, claims, damages, liabilities, or causes of action. The COMMISSION shall have the right to approve any settlement in connection with such losses, claims, damages, liabilities, or causes of action. The provisions of this section shall survive the completion of said improvements and contemplated components as set forth herein.

SECTION 8:

Nothing herein is intended to limit, restrict, or prohibit the OWNER FROM undertaking any other work in or about the subject premises which is unrelated to the creation of Upper Story Residential Units as provided for in this Agreement.

SECTION 9:

This Agreement shall be binding upon the COMMISSION and upon the OWNER and its successors to said property for a period of Three (3) years from and after the date of completion and approval of any

Upper Story Residential Unit(s) provided for herein. It shall be the responsibility of the OWNER to inform subsequent OWNER(s) or contract purchasers of the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first appearing above.

OWNER:

MICHIGAN CITY REDEVELOPMENT
COMMISSION

PRESIDENT

OWNER Printed Name

SECRETARY