

Council Letter
City of Knoxville
February 6, 2023

Agenda Item: Approving the framework for the 2023 Municipal Façade Grant Program.

Background:

On December 5, 2022, City Staff discussed the 2023 Municipal Façade Grant Program with City Council.

City Staff are now asking Council's approval to initiate the 2023 program, as described in this report.

The 2022 Program in Summary

City Council approved 22 Façade and Storefront Improvement Grants in 2022, amounting to \$114,794 in grants and \$327,387 in total improvements.

Of these, work has been completed on 10 projects. The reimbursements to date amount to \$40,430 in grants and \$117,391 in improvements.

One improvement project was rejected for incomplete work. That project amounted to \$12,500 in grants and at least \$25,000 in improvements.

The remaining 11 projects are scheduled to be undertaken this Spring. The building owners have 12 months to complete their improvements, with the deadlines ranging from May to August 2023.

Façade Improvement Fund Status

The Improvement Fund currently stands at \$124,570. If all of the remaining projects were completed, the Fund would have \$62,706 in uncommitted funds.

If Council approves the proposed \$50,000 addition to the Fund in the FY 24 budget, the uncommitted funds would increase to \$112,706.

Proposed Changes to 2023 Fund

The 2022 Downtown Façade Improvement Program was the first of its kind in Knoxville. The Façade Committee reviewed last year's results and are making the following recommendations:

- 1) That a single façade funding class be created this year. (Last year, we made distinctions between removing metal slipcovers and general storefront improvements).
- 2) That the maximum matching reimbursement grant be set at \$10,000. (Last year, the matching grants ranged from \$5,000 to \$12,500).
- 3) That a minimum matching grant of \$2,000 be set for all applications.
- 4) That, in certain cases, additional information be required to better describe the proposed improvements.
- 5) That the Committee does not recommend awards to Council before the application deadline. (Last year, the Committee did so in part to encourage additional applications before the deadline. This year, the program is well known and advance approvals should not be necessary to generate interest).

Depending upon whether the additional \$50,000 is added to the Fund in the FY 24 budget, the program has the capacity to recommend approval for between 6 and 11 full awards.

Downtown Façade Grant Committee Appointments

In 2022, the Façade Committee consisted of Nathan Parch (Planning & Zoning Administrator and Committee Chair), Marilyn Arber (Community Development Director), and David Hoke (Community Representative), with Glenn Lyons acting as the non-voting program administrator.

This year City Staff are recommending the following Committee appointments: Nathan Parch, Glenn Lyons, and David Hoke. Marilyn Arber would assume the project administration duties.

Application Period

With Council's approval, the application period will open on February 27 and close on May 1, 2023.

Policy Question: Should City Council approve the 2023 Downtown Façade Grant framework and appoint Downtown Façade Grant Committee members as described in this report?

Budget Impact: There is currently \$62,706 in uncommitted funds in the DT Façade Fund, which would have the capacity to provide 6 full grants under the proposed 2023 program. If City Council commits additional monies to the Fund in FY 2024, the number of potential full grants would increase accordingly.

Recommendations: That City Council approve the 2023 Downtown Façade Grant Program Framework as described in this report and appoint the following members to the Downtown Façade Grant Committee: David Hoke, Nathan Parch, and Glenn Lyons.

Supporting Documents: N/A