

NORTHGATE FACADE IMPROVEMENT LOAN PROGRAM GUIDELINES



PRE
PAR
ED
BY

THE CITY OF SARNIA PLANNING AND BUILDING DEPARTMENT
Revised November 2017

1. **INTRODUCTION**

On February 1, 1988, Sarnia City Council authorized the formulation of a Façade Improvement Loan Program to provide financial assistance to property owners within the Northgate Business Improvement Area for improvements to the façade of commercial buildings. The purpose of the Program is to facilitate

a physical upgrading of privately-owned buildings within the Northgate Business Improvement Area thereby contributing to the physical and economic revitalization of this area.

2. **FUNDING**

Funding for the Northgate Façade Improvement Loan Program is provided entirely by the City of Sarnia. If, however, funds should become available through a Provincial renewal program, the City will endeavour to participate in such program using available Provincial monies to augment and enhance the City's program.

3. **ELIGIBILITY**

Loans under the Program will be available only to **registered owners of property** as shown in the latest revised assessment roll for the City of Sarnia within the area shown on Schedule "A" attached. Registered property owners will be eligible for a loan up to \$10,000 per "***storefront***" business to a maximum of \$40,000 per property. *

"***Storefront***" is defined as building width of 6m (20') or major portion thereof.

4. **LOAN DETAILS**

(a) **Amount**

Loans will be available to a maximum of \$10,000 per storefront or the total cost per storefront of the proposed eligible improvements, whichever is the lesser, to a maximum of \$40,000 per property.

(b) **Interest**

The interest rate for loans will be one-half the prime rate of the City's banker at the time the application is approved and rounded to the nearest one-eighth of one per cent, and compounded semi-annually.

(c) **Registration Fees**

Applicants are responsible for the cost of the mortgage/discharge registration and administration fees. The fees **must** be paid prior to the registering/discharging of the mortgage.

(d) **Term**

The amortization period for the repayment of the loan shall be an open term not to exceed ten years.

(e) **Payment**

In general, the loan shall be paid to the property owner upon completion of all eligible improvements; however, a partial payment of the loan may be made where, in the opinion of the Director of Planning and Building, or designate, work on any eligible improvement is substantially complete (generally no less than 75% of the value of the specific eligible improvement for which partial advance is requested). Partial payments shall not exceed the value of the work completed and shall be secured by a mortgage for the full amount of the approved loan at the time of the first partial payment. Interest, at the rate agreed at the time of application approval, will accrue on the partial payment from the date of issuance of the partial advance.

In general, cheques will be made out in the names of both the applicant and contractor except where, for good cause, varied by the said Director of Planning and Building.

(f) **Repayment**

Repayment of the loan, including accrued interest on any partial advance(s), will be on a quarterly basis commencing three months from the date of issuance of the full amount of the loan to the property owner. Repayment (combined interest and principal) shall be by way of post-dated cheques or pre-authorized bank withdrawals. Interest will be added to overdue payments at the rate of interest of the loan calculated daily and commencing the day after the due date of the payment. In the event of default in loan repayment in excess of thirty days, or in the event of the sale or the demolition of the property, the outstanding balance (including principal and interest) **shall** be payable immediately. There is no penalty for early pay out of the loan.

(g) **Security**

The loan shall be secured by a mortgage in a form satisfactory to the City Solicitor and registered against the title of the property.

5. **RISK ASSESSMENT**

Applicants will be required to provide an estimate of the value of the property which is the subject of the application and details of indebtedness related to the property including mortgages, unpaid taxes or other encumbrances.

6. ELIGIBLE IMPROVEMENTS

Eligible improvements shall be started only after final approval of the loan. Only exterior facade improvements are eligible for a loan. Eligible improvements shall mean:

- (i) facade restoration of brickwork, wood and metal cladding;
- (ii) replacement or repair of cornices, eaves and parapets and other architectural features;
- (iii) window and door repair and/or replacement;
- (iv) signing in accordance with the City of Sarnia Sign By-law provided that the total cost of new signing or the repair or replacement of existing signs does not exceed 50% of the total cost of the work;
- (v) repainting and/or cleaning of the facade exterior and portions of the building visible from adjacent streets and public walkways. **Sandblasting of the facade exterior is not an eligible improvement.**
- (vi) exterior lighting;
- (vii) repair, replacement or addition of awnings, marquees and canopies;
- (viii) replacement of facade appointment originally in place during initial construction of the building;
- (ix) entrance way modifications including provisions to improve accessibility for the handicapped;
- (x) redesign of storefront;
- (xi) such other similar repairs or improvements to the building exterior as may be approved by the Director of Planning and Building or his designate.

7. SUGGESTED DESIGN GUIDELINES

The following design principles are put forth only as considerations. Applicants for loans under the Northgate Façade Improvement Loan Program are to have regard to these considerations. It is not intended that such principles be rigidly adhered to; rather that the applicant consider these items in deciding what improvements he/she wishes to make to the building façade.

- (i) conservation of the original architecture where desirable and to the extent possible;
- (ii) conservation of historic fronts where applicable and to the extent possible;
- (iii) redesigned storefronts to be complementary to the scale and proportion of the street façades;
- (iv) paint colours to complement the style of the building and adjacent street façades;
- (v) painting of unpainted brick is discouraged;
- (vi) sandblasting of building façades is discouraged.
Sandblasting is not an eligible loan item.

8. ELIGIBLE COSTS

Eligible costs shall be the cost of materials, equipment and contracted labour to complete eligible improvements based on the lower of a minimum of two cost quotations. Labour provided by the **applicant** or **tenant** of the building will not be an eligible cost. Professional fees for an engineer, architect or other design consultant are an eligible cost.

9. APPLICATION PROCEDURE

(a) Application Form

The applicant will be required to fill out an application form available from the Department of Planning and Building (City Hall) or the Northgate Business Improvement Area office.

The applicant is required to consult with the Northgate Business Improvement Area Manager who will assist in the preparation of the application and offer other advice or service. The applicant is encouraged to engage an engineer or architect to help with decisions on façade improvements. (A copy of the application and summary of the application procedures appear at the back of these guidelines.)

(b) **Information to Accompany Application**

The applicant shall provide:

- (i) A sketch of the building showing the proposed improvements and such additional detail as may be required by the Department of Planning and Building - depending on the nature and extent of the repairs the applicant may be required to obtain a building permit; and
- (ii) a minimum of two estimates of the costs of the proposed improvements.

(c) **Building Inspection**

Following completion of the loan application and prior to its approval, the Department of Planning and Building will complete an inspection of the building to review the proposed improvements and the structural condition of the building front. A second inspection will be made following completion of the improvements and prior to payment of the loan to the property owner to verify that the proposed improvements have been completed as described in the application.

(d) **Loan Approval**

Loan applications will be processed by the Department of Planning and Building and may be approved at the discretion of the Director or his designate.

10. **GUIDELINES FOR START AND COMPLETION OF IMPROVEMENTS**

(a) **Start of Work**

Work on the improvements covered by the loan shall start only after final approval of the loan but in no case shall the work start later than four months following final loan approval. Failure to start work within the specified period may, at the discretion of the Director of Planning and Building or his designate, result in forfeiture of the loan commitment.

(b) **Completion of Work**

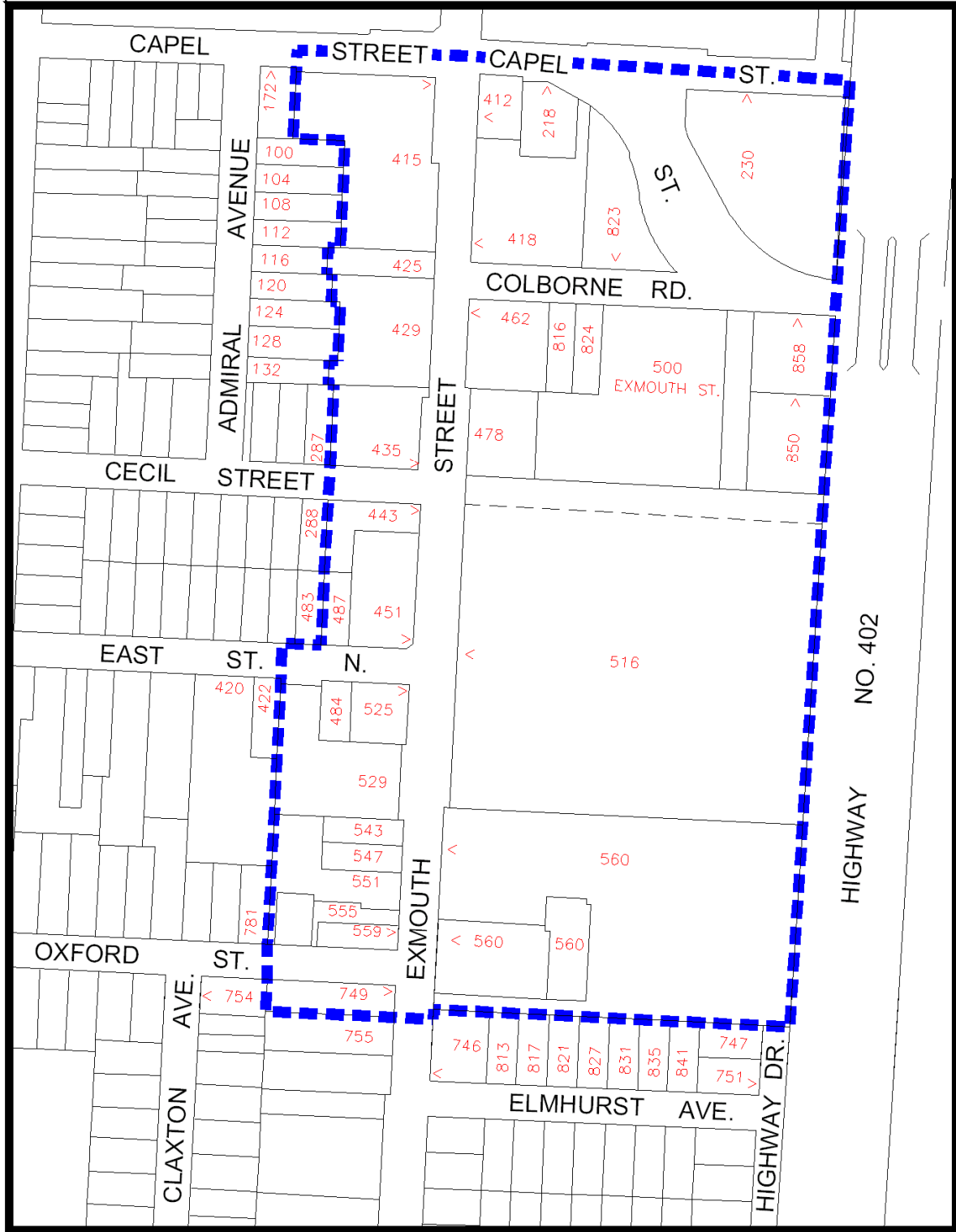
Work on the improvements covered by the loan must be completed within twelve months of the date of the loan approval. Failure to complete the improvements by the required completion date may, at the discretion of the Director of Planning and Building or his designate, result in the forfeiture of all of the loan or that portion of the loan commitment representing the value of the work outstanding at the completion date.

11. **ROLE OF THE NORTHGATE BUSINESS IMPROVEMENT AREA**

The Northgate Business Improvement Area will:

- (i) play a major role in the promotion of the Northgate Facade Improvement Loan Program;
- (ii) assist the applicants in the preparation of applications;
- (iii) co-ordinate applications and facade treatments to achieve compatibility of design along the block face;
- (iv) assist the Department of Planning and Building in the periodic review and evaluation of the Program to determine its effectiveness in meeting its intended purpose.

SCHEDULE 'A'



BOUNDARY OF NORTHGATE
SHOPPING CENTRE COMMUNITY
IMPROVEMENT PROJECT AREA



NOT TO SCALE

NORTHGATE
FACADE IMPROVEMENT LOAN PROGRAM
APPLICATION

| | |
|---------------------------|-----------------------|
| LOAN REFERENCE NO. | DATE RECEIVED: |
|---------------------------|-----------------------|

| | |
|---|-----------------|
| NAME OF PROPERTY OWNER: | |
| MAILING ADDRESS OF PROPERTY OWNER: | |
| ADDRESS OF PROPERTY: | |
| NAME OF BUSINESS: | |
| TELEPHONE NO.: | |
| LEGAL DESCRIPTION: LOT NO.(S) | PLAN NO. |
| NAME OF APPLICANT(S)' SOLICITOR: | |
| NAME OF APPLICANT(S)' DESIGN CONSULTANT: | |

PROPERTY VALUE AND INDEBTEDNESS

| | | |
|----------------------------------|--------|----------|
| ESTIMATED PROPERTY VALUE: | | |
| Property Indebtedness | Amount | OWED TO: |
| 1ST MORTGAGE | | |
| 2ND MORTGAGE | | |
| UNPAID TAXES OR WATER RATES | | |
| OTHER ENCUMBRANCES | | |

PROPOSED IMPROVEMENTS:

| DESCRIPTION OF IMPROVEMENTS (Attach Sketch of Front Elevation of Building Showing Proposed Improvement) | A ESTIMATE | B ESTIMATE |
|--|-------------------|-------------------|
| 1. | | |
| 2. | | |
| 3. | | |
| 4. | | |

LOAN DETAILS:

| | |
|----------------------------|-----------------------------|
| TOTAL LOAN AMOUNT: | AMORTIZATION PERIOD: |
| INTEREST RATE: | QUARTERLY AMOUNT: |
| FIRST PAYMENT DATE: | MATURITY DATE: |

I/WE HEREBY APPLY for the loan amount indicated, repayable at the interest rate, and over the amortization period shown.

I/WE AGREE to abide by the conditions of the Northgate Façade Improvement Loan Program.

I/WE HEREBY CERTIFY that the information given herein is true, correct, and complete in every respect and may be verified by the Municipality.

SIGNATURE OF PROPERTY OWNER(S):

DATE:

This application is **HEREBY APPROVED**, subject to the specified conditions and the above repayment terms.

AUTHORIZED MUNICIPAL SIGNATURE:

DATE:
