

INTRODUCED: March 28, 2022

AN ORDINANCE No. 2022-106

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Façade Improvement Program Cooperation Agreement between the City of Richmond, Virginia and the Economic Development Authority of the City of Richmond, Virginia for the purpose of promoting economic development in the City's Arts and Cultural District by supporting projects that enhance neighborhood building façades.

Patrons – Mayor Stoney and Ms. Lambert

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: APR 25 2022 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer, for and on behalf of the City of Richmond, be and is hereby authorized to execute a Façade Improvement Program Cooperation Agreement between the City of Richmond, Virginia and the Economic Development Authority of the City Richmond, Virginia for the purpose of promoting economic development in the City's Arts and Cultural District by supporting projects that enhance neighborhood building façades. The Façade Improvement Program Cooperation Agreement shall be approved as to form by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

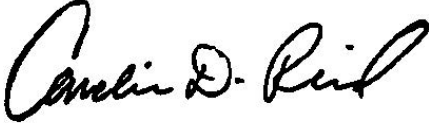
AYES: 8 NOES: 0 ABSTAIN: _____

ADOPTED: APR 25 2022 REJECTED: _____ STRICKEN: _____

§ 2. This ordinance shall be in force and effect upon adoption.

A TRUE COPY:

TESTE:

A handwritten signature in black ink, appearing to read "Camlin D. Reil". The signature is written in a cursive style with a large initial 'C'.

City Clerk



CITY OF RICHMOND

INTRACITY CORRESPONDENCE

O & R Request

DATE: 24 February 2022 **EDITION:** 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: J.E. Lincoln Saunders, Chief Administrative Officer

THROUGH: Sharon L. Ebert, Deputy Chief Administrative Officer for Economic Development and Planning

FROM: Kevin J. Vonck, Director, Department of Planning and Development Review

RE: Establish a Façade Improvement Program Cooperative Agreement between the City of Richmond and the Economic Development Authority of the City of Richmond for the purpose operating a Façade Improvement Program on Broad Street within the Arts and Cultural District.

ORD. OR RES. No. TBD

PURPOSE: To authorize the Chief Administrative Officer to enter into a Cooperation Agreement with Economic Development Authority for the purposes of administering the Façade Improvement Program on Broad Street within the Arts and Cultural District.

REASON: To enter a Cooperation Agreement for the establishment of the Façade Improvement program on Broad Street within the Arts and Cultural District.

RECOMMENDATION: Approval is recommended.

BACKGROUND: The Façade Improvement Program (FIP) was funded in the FY2013 and FY2014 adopted budgets as a comprehensive program for revitalizing the Arts & Cultural District in downtown Richmond. The FIP provided grants to property owners and tenants located within the Arts & Cultural District to improve their building façades. The Department of Planning & Development Review (PDR) and the Economic Development Authority (EDA) of the City of Richmond have managed and administered this program from 2013 to today. The City has

supported 35 grants to owners and tenants to improve their building façades. Currently, 33 projects are completed and 2 projects are under construction.

FISCAL IMPACTS/COSTS:

City Funding - FY2013: \$250,000

City Funding - FY2014: \$100,000

Altria Funding- FY2015: \$100,000

Funding - \$450,000

- The previous \$450,000 was used for 35 façade improvement projects during the period of December 2014 to July 2021.

City Funding - FY2022: \$100,000

- The FY2022 \$100,000 will help fund approximately 5 projects along Broad Street within the Arts & Cultural District.

FISCAL IMPLICATIONS: The adoption of this paper will allow the creation of financial incentives to eligible businesses located on Broad Street within the Arts & Cultural District to improve their façades. These incentives will provide reimbursement, on a matching basis, to stimulate private investment in the respective businesses and properties housing the businesses, resulting in new and retained jobs and increased taxes for the City.

BUDGET AMENDMENT NECESSARY: No

REVENUE TO CITY: N/A

DESIRED EFFECTIVE DATE: Upon adoption by City Council

REQUESTED INTRODUCTION DATE: March 28, 2022

CITY COUNCIL PUBLIC HEARING DATE: April 25, 2022

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance and Economic Development

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: The Economic Development Authority

AFFECTED AGENCIES: Department of Budget and Strategic Planning; Department Finance; Department of Planning and Development Review; Department of Economic Development; Office of the City Attorney.

RELATIONSHIP TO EXISTING ORD. OR RES.: Ord. 2013-195-179

ATTACHMENTS:

Draft Ordinance, Cooperation Agreement, Notice of Funding Opportunity (NOFO), Map of Target Area

STAFF: Maritza Mercado Pechin, Deputy Director, Dept. of Planning and Development Review (p) 804.646.6348 (e) maritza.pechin@rva.gov

COOPERATION AGREEMENT BETWEEN
THE CITY OF RICHMOND, VIRGINIA
AND
THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND,
VIRGINIA

FAÇADE IMPROVEMENT PROGRAM

THIS FACADE IMPROVEMENT PROGRAM COOPERATION AGREEMENT (the "Agreement") is made as of _____, 2022, by and between the **CITY OF RICHMOND, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (the "City") and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "Authority").

RECITALS:

WHEREAS, On Broad Street within the Arts and Cultural District, shown on Exhibit "A" which is attached hereto and made a part hereof, and whereas existing physical deterioration impairs neighborhood revitalization, economic values, and tax revenues of the City; and

WHEREAS, the City and the Authority established the Façade Improvement Program (the "Program") to assist projects that promote retail activity, create an attractive environment, encourage high-quality architectural design, use high-quality materials, and enhance neighborhood character; and

WHEREAS, the City and the Authority have determined that the Program furthers the purpose of promoting economic development; will result in substantial benefits to the welfare of the City and its inhabitants; is in the public interest; and serves governmental interests, including but not limited to an increase in tax receipts, elimination of blight, and prevention of neighborhood deterioration; and

WHEREAS, to meet economic development goals and serve the public and government interests, the City and the Authority desire to establish and implement the Program on Broad Street within the Arts and Cultural District; and

WHEREAS, at the City's request, the Authority will undertake certain activities in the implementation of the Program, pursuant to established Policies and Procedures, from time to time; and

WHEREAS, the City has appropriate funds for the Program, and intends by this Agreement to authorize conveyance of funds to the Authority for FY 2022 for the purpose of establishing and implement the Program on Broad Street within the Arts and Cultural District; and

WHEREAS, the City and the Authority agree to work together to jointly implement the Program; and

WHEREAS, the City is authorized by Section 15.2-953 of the Code of Virginia (1950), as amended, and other laws, and the Authority is authorized by the industrial Development and revenue Bond Act, Chapter 49, Title 15.2 of the Code of Virginia and other laws to perform the activities contemplated in the Cooperation Agreement.

NOW, THEREFORE, in consideration of the benefits to accrue to the City and its citizens from the implementation of the Program, and of the mutual covenants hereinafter set forth, the City and the Authority agree as follows:

1. DEFINITIONS. The following words and terms used in this Agreement have the following meanings unless the context clearly indicates otherwise:

- (a) **Agreement** shall mean this Program Cooperation Agreement, as amended and restated, from time to time.

- (b) **Area** shall mean those areas of the City as described above or as modified by the City from time to time.
- (c) **Façade Improvements** shall mean the projects described herein which satisfy the conditions and requirements of this Agreement.
- (d) **Program Fund** shall mean that account established in accordance with this Agreement, containing all funds from any source related to the Program.

2. FUNDING. The City agrees to transfer to the Authority the sum of One Hundred Thousand Dollars (\$100,000) as described in the budget which is attached hereto and made a part hereof, as Exhibit “B”, to allow the Authority to implement the Program in FY2022.

3. GRANTS. Grants shall be available only to the extent that funding is available and the façade grant assistance shall not exceed Forty Thousand Dollars (\$40,000.00) on any one building. A Notice for Funding Opportunity (NOFO) is shown as Exhibit “C” which is attached hereto and made a part hereof. No applicant will be eligible to receive the maximum allowable grant amount until completion of the renovation of the Façade Improvements. The City’s Department of Planning and Development Review staff will review and approve grant requests, and will maintain accounting records.

(a) **Grant Amount.** The Authority will grant matching funds of 50% of private investment in façade improvement, up to \$40,000.00 maximum, based on the location, size, and number of discrete storefronts associated with each building eligible for the Program.

(b) **Eligibility Requirements.**

- (i) The property must be located on Broad Street within the Arts & Cultural District.
- (ii) Applicants must agree to pay an amount of 100% of the total cost associated with the Façade Improvements prior to the receipt of any grant funds. The applicant shall pay all costs over and above the maximum grant amount.
- (iii) A completed application and a signed grant agreement between the applicant(s) and the Authority must be on file prior to commencement of the work to be performed.
- (iv) All completed applications must be accompanied by a non-refundable application fee of \$150.00 after the applicant project is selected.
- (v) All work must be performed by a licensed contractor with a valid City of Richmond business license.
- (vi) Participants in the Program shall not be eligible for an Exterior Rebate under the Authority's CARE or ExtraCARE program. A participant in the Program may, however, be eligible for the CARE or ExtraCARE Program's Security or Interior Rebates.

4. CITY UNDERTAKINGS.

The City's Department of Planning and Development Review shall collect, review and approve the Program applications and facilitate the overall operation of the Program, which will include providing staff, preparing agreements, making periodic site monitoring visits to monitor progress of work, assisting with grant processing, maintaining and providing to Venture appropriate documentation, and maintaining appropriate accounting records.

5. INFORMATION SHARING. The Authority , upon request, agrees to provide the Chief Administrative Office or a designee thereof access to copies of all correspondence relating to its activities to be performed under this Agreement and will keep the Chief Administrative Officer fully and timely informed of all developments relating to the preparation and planning of the project. The Authority shall keep a record of all grants including names of grant recipients, grant terms and amounts, and nature of improvements funded. The City shall monitor the Authority records on an annual basis, and the Chief Administrative Officer, City Attorney, the City Auditor and their designees shall have access to such records during normal business hours upon reasonable notice.

6. BUDGET AND VENTURE EXPENSES. The Authority agrees that it will adhere to the budget contained within Exhibit B that is attached hereto and made a part hereof. The budget will be reviewed at least annually by the Chair of the Authority or a designee thereof and the Chief Administrative Officer of the City of Richmond or a designee thereof. Any increase in the budget shall be subject to approval by City Council and appropriation of the necessary funds. The budget will contain existing funds, any unencumbered amounts within the Program Fund and anticipated revenues from activities undertaken for the current Fiscal Year.

7. GENERAL PROJECT FUND. The Authority agrees that funds transferred by the City to the Authority for the Program shall be deposited by the Authority in a designated Program Fund to be used only in accordance with this Agreement. The Authority agrees to transfer to the Program Fund any funds received from any source as a result of this Program, including, but not limited, to income and interest earned against the Program Fund.

8. AUTHORITY LIABILITY. It is the intent of the parties not to impose upon the Authority any responsibility other than what may be requires to implement the Program under this Agreement. Accordingly, the Authority does not assume any responsibility or liability whatsoever except as specifically stated herein. Should any liability accrue to the Authority which is not specifically addressed in this Agreement, the Authority shall not be require to expend its funds derived from sources other than the Program Fund to discharge such liability. The Authority is hereby authorized to expend such funds from the Program Fund as may be necessary to protect the assets of the Authority and to prevent the entry of a default judgment against the Authority. If a lawsuit involving the Program is filed or expected to be filed against the Authority, the Authority shall immediately notify the City Attorney and Chief Administrative Officer. The parties acknowledge that the Authority has no general fund revenue and that each Program the Authority undertakes is subject to such program's own independent financial resources and limitations.

9. ACCOUNTING AND AUDIT. The Authority shall keep records of its financial transactions, if any, for the projects described herein in accordance with generally accepted accounting principles. The City and the Authority agree that the Authority may engage the services of an independent auditor to conduct an annual audit of the financial transactions, if any, undertaken for the projects described herein. Such audit shall comply in all respects with generally accepted accounting principles. The City Auditor shall have access to the independent auditor's work papers. In addition, the City Auditor or his designee may at any time audit the financial transactions undertaken under this Agreement. The Authority shall cooperate to assure that the independent

external auditor and the City Auditor are granted reasonable access on a timely basis to all books and records of any party necessary to complete such audits, and will require appropriate provisions in furtherance of this objective in any contracts required under this Agreement. The Authority shall make available an annual audited report on the Program Fund to the City's Chief Administrative Officer, upon request, within one hundred twenty (120) days after the end of its fiscal year. Failure to make available an annual audited report as provided herein shall be considered a material breach of this Agreement and provide cause for termination of the Agreement.

10. AUTHORITY CONTRACTS. The Authority may, within the approved budget, contract without the City's prior approval for services deemed by the Authority to be necessary to undertake and carry out its responsibilities under this Agreement.

11. AUTHORITY BOND. The Authority shall not be required to furnish the City a blanket corporate fidelity bond surety covering all officers and employees of the Authority capable of authorizing disbursements of funds or handling funds received or disbursed by the Authority from the City or any other party involved in any activities undertaken pursuant to this Agreement.

12. GOVERNING LAW. This Agreement and the performance thereof shall be governed, interpreted, construed and regulated by the laws of the Commonwealth of Virginia.

13. NOTICES. Any notices required to be given under this Agreement shall be sufficient if in writing and sent by first class, registered or certified mail, return receipt requested; if to the Authority, to its Chair at 1500 East Main Street, Suite 400 Richmond, VA 23219, or if to the City, to its Chief Administrative Officer at City Hall, 900 East Broad Street, Richmond, Virginia 23219 with a copy to the City Attorney, 900 East

Broad Street, Suite 300, Richmond, Virginia 23219. Either party may change its address for purposes of notice by giving notice to the other in accordance with this paragraph.

14. NO ASSIGNMENT. This Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the parties hereto; provided, however, that in no event may this Agreement or any of the rights, benefits, duties or obligations of the parties hereto be assigned, transferred or otherwise disposed of without the prior written consent of the other, which consent neither party shall be obligated to give.

15. MODIFICATIONS. This Agreement may be amended, modified and supplemented only by the written consent of both the City and the Authority preceded by all formalities required as prerequisites to the signature by each party of this Agreement.

16. NOTHIRD PARTY RIGHTS. No third party rights are created by this Agreement.

17. TERMINATION. Either party may terminate this Agreement with or without cause at any time upon reasonable written notice. Upon termination, the Authority shall transfer to the City all assets held under this Agreement, including receivables, and shall cooperate in transferring any outstanding grant commitments to the City.

SIGNATURE PAGE TO FOLLOW

Witness the following signatures and seals:

CITY OF RICHMOND, VIRGINIA
A Municipal Corporation of the Commonwealth
Of Virginia

By: _____
J.E. Lincoln Saunders
Chief Administrative Officer

Date: _____

Approved as to Form:


Deputy City Attorney

**ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF RICHMOND, VIRGINIA**
A Political Subdivision of the Commonwealth
Of Virginia

By: _____
John Molster, Chair

Date: _____

Exhibit A

Façade Improvement Program Target Area Broad Street within the Arts and Cultural District

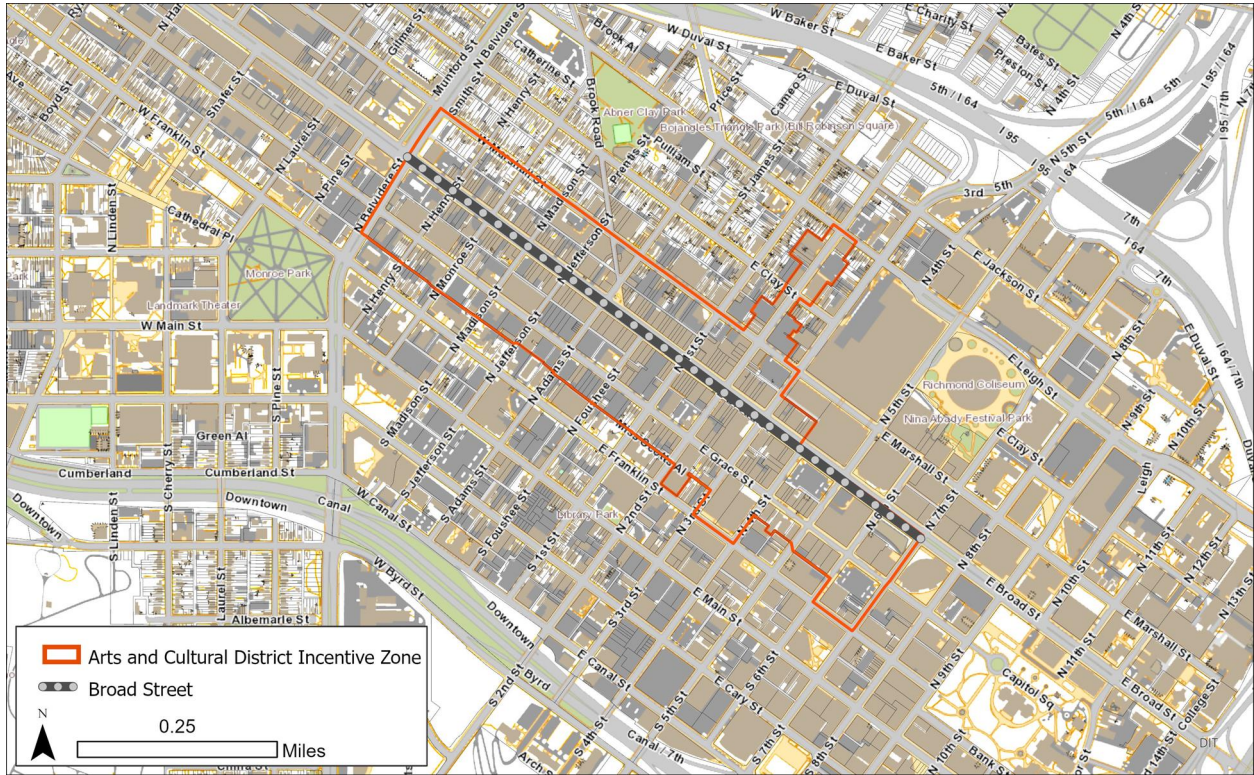


EXHIBIT B

FAÇADE IMPROVEMENT PROGRAM BUDGET FY 2022

BROAD STREET WITHIN THE ARTS & CULTURAL DISTRICT

<u>Program Income</u>		<u>Total</u>	
City	\$ 100,000	\$ 100,000	
Application Fees*	\$ 750	\$ 750	
Total Income	\$ 100,750	\$ 100,750	

<u>Program Activity</u>		<u>Total</u>	
Grants	\$ 100,000	\$ 100,000	
Arch & Engineering Services	\$ -0-	\$ -0-	
PDR Administration*	\$ 375	\$ 375	
Technical Assistance	\$ -0-	\$ -0-	
Neighborhood Development	\$ -0-	\$ -0-	
Pre Development	\$ -0-	\$ -0-	
Marketing	\$ -0-	\$ -0-	
Venture Administration*	\$ 375	\$ 375	
TOTAL	\$ 100,750	\$ 100,750	

*Application Fees are \$150. Budget estimates that no more than 5 applications will be received in FY2022-3. Application fees are retained by the City to help cover administrative costs associated with the Program. Actual number of applications and fees may vary.

EXHIBIT C

**FAÇADE IMPROVEMENT PROGRAM
Notice of Funding Opportunity (NOFO)**

NOFO to be attached here as EXHIBIT C