

DOWNTOWN REDEVELOPMENT AUTHORITY  
CITY OF HOUSTON TAX INCREMENT REINVESTMENT ZONE #3

HISTORIC EXTERIOR  
PRESERVATION AND RESTORATION PROGRAM  
GUIDELINES

**OBJECTIVE**

The objective of this program is to ensure the preservation and restoration of historic structures within the boundaries of the Downtown Redevelopment Authority, Tax Increment Reinvestment Zone #3 (DRA-TIRZ #3). This program is designed to assist property owners and lessees with long-term leases with facade restoration and preservation.

**HISTORY**

This program is funded by the increment received from the City of Houston, Houston Independent School District and Harris County. The Houston City Council created the Tax Increment Reinvestment Zone in 1995 and expanded its boundaries in 1998. The boundaries of the TIRZ #3 are detailed in Exhibit A.

**PROCEDURES AND GUIDELINES**

An application for funding must be submitted to the DRA-TIRZ #3 before funding will be considered.

Applications will be reviewed by the Design Review Committee (Committee) within 90 days after receipt of a completed application. The Committee is not obligated to consider or evaluate incomplete applications, and it may request additional information from applicants. The DRA-TIRZ #3 board reserves the right to reject any and all applications or discontinue the program at any time.

All awardees must agree to place a sign on said property denoting the DRA-TIRZ #3 contribution for the duration of construction of the project.

Applicants will be notified of the date and time of the Committee meeting to consider the application.

**APPLICATION PROCESS**

All applications must include:

1. Proof of ownership or a long-term lease. If the subject property is leasehold, the owner must submit in writing his/her approval of requested improvements.
2. Detailed description of the project, including plans and specifications.

3. Current financial statements of applicant and owner (if different from applicant), tax statements and information regarding pending lawsuits or judgments.
4. Total budget for the entire project.

### **HISTORIC DESIGNATION**

To be eligible for funding, the building must be designated as either a federal, state or city landmark or be located within the Main Street/Market Square historic district. When the application is submitted, Applicant must have either (i) received a Certificate of Appropriateness from the Houston Archaeological and Historical Commission (HAHC) or (ii) applied for a Certificate of Appropriateness for the project. Before any funds are awarded, Applicant must have received a Certificate of Appropriateness from the HAHC.

### **COMMENCEMENT OF WORK**

Applicant must not begin rehabilitation work before the funds request is approved and a Development Agreement has been entered into with the DRA-TIRZ #3 and approved by the City's Director of Planning and Development. If the applicant begins work prior to the meeting of the Committee, the applicant must contact the DRA-TIRZ #3 office.

If awarded funding, work must begin within 90 days of the date of the Development Agreement and be completed within six months of commencement. The Design Review Committee must approve any delay.

The DRA-TIRZ #3 staff will periodically check the progress of the project.

### **SELECTION OF GRANT RECIPIENTS**

The Board of Directors of the DRA-TIRZ #3 appoints the Design Review Committee. The Committee reviews all applications and makes its recommendation to the DRA-TIRZ #3 Board of Directors. Criteria for selection and amounts awarded are based on a number of factors, including, but not limited to:

- Importance of the project to the overall goals of the DRA-TIRZ #3; the Committee will only recommend projects with permanent beneficial changes to the area.
- The use of quality materials and appropriate restoration techniques.
- The amount of funds in the DRA-TIRZ #3 annual budget for historic preservation.
- Current or intended use of the building.

### **RELEASE OF FUNDS**

No funds will be released until:

- All proper documentation has been received, reviewed and approved by the Executive Director.
- All work has been completed and an inspection of the project has been done by the DRA-TIRZ #3 (staff or consultant).
- If applicable, executed copies of any contract work guarantees shall be attached to the final inspection agreement.
- Written request for payment, including invoice, releases of liens, occupancy permits and other supporting documentation has been submitted to and approved by DRA-TIRZ #3.

## **REHABILITATION STANDARDS**

Original and historic material shall be left intact.

All reasonable efforts should be made to require minimal alteration to the historic structure.

Any and all deteriorated architectural features, if possible, shall be repaired rather than replaced.

## **REPAYMENT OF FUNDS**

Should any of the following events occur within 15 years following completion of the project, the applicant must repay all of the funds received from DRA-TIRZ #3:

- (1) Applicant's (or owner's) failure to maintain the restored facade in good condition;
- (2) Destruction of the facade caused by the applicant's (or owner's) intentional acts or omissions or negligence; or
- (3) Sale or transfer of the building unless the subsequent owner or lessee agrees to comply with the provisions of the Development Agreement.

If the facade is damaged or destroyed, applicant or owner shall use any insurance proceeds received to repair or restore the facade; if the facade cannot be repaired or restored, or if applicant or owner elects not to repair or restore the facade, applicant shall repay all funds received from DRA-TIRZ #3.

## **AVAILABILITY OF FUNDS**

This amount varies based on the budget of the DRA-TIRZ #3. The amount will be announced each year. The DRA-TIRZ #3 makes no guarantee that funds will be available in any given year for the program. Applications will be considered on a first-come, first-served basis. The DRA-TIRZ #3 fiscal year end's June 30.

## **PHOTOGRAPHS**

It shall be the responsibility of the applicant to provide the DRA-TIRZ #3 with BEFORE, DURING, and AFTER photographs of the structure. The DRA-TIRZ #3 has the right to use these photographs for promotional and educational materials.

## **RECORD RETENTION**

Any and all correspondence involved with and/or related to the specific project shall become the property of the MSRA-TIRZ. Copies of the file information may be given to the recipient by request.

## **INSURANCE**

Applicant will be required to maintain insurance coverage on the Project during construction. See Exhibit B for insurance requirements.

A copy of the Certificate of Insurance must be submitted to DRA-TIRZ #3 before restoration begins and before Notice to Proceed is issued.

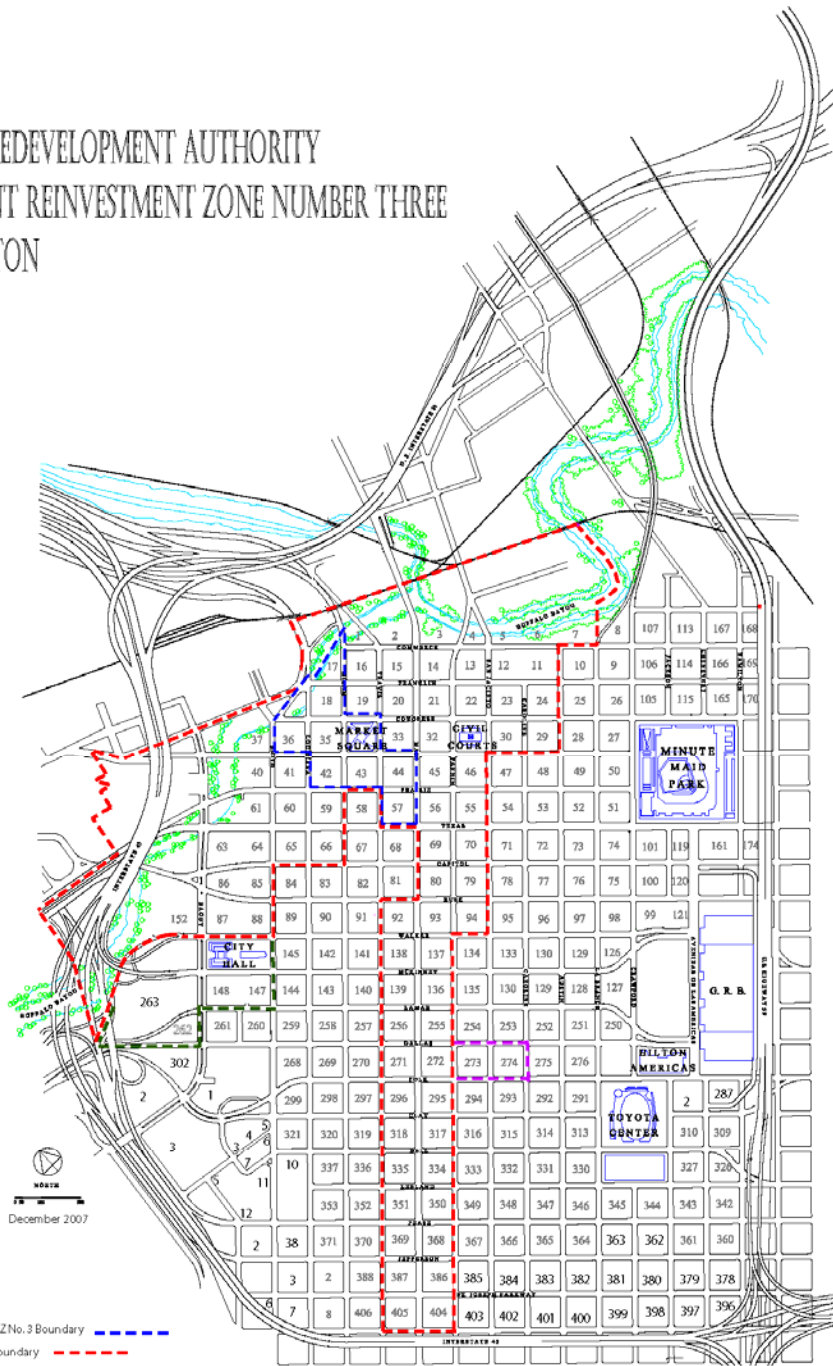
The Certificate should evidence that the DRA-TIRZ #3, its officers, directors, agents and employees have been named as additional insureds and that a Waiver of Subrogation has been issued in their favor.

---

**APPLICATIONS WILL NOT BE CONSIDERED IF THE ABOVE GUIDELINES ARE NOT MET**

# EXHIBIT A

## DOWNTOWN REDEVELOPMENT AUTHORITY TAX INCREMENT REINVESTMENT ZONE NUMBER THREE CITY OF HOUSTON



**KEY:**

- 1996 Original TIRZ No. 3 Boundary ————
- 1999 Annexed Boundary - - - - -
- 2005 Annexed Boundary - - - - -
- 2007 Annexed Boundary - - - - -

**BLOCK AND BLOCK NUMBER  
(TYPICAL)** 405

**BOUNDARY EXPANSION MAP**

## EXHIBIT B

### INSURANCE

(A) The Applicant shall obtain and maintain insurance coverage continuously during the term of an Agreement, and the Authority shall cause each of its subcontractors to maintain insurance coverage during the term of an agreement in accordance with the terms of this schedule through any combination of primary and excess coverage and, in the case of “claims made” coverage, for an additional two years thereafter.

1 Risks and Limits of Liability. The insurance required by this schedule shall insure against the following risks in at least the following amounts:

<u>Coverage</u>	<u>Limit of Liability</u>
Workers' Compensation	Statutory
Employer's Liability	Bodily injury by Accident \$100,000 (each accident) Bodily injury by Disease \$500,000 (policy limit) Bodily injury by Disease \$100,000 (each employee)
Commercial General Liability: Including Broad Form Coverage, Contractual Liability, Bodily and Personal Injury, and Completed Operations (for a period of one year after completion of work)	Bodily Injury and Property Damage, Combined Limits of \$500,000 each Occurrence and \$1,000,000 Aggregate
Automobile Liability Insurance (for vehicles used in performing under this Agreement, including Employer's Non-Ownership and Hired Auto Coverage)	\$500,000 Combined Single Limit per Occurrence
Professional Liability Coverage (for professional service contract only)	\$500,000 per claim \$1,000,000 aggregate

Defense costs are excluded from the face amount of the policy.  
Aggregate Limits are per 12-month policy period  
unless otherwise indicated.

2 Forms of Policies. The Authority may approve the form of the insurance policies, but nothing the Authority does or fails to do relieves the Applicant of its obligation to provide the required coverage under this Agreement.

C. Issuers of Policies. The issuer of each policy shall have a certificate of authority to transact insurance business in the Texas or a Best's rating of at least B+ and a Best's Financial Size Category of Class VI or better, according to the most current edition of *Best's Key Rating Guide, Property-Casualty United States*.

D. Insured Parties. Each policy, except those for Worker's Compensation, Employer's Liability, and Professional Liability, must name the City of Houston (the "City") and the Authority (and its officers, agents, and employees) as additional insured parties on the original policy and all renewals or replacements.

E. Deductibles. The Applicant shall be responsible for and bear (or shall contract with each applicable contractor to bear and assume) any claims or losses to the extent of any deductible amounts and waives (and shall contract with each contractor to waive) any claim it may have for the same against the City and the Authority, its officers, agents, or employees.

F. Cancellation. Each policy must state that it may not be canceled, materially modified, or nonrenewed unless the insurance company gives the Authority and the Planning Director of the City 30 days' advance written notice. The Applicant shall (and shall contract with each subcontractor to) give written notice to the Authority and the Planning Director within five days of the date on which total claims by any party against such person reduce the aggregate amount of coverage below the amounts required by this Agreement. In the alternative, the policy may contain an endorsement establishing a policy aggregate for the particular project or location subject to this Agreement.

G. Subrogation. Each policy must contain an endorsement to the effect that the issuer waives any claim or right of subrogation to recover against the City, the Authority, their officers, agents, or employees.

H. Primary Insurance Endorsement. Each policy, except Workers' Compensation and Professional Liability (if any), must contain an endorsement that the policy is primary to an other insurance available to the additional insured with respect to claims arising under this Agreement.

I. Liability for Premium. The Applicant shall pay, (or shall contract with subcontractors to pay) all insurance premiums for coverage required by this schedule, and the City and the Authority shall not be obligated to pay any premiums.

J. Subcontractors. Notwithstanding the other provisions of the schedule, the amount of coverage contracted to be provided by subcontractors shall be commensurate with the amount of the subcontract, but in no case less than \$100,000 per occurrence. The Applicant shall provide (or shall contract with subcontractors to provide) copies of insurance certificates to the Planning Director and the Authority.

K. Proof of Insurance. Promptly after the execution of this Agreement and from time to time during the term of this Agreement at the request of the Planning Director or the Authority, the Applicant shall furnish the Planning Director and the Authority with certificates of insurance maintained by the Applicant in accordance with this schedule along with an affidavit from the Applicant confirming that the certificates accurately reflect the insurance coverage maintained. If requested in writing by the

Planning Director or the Authority, the Applicant shall furnish the City or the Authority with certified copies of the Applicant's actual insurance policies. Failure of the Applicant to comply with the requirements of this schedule shall constitute an event of default and the Authority, at its sole discretion, may (1) suspend performance by the Authority hereunder and begin procedures to terminate this Agreement for default or (2) purchase the required insurance with Authority funds and, deduct the cost of the premiums from amounts due to the Applicant under this Agreement. The Authority shall never waive or be estopped to assert its right to terminate this Agreement because of its acts or omissions regarding its review of insurance documents.

L. Other Insurance. If requested by the Authority, the Applicant shall furnish adequate evidence of Social Security and Unemployment Compensation Insurance, to the extent applicable to the Applicant's operations under this Agreement.