

Texas Historic Courthouse Preservation Program

ROUND IX GRANT MANUAL

EMERGENCY GRANT GUIDELINES



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1. PROGRAM RULES AND REGULATIONS

The Texas Historic Courthouse Preservation Program is an unprecedented effort by the state and local governments to preserve historic county courthouses. It has been widely recognized and received several national awards for its achievements. To date, more than 63 Texas courthouses have been fully restored through this program.

The THCPP, created in 1999, exists under the authority of the Texas Government Code, Section 442.0081, Historic Preservation Program Grants and Loans; 442.0082, Historic Courthouse Project Requirements; and 442.0083, Funding for Historic Courthouse Preservation Program, Historic Courthouse Preservation Fund Account.

The implementing regulations for the program are described in the Texas Administrative Code, Title 13 Cultural Resources, Part 2 Texas Historical Commission, Chapter 12 Texas Historic Courthouse Preservation Program, as amended. These regulations were developed by the Texas Historical Commission to implement this program.



2. STARTING THE PROJECT

Congratulations on receiving a Round IX grant award! Our staff looks forward to working with you toward the preservation of your historic county courthouse.

This section discusses the procedures and terms under which the grant must be administered, identifies the parties involved, and describes in detail the important first steps in the process. The task of planning, contracting for, and administering the actual construction activity will be described in a later section.

The preconstruction phase activities, including executing the program documents and contracts, relocation, etc., should provide ample time for establishing a dialogue, executing the agreements, and reviewing the final plans. Our expectation is that all parties share a common vision for this courthouse project, specifically the work described in previously approved 95% construction documents and/or referenced in the grant application. Please become familiar with the scope commitment as the construction contract documents are finalized.

We find that the most successful projects are the result of good communication between the parties and a thorough understanding of the issues, the roles, and responsibilities of each.



2A. GRANT ORIENTATION MEETING

Following notification of the grant award, a **grant orientation meeting** will be held shortly after the grant is awarded in order to familiarize the participants with the grant program guidelines. All project participants, including county/municipality representatives who have a role in the project, professional consultants, and interested members of the local community are invited to attend. The county judge, mayor, or designated contact, and the project architect each will receive a copy of this grant manual. If needed, additional manuals can be printed from the enclosed compact disk.

The **county/municipality**, as grant recipient, carries the primary responsibility for executing this project in accordance with all procedures stated in this grant manual, for executing contracts with the professional consultants and for paying all costs associated with the project. The grantee must also ensure that all necessary THC approvals are obtained, reporting information is submitted to THC, and that meetings are properly coordinated with the THC.

The grant work includes administrative, legal, financial, and construction components. It may be useful, therefore, to identify the grantee's expertise in these areas and involve the appropriate participants at an early point in the process. Familiarize them with the procedures and call the THC should you need clarification on any issue.

In addition, the county or city officials should familiarize themselves and comply with the **Uniform Grant Management Standards** (UGMS) produced and distributed by the Comptroller of Public Accounts. Chapter 783 of the Texas Government Code states, "It is the policy of the state to promote the efficient use of public funds in local government and in programs requiring cooperation among local, state and federal agencies." The UGM Standards are found at www.comptroller.texas.gov/procurement/prog/grant-management.

The **project architect and/or consultant(s)** is your project professional and advises the grant recipient on matters related to the project. The grant recipient should work with a preservation architect or architectural firm that has ample time and appropriate skills to execute the project in accordance with its needs and these procedures. The scope of the architect's responsibilities is defined in your architectural services contract and should be expanded as necessary to address these procedural requirements (see "Construction Project" section). The sub-consultants, such as mechanical engineers, structural engineers, lighting designers, and paint conservators also provide valuable input to ensure the project meets the grant recipient's functional requirements. A Grant Completion Report must be prepared by the project professional per the requirements to satisfy the grant, and 10% of the grant amount will be held from reimbursement until this document is completed. Contractors and other professionals have a role in the production of this document and therefore, they should be notified of their responsibilities in advance of starting the work.

A **construction contractor or manager** is hired and compensated by the county/municipality to execute the work in accordance with the approved construction documents. The contractor must be a well-qualified professional and fully bonded. Please note that the grantee is responsible for enforcing the prevailing wage rate under Texas Government Code, Chapter 2258.

The **THC** will be your partner during the planning and execution of the grant-funded work. Our staff architect or preservation consultant assists you in achieving a quality preservation project and facilitates



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reimbursement of funds. This individual will work closely with you and the construction team throughout the project.



2B. FUNDING AGREEMENT

A **Funding Agreement** (Agreement), the body of which has been prepared for each project by the THC, states the obligations of the grantee and the THC with regard to the grant project (see front pocket for an original copy). By its execution, the grantee commits to carry out the project in conformance with the program requirements and the procedures of this manual.

Please review the Agreement language carefully and ensure that the terms and grantee’s responsibilities under the Agreement are well understood by all parties.

Supporting documents for the agreement include the following attachments to the agreement (see samples with Agreement located in front pocket).

- Attachment A: Source of Funds Statement and Verification
- Attachment B: Project Cost Statement
- Attachment C: Scope of Work
- Attachment D: Project Schedule
- Attachment E: Resolution of Support.

The architect/consultant shall provide the Attachments B, C, and D; the THC will provide Attachment A and the county/municipality will provide Attachment E. After approval of these attachments by THCPP staff, the Agreement and all attachments will be assembled, approved, and signed by the grantee’s representative. Two original prints of these documents should be mailed to THC for signature by the Executive Director of the THC. One set will be returned to the county after all signatures are secured. The county/municipality shall also prepare a statement concerning selection of the architect and transmit original copies of the signed documents to the THC for signature.

The Agreement must be signed by both parties prior to initiating grant funded work and preferably within 90 days of the date of the award. Undue delay in executing this Agreement may result in forfeiture of the grant funds.

Please note that it may be necessary to amend the Agreement to reflect any significant changes to the project cost, schedule, or scope by updating the relevant Funding Agreement attachments.

Attachment A: Source of Funds Statement and Verification (Funds Statement)

The grant awards were based on the Emergency request stated in the county/municipality’s Round IX grant application and will not exceed \$450,000.

The Funds Statement prepared by the THC establishes the award amount provided by the state and the minimum match amount that the county/municipality will provide to accomplish the scope of work. The **local share** figure generally matches the “cash contribution” figure you provided in the project funding request section of your most recent grant application. The **state share**, or THCPP grant award amount, is the amount requested in the application or another amount as determined by the THC.



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The **verification** commits the county/municipality to providing all remaining funds necessary to complete the grant project. **Please note that the state's award is based on the grant application's estimated project cost, yet it is the obligation county/municipality to meet all final project costs.** The local funding share may be provided in ready cash, loans, certificates of obligation, or other non-THC grant awards. State funds are distributed on a cost-reimbursement basis.

If the total project cost either increases or decreases by more than 10% after the Source of Funds Statement has been signed by the grantee and submitted to the THC, an amended source of funds statement must be approved, signed and attached to the Funding Agreement for the THC in order to update the contribution percentages of the parties.

Attachment B: Project Cost Estimate (Cost Estimate)

The Cost Estimate or "opinion of probable construction cost" must be provided as an attachment to the Agreement. Organize costs by CSI divisions or other standard format. Ensure that the total amount of the eligible project costs matches or exceeds the "total grant project cost" figure used in Attachment A.

Consult with the THC or refer to Section 3B of this manual to identify **any ineligible project costs** in your estimate, such as non-preservation related expenses; these costs must be totaled separately. All project costs that are not eligible for reimbursement from this grant program are the sole responsibility of the county/municipality and should be budgeted as such.

Professional services fees are added to the eligible construction costs to establish the total estimated project cost. Note that the professional fees for a Round IX construction project, in excess of 4% of the eligible construction costs for this phase of work are ineligible for reimbursement by THC unless the plans and specifications have not been previously developed and approved. If construction plans have not been completed, up to 13% of the total construction cost is eligible toward the development of construction documents. Professional services associated with ineligible project scope are also ineligible for reimbursement by THC.

The Cost Estimate represents your consultant's current opinion on the cost of the work based on their professional experience and shall include reasonable allowance for contingency, market fluctuations, and unforeseen conditions. Upon receipt of bids and in considering a contract amount, the county/municipality shall notify the THC of any changes to the cost of the work and a bilateral amendment to the Agreement stating new project costs and cost shares may be required before the project continues, (see Section 3B. Reimbursement, Project Cost Changes). Please note that a contingency is recommended in order to assist with cost overruns or unforeseen work items.

Attachment C: Scope of Work

Work to be performed under the Agreement is described in the Scope of Work. This document establishes all parties' general expectations for the project and should clearly state the treatment approach, i.e., restoration or rehabilitation, selected for this building and reference a dated version of the 95% or 100% complete construction documents for the specific details of the work to be performed. The full scope of work shall be met unless specific written agreement is given by the THC.



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Attachment D: Project Schedule

Following the general grant orientation meeting, the project architect will develop the grantee's Project Schedule, which lists major project milestones. It must take into consideration the work to prepare, execute, and obtain approvals for the program documents and proposed final contract documents (see Section 3A). Consult with the THC on the proposed schedule prior to its final inclusion in the Agreement.

Attachment E: Resolution of Support

The county/municipality must execute a resolution of support for acceptance of the grant award and its terms. A suggested text is provided in the sample attachment. The resolution shall commit the county or municipality to compliance with the guidelines of program, adherence to the terms of the funding agreement and provide assurance that the county/municipality is committed to achieving the project as described in the project description/philosophy. The county/municipality must be aware that its financial commitment to the project may extend beyond the amount estimated as the county/municipality's participation in the project due to unforeseen circumstances.

Please place a copy of the executed Funding Agreement in this manual for your future reference.



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2C. GRANT OF EASEMENT

In the Round IX application for a THCPP grant, your county/municipality may have agreed to convey a **Grant of Easement** (Easement) in the property to the Texas Historical Commission. An Easement reflecting the terms has been prepared (see front pocket).

For detailed information about the easement procedure and required attachments, please see the THC's Policies and Procedures for the Donation and Maintenance of Preservation Easements, in the Appendix of this grant manual.

The Easement must be signed and notarized by the grantor (county/municipality or municipality) and grantee (THC). The original, signed copy will be duly filed by the county or municipality clerk. The grantee should then transmit a notarized copy of the easement with the filing stamp to the THC for its records. The Easement remains in effect in perpetuity or as otherwise agreed.



3. PROJECT EXECUTION

The THCPP grant awards generally fall into one of three types: construction, planning, or a combination of both. A planning grant supports the development of architectural drawings, or plans, and specifications for the construction activity that follows at some later date. A construction grant takes those architectural plans and specifications and adds the necessary contractual information, places them out for bid and awards the construction project to a contractor who executes the work.

A typical multi-million-dollar construction project is highly complex and requires considerable oversight to achieve the desired outcome. It is critical to determine how the various types of information will be transmitted, reviewed, and approved at the earliest point in the process.

Please be aware that **failure to communicate** necessary information or obtain approvals from the THC can delay the project, cause reimbursements to be withheld, and/or the contract to be terminated.

The THCPP-funded construction phase of the work will include the following important steps:

(1) Review/transmit architectural contract and selection statement to THC

- Ensure that the contract includes all services required under this manual

(2) Construction Document Review and Approval

- All parties meet at the site to examine architectural and historic issues
- THC reviews proposed 100% plans and specifications and provides comments
- Project architect and consultants responds to comments in writing
- Parties reach consensus on contract document content
- Project architect provides revised 100% contract documents to the THC
- THC reviews final set and issues a Notice to Proceed to Bidding

(3) Bidding and Award of Construction Contract

- Advertise and receive bids from qualified general or prime contractors
- Review bids with county/municipality and the THC
- Negotiate, select construction contractor and award contract
- Transmit construction contract to the THC
- THC issues a Notice to Proceed to Construction

(4) Pre-Construction Conference

- Pre-construction conference held with THC, grantee, project architect and contractor
- Provide schedule of values and subcontractor list to THC

(5) Construction Administration

- Construction work monitored by architect with regular reporting to the THC
- Progress meetings conducted with all parties to review work and approve actions
- Invoices and pay applications made to grantee who then pays for the cost of the work
- County/municipality submits reimbursement requests to the THC
- THC reimburses county/municipality for eligible costs

(6) Project Close-out (see Section 4)



3A. PROJECT REVIEW

The preconstruction and construction phases of the project generally follow the standards of the industry; however, THC will provide architectural review of the work and play a role in the decision making process.

(1) Review and transmit selection statement and architect's contract to THC

The county/municipality will negotiate a contractual arrangement with a licensed architect or architectural firm following the orientation meeting. The **Contract between the Owner and Architect** (usually AIA Document form B141) should specify the services that will be provided by the project architect for this grant funded project.

Essential elements of the architect's contract are the scope of services, deliverables, fees, and schedule. These are also the subjects of attachments to your funding agreement with the THC, so the architect should **ensure that their professional services contract is consistent with their responsibilities under this Program.**

For construction-only projects, services of the architect will include completion of the plans and specifications, bidding and negotiation phase services and construction contract administration. The architect's contract should specify the number of site visits/progress meetings during construction. The THC recommends a minimum of two meetings a month on-site until the project is complete and all punch list items are resolved. At least one construction meeting per month should be coordinated with THCPP staff in order to accommodate their regular attendance. The architect is also responsible for providing meeting minutes for all construction meetings and progress photos at least once a month. Reimbursement by the THC to the grantee can be delayed until these are received. In addition, the architect must provide a completion report as an additional service after the construction project has been completed (see Project Close-out, Section 4). We also strongly recommend a one-year follow-up inspection with the entire team and that the project architect assist the county/municipality through the one-year warranty period.

While the consultants' fees for the preconstruction and construction phase work may exceed 4 percent of the eligible construction cost for this phase (15 percent of the construction cost for services including design), the THC will not reimburse the county/municipality for professional services in excess of the respective limitations.

The county/municipality must provide a copy of its contract with the architect, any amendments, a statement of the architect's qualifications, and the resume of the project architect prior to submitting any requests for reimbursement.



(2) Construction Document Review and Approval

Proposed 100% complete plans, specifications, project manual, and other documents (**contract documents**) **must be submitted to the THC for final review and approval prior to awarding a construction contract or initiating any grant-funded construction activities. Details for all value engineering modifications must be submitted to THC staff for review and approval as well.**

These documents will be reviewed by the THC to determine if they are consistent with the approved master plan and the applicable treatment within Secretary of the Interior's *Standards for the Treatment of Historic Properties*, and the **restoration date** stated in the grant application. Note that **restoration** is defined as “the act or process of accurately depicting the form, features and character of a property as it appeared at a **particular period of time** by means of the removal of features from other periods in its history and reconstruction of missing features from the restoration. The limited and sensitive upgrading of mechanical/electrical/plumbing systems and other code required work to make the property functional is appropriate within a restoration project.” **Rehabilitation**, by contrast, does not involve the removal of historic features and no specific date is represented.

The “front end” of the contract documents must address all legal requirements the county/municipality must meet under the Texas Government Code and the relevant sections of the Uniform Grant Management Standards should be consulted for bidding requirements. The project manual should **specify the general contractor’s or construction manager’s responsibilities** as they pertain to the requirements of this program, i.e., project sign, progress photos, contractor’s meeting minutes, record drawings, and/or record photographs. It should also specify the minimum experience and qualifications of the general contractor and major subcontractors, see next sub-section on “Bidding.”

THC staff will require approximately two to four weeks from the date of receipt for review of the proposed 100% complete contract documents. THC staff may request an on-site meeting to familiarize themselves with the project and discuss the status of the proposed plans. Selective demolition may be encouraged to verify hidden conditions and reduce the need for change orders during construction. The county/municipality should ensure that the project architect implements the THC-recommended revisions to the plans and completes the plans in a timely manner.

Note that previous approval of the documents does not preclude further comments from THC on any aspect of the current submittal. If conditions related to the project change, new information becomes available, or elements which are inconsistent with the approved master plan or the applicable scope become apparent, the plans should be revised appropriately. The THC and county/municipality review of the 100% documents will entail comprehensive evaluation based on current information and experience to ensure that the high standards set for this program are met.

Subsequent to an internal THC review, THC staff may request a meeting with the project architect and county/municipality to resolve substantive concerns regarding any aspect of the proposal. The THC will provide written comments to the project architect via the county/municipality. The project architect and consultants must then revise the documents to address the comments of the THC and submit the revised 100% documents prior to bidding. When this set is received and determined that it conforms to the THC comments, the THC will issue a **Notice to Proceed to Bidding**. The county/municipality may not advertise the project for bid or incur any construction-related expenses prior to receiving the Notice to



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Proceed to Bidding. Changes to the construction documents may be requested at any time, including after the Notices to Proceed to Bidding/ Construction have been issued.

(3) Bidding and Award of Contract

One copy of the final **contract documents** should be forwarded to the THC prior to bid advertisement. The package should contain the approved contract documents (drawings and specifications), as well as the project manual. **Special bidding procedures that apply to state construction, such as HUB participation and good faith agreements are not required under this program. The county/municipality should comply with Uniform Grant Management Act, the State Purchasing Act and with its own procedures for bidding work.** These procedures include solicitation for bid through public notice, public bid opening, and contract award to the lowest and best bidder. The THC recommends that in determining the lowest and best bid, the county/municipality thoroughly consider the bidder's abilities, capacity, and demonstrated skill to perform this specialized work.

The project architect shall copy the THC on any addenda issued during the bidding phase. The addenda will be reviewed by the THC to determine its impact on the previous approval. Upon receipt of bids, **the bidder's list, advertisements, and tally sheet should be forwarded to the THC by the county/municipality.** Should the bids received exceed the estimated construction costs, the county/municipality will be held responsible for contributing the funds in excess of the estimated costs per Article 4.03 in the Funding Agreement (see Section 3B, project cost changes).

While the THC will consider all proposed costs savings, scope changes at odds with the master plan that affect the quality of the project or do not meet the applicable Secretary of the Interior's *Standards* will not be permitted. For the success of the project, it may be necessary for the county/municipality to increase its share of the project budget to address the shortfall. In addition to any contingencies included in the contractor's or construction manager's contract, we recommend that the county/municipality budget and maintain a minimum 4 or 5% contingency to address unforeseen conditions. The Funding Agreement must be amended if major changes in the scope, project cost or schedule.

Should the county/municipality receive base bids and alternates that total less than the total project cost stated in the Project Cost Estimate, state funds will be reduced by an amount that maintains the original percentage contribution of the state and county/municipality toward eligible project costs. The construction contract should be executed before the due date established for the project in the Project Schedule. If this schedule is not met, extension requests must be made at least 14 days prior to the scheduled deadline. **All projects should begin construction within six months of award or risk forfeiting their grant funds.**

Through negotiation, the county/municipality will enter into a contract with the selected bidder. **A copy of the executed construction contract should be forwarded to the THC as soon as it is available.** When the contract is received, the THC will issue a **Notice to Proceed to Construction.**



(4) Pre-Construction Activities

A **Pre-Construction Conference**, intended to clarify the responsibilities and operating procedures, should be held shortly after the signing of the construction contract and before any construction work is started. The project architect should schedule this meeting and ensure that county/municipality representatives and THC staff representative(s) are included. The purpose of this meeting is to establish, delineate and clarify the specific authorities and responsibilities of each party. The THC staff representative(s) will describe the grant project procedures that will take place during construction.

The county/municipality is encouraged to appoint a representative to monitor the project and participate in all construction-related activities, including plan review, site visits by the architect and/or the THC, and progress meetings. **The county/municipality should ensure that the project is executed in accordance with the plans approved by the THC and is completed by the end date specified by in the Funding Agreement.** Liquidated damages reimbursing the county/municipality for its costs from the contractor's failure to complete the project by the contracted date may need to be included in the agreement between the owner and contractor.

At the beginning of the project, **the contractor, in consultation with the project architect, will provide a construction schedule, a schedule of values and a submittal schedule** for the project showing all the contractor's proposed submittals, shop drawings, change order procedures, testing reports, and product reports. The THC will identify which submittals should be submitted to our office for review. The project architect should coordinate approval of these submittals with the THC.

A communication protocol and responsibility chart should be established to identify each party's obligations for: regular production of meeting minutes and/or progress reports and progress photographs; routing of submittals, requests for information, change orders, and other items requiring multiple approvals; development of meeting agendas and schedule; transmittal of consultants' testing reports, such as mortar analysis; review of mock-ups, etc.

Note: If the project involves a courthouse designated as a State Archeological Landmark, the grantee or its consultant will complete the permit application and forward it to the required parties for signature. Upon receipt of signatures, a permit will be issued that will satisfy the county/municipality's obligation under the Antiquities Code of Texas, pending receipt of the Project Completion Report. **This permit should be posted by the contractor at the job trailer.**

A project sign shall be provided by the contractor promptly and placed on the job site (see end of this section). Other business advertising will not be permitted on the site.

(5) Construction Administration

As the construction progresses, the THC will meet on a regular basis with the county/municipality's representative(s) and project architect to visit the site and observe the work. **Scheduled in coordination with THC staff, progress meetings with all parties should generally take place monthly.** The project architect is generally expected to visit the site at least twice a month and report to the commissioners' court on a regular basis if requested by the county/municipality.



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To fulfill the requirements for reimbursement, the project architect should prepare and submit the project meeting minutes and/or progress report and progress photographs to all parties at least monthly. The report, or minutes, should include: the percentage of work completed by trade; work progress as compared to schedule; work currently being accomplished; pending actions; and questions. The THC will use these reports to monitor the progress of the work. The project architect's regular progress reports, photos, and certification of the contractor's payment requests will qualify the county/municipality to receive monthly reimbursement of construction expenses, see Section 3.B. Reimbursement.

As part of the architectural review, THC staff will review selected product submittals and proposals by the contractor. Please provide these for review electronically if possible. Mock-up reviews will be conducted by THC and the project architect. The project architect must inform the THC of any pending actions that affect the quality of scope or the project and request review and approval from THC.

If the project architect notes the work is behind schedule to any significant extent, the THC should receive a separate notification calling attention to the schedule change. If it is evident that the project schedule for that quarter cannot be met, the county/municipality must request an extension for the project.

Change orders that affect the project scope, architectural features or quality of the project will require prior THC approval. We recommend that change requests are informally reviewed with THC staff. A signature line for the THC should be provided on the change order forms. Decisions that significantly change the total cost of the project or budget may require bilateral amendments to the Funding Agreement.

Regular payment applications made by the contractor or construction manager and reviewed and approved by the project architect will not be reviewed by the THC prior to payment by the county/municipality. An exception to this is release of retainage requests by the contractor. These should be discussed with THC prior to the project architect's approval and submittal to the county/municipality. It is significant to note that the THC will hold 10% of its grant award until the project has met all standards for completion. The county/municipality should carefully consider release of its retainage as it relates to their contract with the general contractor.



3B. REIMBURSEMENT

The THC has maintained an excellent record in the administration of state and federal grant funds. We encourage the grantee's treasurer or auditor to establish a separate account for this project and to maintain an up-to-date budget of anticipated project costs and a record of expenditures. A grantee's expenditure of money received under this program is subject to audit by the State Auditor in accordance with Chapter 321 of the Texas Local Government Code.

The program distributes funding on a **cost-reimbursement basis**. The county/municipality shall be responsible for developing a method for paying all project-related expenses as they come due, then requesting reimbursements from the THC. Reimbursement may be withheld until all required documentation is received and approved by the THC and until Notices to Proceed to Bidding and Construction are issued by THCPP staff.

Documentation of eligible project costs

The Total Project Cost for this grant project includes the total construction cost plus related costs, such as professional fees, contractor's overhead and profit, testing, permits, advertising for bids, etc. These costs are eligible for reimbursement under this program providing they have not been incurred prior to the grant award.

Your THC staff architect or preservation consultant should be consulted if you have questions regarding the eligibility of project costs. A list of possible eligible and ineligible costs follows:

Eligible Expenses are:

- Advertising for construction bids
- Civil engineering/property surveys
- Demolition of non-historic structures or features on the historic site
- Hazardous materials testing and abatement
- Building permit fees
- Builder's risk insurance
- Contractor's overhead and profit, not to exceed 15% of the allowable construction cost
- Total architectural, engineering, and project management services (A/E/PM) shall not to exceed 15% of the final construction cost.
- Eligible costs of A/E/PM services shall not exceed 4% of the construction cost for that phase of construction plans are previously approved by THC
- Project contingencies that exceed 10% of the construction costs are not eligible budget items.
- Other services by audio, acoustical, security, consultants, or metal or paint conservators are subject to the total professional services limits stated above (15% of total construction cost)
- Reimbursable items such as travel and copies as defined by AIA's *Handbook of Professional Practice*
- Reasonable costs associated with preparation of completion report
- Historic and reproduction historic furnishings in the courtrooms such as judge's bench, railings, jury box, witness stand, attorney's tables, chairs, and audience seating.
- Historic and reproduction historic furnishings in other major public spaces such as clerk's and tax assessor's counters, railings, safes, and cabinetry.
- Historic fireproof vault furniture
- Data conduit



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- Area carpet/ loose rugs of approved design are eligible costs in spaces where functionally required.
- Restoration of significant site elements that restore the site to a significant historic appearance, up to \$50,000
- Built-in security systems and equipment such as card readers, cameras, up to \$20,000
- Audio-visual systems such as amplifiers microphones, loudspeakers, up to \$50,000
- Generators serving the courthouse

Ineligible Expenses are:

- Master plan preparation costs
- Grant application preparation costs
- Temporary or permanent relocation, moving, and housing costs
- Loan financing costs
- Compensation to the architect related to value engineering
- Compensation to a grant manager
- Work in non-historic additions or to buildings other than the courthouse, except demolition as stated previously
- Work which occurs on non-county/municipality property unless approved by THC
- Site work not related to building preservation such as irrigation systems, site lighting, site furnishings, and landscaping materials
- Historic site restoration costs over \$50,000
- Security system costs over \$20,000
- Audio-visual systems costs over \$50,000
- Movable office furnishings and office equipment (historic and non-historic) such as loose chairs and personal office furniture, filing cabinets etc.
- Data wiring
- Telephone systems and equipment
- Computer servers and terminals
- Appliances
- Clock relocation if not to its original location
- Parking lot striping and paving
- County/municipality's companion rededication plaque

A blank **Reimbursement Request** form, along with a sample cover letter is provided for your use. If you need any help filling out the form or have questions, please contact the THC staff. Questions regarding grant funds management should be directed to THC Chief Financial Officer, Corey Crawford, at 512-475-0774 or Megan Koch at 512-463-3805. If you wish the funds to be transmitted electronically, please make these arrangements prior to your first request.

Following is a summary of the information provided in your request:

The **Project Information** contains general information such as the judge's name and phone number. The grant fiscal year is 2016-17. The Initial Grant Award is the amount listed in the Funding Agreement as the state funds. The Total Eligible Project Cost is the amount of the Total Project Cost listed in the Funding Agreement. The Revised Grant Amount included the Initial Grant Award plus any supplemental awards received as amendments to the Funding Agreement.



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The **Payment Recipient** and chief financial officer is usually the county/municipality treasurer.

The **Federal or State Identification Number** is the taxpayer identification number and is required for our accounting.

The **Type of Payment Requested** will always be partial unless the project is finished. See final request instructions below.

The **Period Covered This Request** is the period during which the expenses were incurred or services delivered, not the date the checks were written or invoices were received. While this period can overlap with other requests or exceed 30 days, it may not include any expenses incurred prior to the date of the grant award or any construction expenses incurred prior to the notice to proceed to construction.

The **Reimbursement Calculation** refers to the state and local percentage share of the total project cost (see the Funding Agreement, Attachment A: Funds Statement, for your project's percentage shares). If the county/municipality has made a cash commitment to the project, a percentage of the total reimbursement request equal to the state funding share for the project, will be distributed for each request.

Required attachments for each reimbursement request include documentation for the previous quarter's eligible project costs, as follows:

Expense Summary

If more than one check is involved in the reimbursement request, provide a summary or tally for 1) the eligible portions of check amount, 2) the name of the vendor and 3) total eligible project costs for this period. If portions of any invoice do not apply to this project or are ineligible for reimbursement, highlight that information and/or provide a note calling attention to its exclusion in the total project expense for that period.

Reimbursement for professional services, i.e., architect's and consultant's fees, to include:

- a billing statement(s) from the project professional, and
- a copy of the cancelled payment check(s) or voucher(s)

Reimbursement for construction work must be accompanied by

- a complete certified application for payment to the contractor signed by the architect, including the schedule of values describing the work accomplished to date
- a copy of the cancelled payment check(s) or voucher(s) to the contractor (*If your bank cannot provide a cancelled check to the document expense, please ask the bank to provide a voucher statement or document that shows that the funds have cleared the county/municipality's bank account*)

Invoices from the project architect to the county/municipality will not be reviewed by the THC prior to payment by the grantee, however, the THC recommends that the county/municipality ensure that the submittal is approved by the THC is claimed by the architect for payment. Your THC staff architect or preservation consultant should be consulted if you have questions regarding the eligibility of project costs.



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The requests do not need to be made at the same time each month, and may include more than 30 days of project expenses. If a request has been submitted and you need to check its status, please contact Whitney Bayers at 512-463-8821.

The grantee should receive a payment check from the THC for all approved eligible expenses within 30 days of receipt. It is our goal to process the requests within a week, if possible, and transmit the funds electronically. Reimbursements may be held, however, if further information related to the execution or documentation of the expense is needed. The THC may request a site visit or additional documentation from the county/municipality or architect to confirm that the expenses are eligible and approved.

Submitting a Reimbursement Request

Hard copies are preferred but you may email a pdf directly to whitney.bayers@thc.texas.gov. Please ensure the pdf is of the highest quality for printing, otherwise, a hardcopy will be required. Faxes will not be accepted.

Address for regular USPS mail:

TEXAS HISTORICAL COMMISSION
Attention: *Whitney Bayers*
P.O. Box 12276
Austin, TX 78711-2276

By courier to:

Whitney Bayers
Texas Historical Commission
108 W. 16th Street, 2nd Floor
Austin, TX 78701

The county/municipality should receive a payment check from the THC for all approved eligible expenses within 30 days of receipt. It is our goal to process the requests within a week, if possible, and transmit the funds electronically. Reimbursements may be held, however, if further information related to the execution or documentation of the expense is needed. The THC may request a site visit or additional documentation from the county/municipality or architect to confirm that the expenses are eligible and approved.

If a request has been submitted and you need to check its status, contact Whitney Bayers at 512-463-8821.

Final Request

The THC will retain the final 10% of the grant award until the project is complete and all grant requirements have been met. **Projects that are not completed by their scheduled date of completion and/or 6 months of substantial completion will risk forfeiture of the final reimbursement.** Project and reimbursement schedules initially developed for the grant project are firm unless written requests have been received and the THC has granted extensions.

The project is completed when the owner satisfies the final application for payment to the contractor and architect and all grant program requirements have been fully met. The county/municipality should then submit a **final request for reimbursement to the THC**. This request will include a copy of the final application for payment, a Certificate of Substantial Completion, Release of Retainage and a statement that the owner has received the project close-out documents. The THCPP Grant Project Completion



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Report (detailed requirements in Section 4A) also must have been forwarded to and approved by the THC.

Project Cost Changes

Should the final cost of the project be **less** than expected or stated in the Funding Agreement, Attachment C: Estimated Project Budget, the respective state and county/municipality contributions will be adjusted according to the original percentage as given in Attachment A: Source of Funds Statement. This requires a bilateral amendment to the Funding Agreement.

The THC reserves the right to limit any actualized savings awarded to the Construction Manager at Risk at 10% as a cost eligible for reimbursement.

The THC does not anticipate increasing its funding beyond the initial award for this round. **Therefore, the county/municipality will be responsible for its grant match and any increases due to any unforeseen conditions encountered during project planning, bidding, or construction.**

If the cost of the project **exceeds** the amended budget, the county/municipality may consider the following options:

1. Fund the additional cost with available local resources
2. Modify the scope of the project to fit within the funding programmed (subject to the approval by the THC)
3. Re-advertise the project for new contractor bids
4. A combination of options 1, 2, and/or 3

The THC will work with you to prioritize all necessary work if a budget shortfall occurs. A bilateral amendment to the Funding Agreement will be executed to update the Agreement and adjust the percentage shares of the project cost, similarly to the procedure stated above.

Project costs that were not included in the grant application budget must be authorized and approved at the request of the County/municipality to be eligible for reimbursement.



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SAMPLE

September 1, 2016

Whitney Bayers
Program Specialist
Texas Historical Commission
Texas Historic Courthouse Preservation Program
PO Box 12276
Austin, TX 78711-2276

RE: Pecan County Courthouse Preservation Project, Reimbursement Request #5

Dear Whitney :

This request for reimbursement for the county’s expenditures, are for the period August 1, 2016- August 30, 2016. During June, we paid the following vendors.

Expense Summary

Payee	Invoice #/Description of Services	Check #	Amount
Construction Co.	Pay Application #1, August 1-31, 2016	1245	\$152,000.00
Architect	Invoice #5, August 1-31, 2016 (for bid negotiations)	1241	\$6,000.00
Pecan Statesman	Statement #5647, July 26 and August 7 (advertising project out for bid)	1242	\$300.00
Total eligible project costs			\$158,300.00

The “Reimbursement Request Form,” copies of the invoices referenced above and the associated canceled checks are attached.

Sincerely,

County/municipality CFO or contact



4. PROJECT CLOSE-OUT

Often, the objectives of the project cannot be met or measured until the final work is completed and the building is re-occupied by the county/municipality.

Generally, these items must be fulfilled for the project to be considered complete:

- All items of work contained in the contract documents and the funding agreement have been performed to the satisfaction of all parties.
- A Certificate of Substantial Completion has been issued with an attached punch list showing items to be completed.
- Contractor's record drawings, progress meeting minutes and photographs are completed and provided to the architect. These are copied and included with the grant completion report documents.
- Maintenance and Operations (M&O) manuals and warranties have been provided to the county/municipality by the contractor. A transmittal letter is provided to THC.
- Final applications for payment from the contractor and final invoices from the architect have been paid by the county/municipality.
- Release of liens and surety have been provided to the county/municipality by the contractor.
- Telephone, audio video systems, and information technology systems are operational.
- Training has been provided to the county/municipality staff on systems operations.
- Service contracts are established by the county/municipality for equipment maintenance.
- Three copies of the approved Grant Project Completion Report are provided to the THC for our office and state archives. If the third copy is submitted directly to the county/municipality, a copy of the transmittal letter is provided to THC.
- Final reimbursement is made to the county/municipality by the THC upon completion of all items listed above.

The manner in which these items are completed will have a significant effect on the county/municipality's satisfaction with the project and its ability to care for the building in the future.



4A. COMPLETION OF THE WORK

As the work of the contractor draws to a close, a “punch list” or identification of defects to be remedied by the contractor is prepared. All parties should be involved in preparing these lists. The contractor should proceed methodically to address all items in a timely manner.

An official date of “substantial completion” should be determined in consultation with the THC. Generally, it is considered “sufficiently complete in accord with the Contract Documents so that the Owner can occupy or utilize the work for its intended use.” It is important to note that warranties often take effect at this point and funds are released that reduce the contractor’s financial obligation to the project, so certification of substantial completion should be made with due care.

Upon Substantial Completion of the project, the architect shall prepare a draft **Round IX Grant Project Completion Report** (completion report) documenting the work, see “Requirements” attached. The completion report should provide photographs taken before, during, and after construction, a narrative description of the project work that identifies sources for significant products and materials, a description of their use and identification of the major and specialty subcontractors involved with the work.

The completion report also includes **close-out documents**: a certificate of occupancy, where required by local jurisdiction, all warranties, maintenance manuals and contracts, and required operating instructions and **record drawings**—incorporating the construction changes and showing all plans, elevations and building sections. A **warranty itemization**—listing of all material and system warrantees with periods and contact information, is a valuable resources for the county/municipality in maintaining the courthouse later. The objective is to provide the owner and the THC with a reproducible set of documents that can be used for building operation, maintenance, and future work

Allow 30 days from the date of receipt for the THC to respond with comments. Upon approval, three final copies of the completion report are required. The county/municipality will submit two copies with their final Request for Reimbursement to the THC and retain one copy for their records. The county/municipality will not be cleared for final reimbursement until the THC has received a satisfactory project completion report and the required copies.

Note that per the Funding Agreement, the county/municipality must submit a draft of the completion report within 3 months of substantial completion. The final completion report must be received within 6 months of Substantial Completion. **Failure to submit the report promptly may result in forfeiture of any remaining grant award, including the 10% retainage.**

Also, during the project close-out, we recommend that a warranty inspection is scheduled for a date less than one-year following the date of substantial completion. The inspection should include the project architect, contractor, THC staff and county/municipality representatives. Note that the county/municipality is responsible for documenting any items that are unsatisfactory prior to the warranties’ expiration and providing that documentation to the contractor.



ROUND IX GRANT PROJECT COMPLETION REPORT REQUIREMENTS

A. Purpose

- I. To document the changes that occurred to the property as a result of this project and why they were made. With an identification of which elements of the building are original, which have been reconstructed based on historic evidence, and which were inserted to serve current functional needs, further impacts to original materials may be avoided and the historic building fabric may be interpreted in terms of its historic significance.
- II. To provide a record of the substantive investment of state funds made in the property. The condition of the building prior to work, work undertaken, and the final result should be clearly documented.
- III. To facilitate the county/municipality's ability to operate and maintain the building in a good state of repair.

B. When Required

- I. All THCPP-funded construction activities will require a completion report.

C. Minimum report requirements (may be adjusted by the THC to suit the project)

I. Completion report requirements

- (a) Title page
 - (i) project name
 - (ii) address
 - (iii) city, county/municipality
 - (iv) THCPP grant number, award amount(s) and date of award(s)
 - (v) date of project final completion
- (b) Table of contents
- (c) Project synopsis/scope of work (one page narrative)
- (d) Identification of project personnel: name, address, and telephone number
 - (i) county/municipality officials: county/municipality judge, commissioners, auditor, treasurer and county/municipality historical commission chair
 - (ii) state agency representatives: THC executive director, division director, and staff architect/project reviewer
 - (iii) professional consultants: architect, engineers, and other consultants
 - (iv) construction contractors: general contractors, all subcontractors
- (e) Grant program documents
 - (i) Copy of Funding Agreement
 - (ii) Copy of Property Easement
 - (iii) Certificate of Insurance
 - (iv) Copy of Antiquities permit, if applicable



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- (f) Project narrative
 - (i) Existing conditions: description of the as-found conditions, emphasizing historic and non-historic features of the property
 - (ii) Master plan proposal: summary of the initial proposal at the master plan stage, discussing condition of historic fabric slated for removal, and documentary evidence of features to be reconstructed
 - (iii) Project development: recount of changes to the project as the plans were developed
 - (iv) Work completed: summary of work performed including unique processes or products.
 - (v) Future work: list of work not undertaken for budgetary or logistical reasons and deferred to a later phase.
- (g) Project cost data
 - (i) List of final project funding by donor name, source of donation, kind and amount
 - (ii) Preliminary cost estimate: copy from master plan (includes A/E fees)
 - (iii) Project cost estimate worksheet: copy from grant application
 - (iv) Tally of actual construction cost: organized to correspond to grant worksheet
 - (v) Total project cost per gross square foot (includes A/E fees)
 - (vi) Contractor's final application for payment with schedule of values
 - (vii) Architect's final invoice
 - (viii) Reimbursement summary sheet provided by the THC
- (h) Administrative documents
 - (i) Bidding tally sheets
 - (ii) Construction and professional service contracts
 - (iii) Progress meeting reports
 - (iv) Change orders, construction directives
 - (v) Certificate of substantial completion
- (i) Project record documents
 - (i) Title, date, and index of drawings
 - (ii) Title, date, and index for specifications
 - (iii) Final drawings (attached separately)
 - (iv) Final specifications (attached separately)
 - (v) Submittals, ASI's, and RFIs
 - (vi) Final finish schedule including paint color chips, listing of wood, hardware, and other specialty finishes
- (j) Warranty Data
 - (i) Index listing all warrantees each with contact info and expirations
 - (ii) All manufacturer, product, and contractor warranty data
- (k) Service Contracts
 - (i) Current contracts for service on systems and/or equipment
- (l) Maintenance Recommendations
 - (i) Service frequency requirements
 - (ii) Life expectancy estimates of equipment and systems
 - (iii) Highest priority maintenance recommendations
- (m) Maintenance and Operations Reports
 - (a) MEP Test and Balance report
 - (b) Commissioning reports, if applicable
 - (c) Conservation reports



II. Report format and duplication requirements

- (a) All report copies provided to the THC and distributed by THC
 - (i) One copy for Texas Historical Commission
 - (ii) One copy for the State Library and Archives
 - (i) One copy for county/municipality to be housed at courthouse or local library
- (d) Written data: three copies, unbound 8 1/2" x 11" format with tabbed dividers
- (e) Record drawings: one full-size set on vellum (architectural or "A series" only) and three reduced-size copies of the entire record set (1/2 size or 1/4 size if legible) on acid-free paper. Electronic copies of record drawings on three compact disks saved as a pdf.
- (f) Record specifications: three copies, bound 8 1/2" x 11" format. Three compact disks each with specifications saved as a searchable pdf.

D. Photographic documentation

I. Photographic requirements

- (a) Progress photographs
 - (i) Index to progress photos
 - (ii) Photographic format: digital at 1600 x 1200 resolution or 35mm, color
 - (iii) Print format: standard color print size, print on archival paper if digital image
 - (iv) Content: Showing conditions encountered during the work, work in progress, etc.
 - (v) Labels: Subject and date
 - (vi) Organization: Numbered and keyed to attached reduced size plans
 - (vii) Negatives: photographic negatives in archival sleeves or a digital copy on compact disk in jpeg format
- (b) Record photographs
 - (i) Index to record photographs
 - (ii) Photographic format: professional quality, perspective corrected lens preferred
 - (iii) Print format: 8 x 10 color digitally printed on archival paper or photographically printed on well-washed resin-coated paper
 - (iv) Content: Each elevation, elevation details, and not less than 12 interior views showing at a minimum: courtroom(s) public corridor, typical office, stair, and vault. Views should be correlated to match the angle and distance of previous view.
 - (v) Intervals: All views captured at three times: before work begins, during investigative or construction work and upon completion
 - (vi) Labels: Subject, view, date, and photographer
 - (vii) Negatives: photographic negatives in archival sleeves or a digital copy on compact disk in jpeg format

II. Duplication and presentation requirements

- (c) Progress photos:
 - (i) three print copies (in transparent sleeves if photographically printed)
 - (ii) three copies of digital image data on a compact disk
- (d) Record photographs:
 - (i) three print copies (in transparent sleeves if photographically printed)
 - (ii) three copies of digital image data on a compact disk



4B. STEWARDSHIP

Stewardship of the courthouse is the responsibility of each county/municipality. The state's investment in restoring the building and updating the building systems should make this work easier.

We recommend that each county/municipality maintain a building maintenance library with its Grant Project Completion Report forming the basis of its maintenance program. The record drawings and index of warrantee and service contracts will be invaluable for maintaining and services your equipment and systems. We also recommend that you develop a maintenance plan, perhaps in consultation with your project architect, to ensure that there is a regular inspection program and scheduled tasks that will keep the building functioning smoothly for years to come.

Also, please check with THC to see if training opportunities such as workshops are available for further education of your county/municipality employee and maintenance staff.

THC staff are always available to consult with your county/municipality to help address any pending maintenance issues in a manner that best preserves the historic integrity of the building.

Currently, staff architects Brit Barr and James Malanaphy are leading the Texas Courthouse Stewardship Program. Please contact Brit at 512-463-6088 or James at 512-475-3285 if you have stewardship needs.



TEXAS COURTHOUSE STEWARDSHIP PROGRAM

OVERVIEW

Beginning in 1999, the Texas Historic Courthouse Preservation Program (THCPP), and its local partners have made significant financial investment to restore many valuable historic courthouses throughout the state.

In order to protect and preserve these buildings for future generations, the Texas Courthouse Stewardship Program was created in 2005 to assist counties by fostering facility planning, budgeting, and training. The goal is to avoid allowing the facilities to fall back into a state of deferred maintenance and disrepair.

PROGRAM ACTIVITIES

- Site visits and easement monitoring – Our professional staff will visit each completed project to identify and assist in resolving any problems, monitor the level of on-going maintenance, and discuss future preventative maintenance needs with county/municipality officials and facility maintenance managers. Renewal of property insurance policies is an aspect of the easement monitoring work that ensures the building's value is protected.
- Training Workshops – THC will host and organize maintenance and stewardship training workshops for county/municipality officials and staff. The first Texas Courthouse Stewardship Workshop, sponsored by the Texas Land Title Association, was conducted March 1-2, 2007 in Austin, and considered very successful with a large number of participants from counties that received grants in Round I- IV. Since 2015, the THCPP has extended regional stewardship workshops held in closer proximity to program participants.
- Maintenance Planning – Counties will be encouraged to develop a cyclical maintenance plan for immediate and long-term care of their particular historic building and site. A complete plan should include inspection schedules, recommendations for appropriate maintenance materials and procedures, as well as projected budgets for the prescribed work. The THC will provide guidance by offering technical preservation resources, cyclical and preventive maintenance checklists, sample templates for schedules, budget formats, and inspection forms.
- Technical Consultations – THC architectural staff is available for consultations to help the counties address their pending issues in a manner that best preserves the historic integrity of the building.



PROJECT RESOURCES

For an inspection or review for compliance with the Texas Accessibility Standards contact:

Robert Posey, Architectural Barriers Director
Texas Department of Licensing and Regulations
P.O. Box 12157
Austin, Texas 78711
800-803-9202 or 512-463-6599, www.license.state.tx.us

For questions about records management or archival matters contact:

Craig Kelso
Texas State Library and Archives Commission
P.O. Box 12927
Austin, Texas 78711-2927
512-463-7610, www.tsl.texas.gov

For questions regarding state fire code concerns contact:

State Fire Marshal
P.O. Box 149221
Austin, Texas 78714-9221
800-578-4677 or 512-676-6800, www.tdi.texas.gov/fire

Information on the Texas LoanSTAR Program, a revolving loan program for energy improvements contact:

Eddy Trevino
State Energy Conservation Office
512-463-1896, www.seco.cpa.state.tx.us.

The following publications on preservation standards may be requested free through the National Park Service's Technical Preservation Services by contacting 202-513-7270 or www.nps.gov/tps

The Secretary of the Interior's *Standards for the Treatment of Historic Properties 1995*, (U.S. Department of the Interior, National Park Service, 1995)

The Secretary of the Interior's *Standards for Rehabilitation and Illustrated Guidelines for Rehabilitating Historic Buildings* (U.S. Department of the Interior, National Park Service, 1991, reprinted 1997).

Caring for the Past: Preserving, Rehabilitating and Restoring Historic Buildings, (U.S. Department of the Interior, National Park Service, 1999-2000).

Comprehensive listing of sales publications including the popular *Preservation Briefs* series, *Preservation Tech Notes* and *Guidelines for Rehabilitating Historic Buildings*.

For guidance on architectural practices, such as project scheduling, contractor payment applications, schedules of values, project close-out, etc., please refer to:

The Architect's Handbook of Professional Practice, Fifteenth Edition. (American Institute of Architects Press, 1994).

Historic Preservation: Project Planning and Estimating, (R.S. Means Company, Inc. Kingston, MA, 2000).

POLICIES AND PROCEDURES FOR THE EXECUTION AND MAINTENANCE OF GRANTS OF PRESERVATION EASEMENTS

The Texas Historical Commission (THC) holds over 250 active preservation easements and covenants and continues to acquire such preservation protections on a regular basis. Most easements are the result of grant funding for development, or construction work, through one of the agency's grant programs. The purpose of these easements is to ensure the long-term preservation of the grant-assisted property. The THC may accept easements related to non-agency grant programs, at its discretion. The agency also holds preservation covenants and easements on former federal property as a result of review under Section 106 of the National Historic Preservation Act; however, those instruments are not covered in this document.

This policies and procedures document outlines the general requirements of a preservation easement, procedures for execution of such an easement, and the long-term maintenance requirements the easement establishes.

Definitions

- A. "Property" means the archeological site and/or historic building(s) and grounds and features that have been determined to have historical significance by the Texas Historical Commission, through existing historical designation, prior determination of eligibility for designation, or review through the grant evaluation process.
- B. "Grantor" means the legal owner(s) of the property, whether it be privately owned or owned by a political subdivision such as a county or municipality. Typically, this is the grant recipient, unless the recipient is a third-party working on behalf of the owner.
- C. "Grantee" means the recipient of the grant of easement, in this case, the Texas Historical Commission (THC).

Applicability of these Policies and Procedures

Notwithstanding the general policies and procedures set forth herein, the THC reserves the right to waive any requirement or impose additional requirements in connection with the acceptance or administration of any easement based upon the particular circumstances concerning the property and to ensure validity and enforceability of the easement.

The THC reserves the right to accept or reject any proposed easement in the exercise of its discretion.

Grant Programs

Most THC-held easements are the result of the agency's funding programs, including:

- **Texas Historic Courthouse Preservation Program** provides partial matching grants to Texas counties for the restoration of their historic county courthouses. To participate in the grant program, counties must submit a master preservation plan for renovating and maintaining their historic county courthouse. Once a master plan is approved, the owner of the courthouse is eligible to apply for rehabilitation funding under this program. For more information, visit www.thc.texas.gov/preserve/projects-and-programs/texas-historic-courthouse-preservation.

- **Texas Preservation Trust Fund** provides matching grants to qualified applicants for the acquisition, survey, restoration, preservation, planning and heritage education activities leading to the preservation of historic properties and archeological sites. For more information, visit www.thc.texas.gov/preserve/projects-and-programs/texas-preservation-trust-fund.
- **Certified Local Government Grants** provide funding to participating city and county governments to develop and sustain an effective local preservation program critical to preserving local historic resources. Cities and county governments that have been individually certified by the National Park Service as CLGs (prior to the time of their grant application) are eligible to apply. Grants can be used for local historic preservation projects, including surveys of historic properties/districts, preparation of nominations to the National Register of Historic Places, and other community-based preservation projects. For more information, visit www.thc.texas.gov/preserve/projects-and-programs/certified-local-government.

The THC may also accept easements related to non-agency grant programs. Most commonly, these are National Park Service grants, including African American Civil Rights Grants, Save America’s Treasures (not currently funded), Preserve America Grant Program (not currently funded), Japanese American Confinement Sites Grants, and Historically Black Colleges & Universities (not currently funded). For more information on these programs, visit www.nps.gov/preservation-grants/index.html.

Property Qualifications

1. Criteria of Eligibility

If a property (historical or archaeological) is located within a historic district, a separate determination of significance, using National Register criteria of eligibility, must be made to assure that the property is contributing to the district. Inclusion of a property within a historic district by itself is not sufficient cause for acceptance.

2. Property Environment

A property should be accompanied by sufficient surrounding land to assure an uninhibited public view of the important historical, archaeological, or architectural features.

3. Assessment of Property Condition and Required Improvements

A property should possess integrity of design, structure, materials, and workmanship. The THC may enter into a contract to execute a preservation easement for a property found to be in unsound condition at the time an easement is proposed by a donor, but improvements may be required prior to the execution of the easement.

4. Property Types

The THC may accept easements on all manner of building, structure, site, right of way, land, and other property types in Texas, including (by way of example and not limitation):

- a. Buildings: exteriors and/or interiors of buildings used for residential, commercial, industrial, religious, agricultural, and other purposes.
- b. Structures: bridges, mining apparatus, towers, water wheels, mining and milling remains, dams, etc.
- c. Sites: archaeological sites that are above ground and below ground.
- d. Rights of Way: roads, railroads, trails, paths, canals, etc.
- e. Land: historically important land areas such as battle grounds, fortification sites, meeting areas, Indian sacred areas, etc.
- f. Other Property: real property that encompasses, represents or provides the scenic open space for persons, places, or events important in the history or prehistory of the state or nation.

Grantor Qualifications

1. The Texas Historical Commission expects easement grantors to be committed to future maintenance and preservation of the property being proposed for an easement.
2. Ownership
Easements may be accepted for properties having single or subdivided ownership or long-term renewable leaseholds.
 - a. Subdivided Ownership: Easements will be accepted for a property having subdivided ownership provided that the entire property is placed under easement, property conveyances are received from all property owners, and that an association of property owners, with the power to act for all the property interests, has been formed which will be responsible for complying with the terms of the easement.
 - b. Leasehold Interests: Easements may be accepted on properties subject to long-term leases provided that all parties having an interest in the property and being affected by its terms become parties to the easement contract.

Grant of Easement

The THC uses a standard Grant of Easement to acquire its real property interests. The THC tailors each easement to the particular property in question. Language contained in the easement forms the basis for the negotiations between the real property owner (Grantor) and the THC (Grantee). A fully executed easement will precisely describe the property interests being conveyed and the duties, responsibilities, and obligations which have been agreed upon by the contracting parties. Some of the central provisions of the standard Grant of Easement are discussed below.

1. Level of Preservation
 - a. The Easement, in conjunction with the graphic attachments (photographs, drawings, maps, etc.) that complement to Attachment B, establishes a permanent reference with respect to the baseline condition of the property upon execution of the agreement and again, in Attachment C, upon completion of projects or changes to the property.
 - b. A property shall be maintained by the Grantor in a sound state of repair and in a condition equal to or better than that depicted in the graphic attachments. The Grantor will prevent or repair conditions that may lead to significant deterioration of the property, including, but not limited to, water intrusion, abandonment, inhabitation by vagrants, structural instability and infestation by termites or other insects.
2. Changes or Alterations to the Property
 - a. The Easement specifies the manner in which changes to the property (construction, repair, refinishing) may take place. Property owners are required to follow the Secretary of the Interior's Standards for the Treatment of Historic Properties (protection, stabilization, preservation, rehabilitation, restoration, or reconstruction) as is appropriate to the situation.
 - b. With regard to any exterior or significant interior features of the Property, the Grantor agrees to deliver architectural plans sufficient for a review of any proposed changes and photographs of the areas affected at least 180 days in advance of the work. The Grantor agrees that no modification shall be made

without advance review and approval by the Grantee with the exception of routine repairs and maintenance such as painting.

- c. Changes to the baseline condition of the property following execution of the agreement will be documented in photographs and provided in the required grant Completion Report and will act as an amendment to the Easement.

3. Right to Inspect

- a. The Grantee has the right to inspect and monitor the Property to determine the condition of the property, the performance of regular maintenance, any required improvements, any substantive alterations to the Property or compliance with approved architectural plans and specifications.
- b. If substantive alterations or deterioration are noted, the Grantor may be found in Violation of the Easement.

4. Violations

The Easement authorizes the THC (Grantee) to take certain corrective actions in the event that the property owner violates any of the covenants or restrictions contained in the agreement. Such actions include filing notices, initiating suits, and actually correcting the violations.

5. Insurance Coverage

As of the date of the Easement, the THC (Grantee) will require the Grantor at its own cost to keep and maintain adequate property and personal liability insurance for the Property, naming the THC (Grantee) as an additional insured or a loss payee thereunder, as applicable.

- a. **Property Insurance:** For Full Restoration Texas Historic Courthouse Preservation Program grants, the Grantor shall maintain at its own cost Historic Replacement Value insurance against loss from the perils commonly insured under standard fire and extended coverage policies. For all other grants, the Grantor shall maintain at its own cost insurance against loss from the perils commonly insured under standard fire and extended coverage policies. The insurance provider should be rated 'A' or better by A.M. Best's or be an equivalent approved governmental risk pool. Under the form of an insurance policy covering the cost to repair or restore those aspects of the Property that are governed by this Easement in a manner that would comply with the Secretary of the Interior's Standards for the Treatment of Historic Properties.
- b. **Comprehensive Public Liability Insurance:** At minimum, the Grantor, at its own cost shall carry and maintain Comprehensive Public Liability Insurance under a policy issued by an insurance company rated 'A' or better by A.M. Best's and also acceptable to the Grantee with coverage in such amounts as would normally be carried on a property such as the Property subject to the Easement.
- c. **Self-Insured:** For owners who are self-insured, evidence of financial ability to repair or reconstruct the property in the event of any potential loss, must be provided for review and approval by the Grantee.

6. Proof of Insurance

Grantor shall deliver to Grantee certificates or other such documents as evidence of the required insurance coverage at the commencement of this grant and a new certificate at least 10 days prior to the expiration of policy.

7. Insurance Proceeds

In the event of casualty loss, insurance proceeds shall be used to preserve, repair, restore or reconstruct the Property. If Grantor and Grantee agree that the Property is irretrievable, the THC will receive at a minimum the program funds applied to the property. The THC will commit its share of the proceeds in support of the conservation purposes of the easement program or the THC's other activities.

8. Divestiture

Divestiture considerations may include:

- a. Total destruction of the Property as agreed by both the Grantee and Grantor,
- b. Less than total destruction of the Property but the items in Scope of Protection as noted by the THC (Grantee) have been totally destroyed.
- c. In the case of the dissolution of the Texas Historical Commission, Preservation Easements may be transferred to other qualified agencies or organizations.

Grant-Funded Work

Occasionally, it will be in the interest of the THC and a property owner to enter into a Contract for a Grant of Easement. Such a contract, patterned closely upon the easement itself, binds the contracting parties to enter into a Grant of Easement at some specified future date when certain conditions have been met by the property owner, as for example, when specified repairs have been undertaken on a property. Application and negotiation fees as well as endowment contributions required for easements also will be required for contracts for easements. In that event, no additional endowment contribution will be required upon execution of the easement.

Preparation and Execution of the Easement

The following Attachments to the Preservation Easement must be prepared and provided by the Grantor. These Attachments may be developed in consultation with THC (Grantee) and will be approved by all parties before the Easement is executed.

1. Attachment A is a legal description of the Property and its associated grounds. Attachment A must indicate the Property boundaries and depict all buildings and site features on the Property, in graphic and written form. A representation or list of any liens or encumbrances on the property must also be provided.

“Attachment A: Legal Property Description” documentation, includes

- a. Legal Description of the Property Boundaries
- b. Site Plan and/or survey of the Property
- c. Photographs showing major views of the Property

2. For Attachment B, the Grantor must document the initial level of preservation and establish a permanent reference with respect to the condition of the property on the date the easement is executed. In addition, the nature and scope of protection for the property relative to its design, structure, materials, and workmanship will be defined in consultation with the THC (Grantee).

“Attachment B: Level of Preservation” documentation, includes

- a. List of character-defining materials, features and spaces which constitute the scope of the protection provided by the easement
- b. Narrative description of their current condition

And to complement “Attachment B: Level of Preservation”, the Grantor must provide the following items to be maintained in the conservation easement file for the life of the easement.

- a. Photographic record of all exterior elevations and significant interior spaces and elements
 - b. Photographic log of all photographs describing the subject matter
 - c. A keyed location map referencing all provided photographs
 - d. Measured architectural drawings drawn to scale showing the building as it currently appears if available but at minimum, floor plans showing the building’s current configuration.
3. The Grantor must provide documentation for the Scope of Work for any anticipated projects or improvements to the property as “Attachment C: Scope of Work”. All construction plans and specifications for any proposed construction activity associated with the grant of easement shall be reviewed and approved by THC (Grantee) and referenced in the Scope of Work description. Following the execution of the work, photographs documenting the significant changes to the property will be submitted to the THC (Grantee).

“Attachment C: Scope of Work”, includes

- a. Narrative description of the Scope of Work
- b. Reference to any construction documents or design documents that may exist for the project and have been approved by the THC (Grantee).

Once the work under the Easement is completed, the Grantor shall provide a Completion Report following the grant program requirements to be maintained for the life of this Easement in the Grantee’s conservation easement file for the Property. Items contained in the Completion Report include but not limited to:

- a. Photographs of the completed work, provided at the end of the project.
- b. As built architectural drawings showing the work as completed.

The final approved version of the Easement must be signed and notarized by the property Grantor and THC (Grantee). The original, signed copy of the Preservation Easement with all attachments will be duly filed in the county records by the county clerk not later than 30 days following the execution of the easement. The Grantor should then transmit a certified copy of the easement with the recordation data to the THC (Grantee) for its records.

Amendments to the Easement

Significant changes to the Property will be documented by the Grantor and filed with the Easement as amendments to Attachments B and C. An amendment to Attachment B must illustrate the current “Level of Preservation” to be protected by the easement and maintained by the Grantor. An amendment to Attachment C contains a description of the approved work. These amendments must be filed with the easement by the Grantor within 60 days of completion of the work or project.