

City of Lindstrom Economic Development Authority

CBD's Fascia Improvement Loan Program

January, 2014

PURPOSE: The purpose of the CBD's Fascia Improvement Loan Program is to offer low interest loans to commercial building owners in the Central Business District Zone (CBD) to make exterior improvements that enhance the "curb appeal" of their property and provide cohesion to the CBD zone.

FUNDING: The Lindstrom EDA is dedicating \$15,000 and the Chisago County EDA is dedicating an additional \$15,000 for a total fund amount of \$30,000.

LOAN AMOUNTS: Minimum loans of \$500 and maximum loans of \$5,000.

LOAN TERMS: Up to 10 year loans at 1% interest assessed to the property tax statement.

DESIGN PLANS: The City of Lindstrom has hired an architect to provide a plan and description of recommended improvements for CBD buildings. The applicant may choose to follow these designs, hire their own architect or provide their own designs. All designs must comply with the Downtown Design Criteria Document approved by the Lindstrom City Council and be approved by the EDA Downtown Design Committee.

ELIGIBLE BUILDINGS INCLUDE: All buildings located in the CBD Zone except properties classified as residential, church or public in the Chisago County property tax system. Real Estate taxes must be current.

Buildings may receive more than one loan. But, if a building has received a loan(s) from the City of Lindstrom in the past, future applications are only eligible for the difference between the maximum loan amount and the amount remaining to be paid on the previous loan(s). For example, if the previous loan(s) total \$2,500 with a balance due and payable of \$1,000 – the applicant would be eligible for up to \$4,000 in new money. No loan or combination of loans shall exceed \$5,000.

Buildings having received a \$5,000 loan may only reapply for another loan after the previous loan is paid off.

ELIGIBLE IMPROVEMENTS: Improvements that can be viewed from the public right-of-way including:

- Windows and doors (Must be viewable from the public right of way)
- Painting, sandblasting or other façade improvements such as siding, soffits and fascia, tuck pointing, trim, and stucco repair
- Signs and awnings
- Cement work such as private steps and sidewalks (Must be viewable from the public right of way)
- Handicap accessibility
- Exterior lighting

INELEGIBLE IMPROVEMENTS:

- Roofs
- Foundations
- Landscaping
- Private parking lots
- Additions
- Garages or storage buildings
- Playground equipment
- Decks
- Elements not visible from the public right of way
- Anything not permanent or affixed to the property

COMPETITIVE BIDDING: A minimum of two bids per project is required. Please provide a copy of the bids with your loan application. Contractors must be licensed by the State of Minnesota.

APPLICATION PROCESSING: The City of Lindstrom will accept applications to the loan program on a first come, first served basis starting May 1, 2014. The City will assign a number to each application as it comes in to the City. The application will be forwarded to the City of Lindstrom's EDA for review. The EDA will review the application and if an application is deemed ineligible for any reason, the EDA will review and consider the next application in line. Ineligible applications will be returned to the applicant with an explanation of why the application was deemed ineligible. The ineligible applicant may reapply when the application is corrected but will be placed in line at the new date of application. Applications deemed eligible will be forwarded to the EDA Downtown Design Committee (DDC) for compliance. The Downtown Design Committee will determine if the design complies with the Downtown Design Criteria. The determination of the Downtown Design Committee will be returned to the EDA for final action.

* Businesses who lease space must get written approval from the owner of the property. The property owner must sign the Application.

BUILDING PERMITS: The property owner or their agent is responsible for obtaining all of the proper building permits for the project in question.

WORK COMMENCEMENT/COMPLETION: Work cannot commence until the EDA approves the loan and the property applicant and building owner have signed the Repayment Agreement. Weather permitting; all projects must be completed within 120 days of the date the loan is closed.

PROCEEDS DISBURSEMENT PROCESS: The City's building official will verify completion of the work. The City will only reimburse the final project cost validated through contractor materials and labor. The applicant shall submit all required paperwork to the City and a two-party check will be issued payable to both the loan recipient and the contractor or materials supplier. The EDA requires the following items to disburse loan funds:

- 1.) Final project cost verified through invoices from contractor;
- 2.) Completion certificate signed by the loan recipient and the contractor;
- 3.) Copies of all required City permits indicating final inspection by the City building official;
- 4.) Final inspection by the EDA or its representative.

Please allow a minimum of 14 days from the time invoices are submitted for reimbursement checks to be issued. The Lindstrom City Council approves all expenditures on the 3rd Thursday of each month and invoices must be received at least one week prior to the council meeting for their consideration. Please advise your contractors of this schedule.

REPAYMENT: There are no prepayment penalties for early payment.

Subordination of City Lien: In the event that the Owner borrows money from a private institution to fulfill his/her obligations hereunder, or in the future, the City shall subordinate the repayment agreement lien to any mortgage given in furtherance of this agreement.

Satisfaction of Mortgage: Upon request of the Owner, the City will issue a Satisfaction of Mortgage, to be recorded at the Owner's expense.

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Application date: _____ # _____ (EDA)

Address of Property to be improved: _____

Applicant's Contact Information:

Applicant's Name: _____

Address: _____

Phone: _____ email: _____

Business Owner's Name (if different from applicants): _____

Property Owner's Name (if different from applicants): _____

Address: _____

Phone: _____ email: _____

Project(s) Description: (Please include a sketch of your proposed projects with this application)

CONTRACTORS CONTACT INFORMATION

Architect: _____

Address: _____

Phone: _____ email: _____

General Contractor: _____

Address: _____

Subcontractor (s): _____

Address: _____

Phone: _____ email: _____

Subcontractor (s): _____

Address: _____

Phone: _____ email: _____

Subcontractor (s): _____

Address: _____

Phone: _____ email: _____

PROJECT COST

Include bid(s) amount \$: (Please provide copy of the bid proposals for each project. Remember, two bids per project).

Total Project Cost: _____

Individual elements:

- _____
- _____
- _____
- _____
- _____

Amount of Loan Request: _____

*The amount of the loan should not exceed \$5,000.00

I verify that this information is true and that I will abide by all program guidelines:

Applicant: _____ Date: _____

Building Owner: _____ Date: _____

Please contact the Lindstrom City Administrator: jolinger@cityoflindstrom.us, or (651) 257-0625 if you have any questions regarding the program guidelines or application materials, or if you need additional information.

Submit to:
Lindstrom City Hall
13292 Sylvan Ave
Lindstrom, MN 55045
Attn: City Administrator

EDA #: _____
Eligibility: yes ___ no ___
DDC Approval: yes ___ no ___
EDA Approval: yes ___ no ___
Project Completion Date: _____
Funds Dispersal Date: _____