

Commercial Rehabilitation Loan Program – “Tier 1”

- Program Purpose:** To promote the rejuvenation of existing commercial buildings within the City through renovation and remodeling.
- How It Works:** Applicant receives loan application from Gaylord Economic Development Authority. EDA reviews completed application and makes decision. Loans are awarded on a first come-first served basis, with awards being dependent on the availability of funds.
- Eligible Applicants:** Owners/Renters of commercial buildings within the City of Gaylord. For the purposes of this program, “commercial buildings” mean buildings that house retail business or business that provide a service to the public. It does not include warehouse, storage, or manufacturing facilities.
- Minimum Requirements:** All building renovation/remodeling is to comply with City/State codes & policies.
- Eligible Projects:** Eligible improvements include exterior improvement to buildings, as well as interior improvements such as general remodeling and improvements related to safety, accessibility, habitability, and energy consumption. Specific eligible improvements include the following:
- Eligible exterior improvements:**
Windows and doors
Painting, sandblasting or other façade improvements
Roofs
Foundations
Exterior Lighting
Handicap Accessibility (ramps)
Concrete work such as private steps and sidewalks
Private parking lots
Landscaping
- Eligible safety, accessibility, habitability, and energy efficiency improvements:**
Heating
Electrical
Plumbing
Insulation
Handicap accessibility
Asbestos abatement
- Eligible interior improvements include only general remodeling of areas that are accessible to the public, to include:**

Lighting improvements
Built-in cabinetry
Painting or other wall coverings
Flooring.

Ineligible interior improvements include refinancing prior rehab debt, working capital, inventory and improvements that are removable, such as the following:

Security systems
Equipment
Furniture

Loans are not available to remodel apartments above the business or areas not generally accessible by the public

- Maximum Available:** \$500 minimum, up to a maximum of \$5,000.
- Other Funds Required:** 50% of total project cost must be privately financed through owner equity and other lending sources.
- Interest Rate:** 0%
- Terms:** Level monthly payment schedule, not exceeding three (3) years. Minimum monthly payments of \$100.
- Collateral Requirements:** Personal guarantees.
- Fees:** \$25 processing.
- Applications Accepted:** On a year-round basis through the Economic Development Authority.
- Approving Authority:** Gaylord Economic Development Authority.
- Disbursement of Funds:** Upon receipt of bills or pre-arranged approved schedule. Loan funds must be disbursed in full within 180 days of loan approval.

Note: Loan program is subject to the availability of EDA loan funds.

Contact: Gaylord Economic Development Authority
332 Main Avenue, P.O. Box 987
Gaylord, MN 55334
507-237-2338

Gaylord Economic Development Authority

Commercial Rehabilitation Loan Program Application – “Tier 1”

1. PURPOSE

It is the purpose of this document to establish a low-documentation commercial rehabilitation loan program to promote the rejuvenation of existing commercial/retail buildings within the City through renovation and remodeling.

2. POLICY STATEMENT

The Gaylord Economic Development Authority (EDA) recognizes that improving the appearance of the exterior of a commercial/retail business is an essential part of creating a successful shopping experience. It is the intent of the loan program to provide affordable loans for the remodeling and/or rehabilitation of existing commercial/retail structures.

3. LOAN AMOUNT AND TERMS

The minimum loan amount will be \$500, and the maximum amount will be 50% of the total project cost or \$5,000, whichever is less. The loan interest rate will be at 0%. Financing terms will be based on a level monthly repayment schedule, not to exceed three (3) years. Minimum monthly payments of \$100. Loans will be based on a cost reimbursement procedure, with funds being remitted after project cost documentation is submitted to the EDA. The EDA reserves the right to approve or deny individual applications.

4. REGULATION FOR IMPROVEMENTS

All building renovation/remodeling are to comply with City/State codes and policies. Improvements may include but not limited to removal of false façade, exterior restoration, painting, windows, signage, tuck pointing, and other structural improvements which preserve and/or enhance the original architectural lines/style of the building. Any costs incurred prior to the approval of the application are not eligible. No project may commence until the required City permits are secured.

5. LOAN SECURITY AND GUARANTEES

The applicant must demonstrate the financial means to repay the loan and provide a personal guarantee.

6. PRODEDURAL GUIDELINES FOR APPLICATION AND APPROVAL

A. Application and Review

A completed application form, together with a processing fee of \$25, must be submitted to the Gaylord Economic Development Authority. The EDA will review the application and make a decision.

The following factors will be considered:

1. Ratio of private funds to the requested loan amount is 1:1 or greater
2. Sufficient cash flow to cover proposed debt service as demonstrated by financial information.
3. Business to be assisted must show a positive net worth.
4. All other information as required in the application and/or additional information as may be requested by the EDA.
5. Project Design – does it rejuvenate the existing commercial building.

B. Disbursement of Loan Funds:

Loans will be based on a cost reimbursement procedure, with loan funds being paid out to the applicant in accordance with a pre-arranged approved schedule upon receipt of cost documentation (invoices) for work completed. Loan funds must be disbursed in full within 180 days of loan approval.

APPLICATION
Commercial Rehabilitation Loan Program – “Tier 1”

I. BASIC INFORMATION

Name of Business _____ Loan Number _____

Address _____

City _____ Zip Code _____

Contact Person _____ Telephone _____

Tax ID # _____

Type of Business: _____ Sole Proprietorship _____ Corporation _____ Partnership

A. Brief description of the business the applicant is engaged in:

B. Are you or your business currently involved or have any history of being involved in litigation:

_____ Yes _____ No

II. NATURE OF THE LOAN REQUEST:

Amount of Commercial Rehabilitation Loan Requested: \$ _____

Brief description of project for which applicant is seeking funding:

III. PERSONAL FINANCIAL DETAIL

A. Detailed Personal Financial Statement

B. Most Recent Personal Tax Return

C. Bank Letter of Reference

The person financial information provided will be kept confidential except to the extent that it needs to be considered in making an award

The foregoing statement/application, submitted for the purpose of obtaining EDA funding, is true and correct in every detail and fairly shows my/our financial condition at the time indicated. I/we will give the EDA prompt written notice of any subsequent substantial change in such financial condition occurring before discharge of my/our obligations to the EDA. I/we understand that the EDA will retain this personal financial statement whether or not the EDA approves the credit in connection with which it is submitted. The EDA is authorized to check my/our credit history and/or any other information contained herein.

Signature: _____ Date: _____

Co-Applicant Signature: _____ Date: _____

Commercial Rehabilitation Loan Program – “Tier 2”

Program Purpose: In conjunction with the Tier 1 Commercial Rehabilitation Loan Program applicants may be eligible for additional funds for exterior commercial building renovation and remodeling within the City of Gaylord.

How It Works: Applicant receives loan application from Gaylord Economic Development Authority. EDA reviews completed application and makes decision. Loans are awarded on a first come-first served basis, with awards being dependent on the availability of funds.

Eligible Applicants: Owners/Renters of commercial buildings within the City of Gaylord. For the purposes of this program, “commercial buildings” mean buildings that house retail business or business that provide a service to the public. It does not include warehouses, storage, or manufacturing facilities.

Minimum Requirements: All building renovation/remodeling is to comply with City/State codes & policies. Proposed improvements must enhance or restore the original architectural lines/style of building.

Eligible Projects: Eligible improvements include exterior improvement to buildings, as well as interior improvements such as general remodeling and improvements related to safety, accessibility, habitability, and energy consumption. Specific eligible improvements include the following:

Eligible exterior improvements:

Windows and doors
Painting, sandblasting or other façade improvements
Roofs
Foundations
Exterior Lighting
Handicap Accessibility (ramps)
Concrete work such as private steps and sidewalks
Private parking lots
Landscaping

Eligible safety, accessibility, habitability, and energy efficiency improvements:

Heating
Electrical
Plumbing
Insulation

Handicap accessibility
Asbestos abatement

Eligible interior improvements include only general remodeling of areas that are accessible to the public, to include:

Lighting improvements
Built-in cabinetry
Painting or other wall coverings
Flooring.

Ineligible interior improvements include refinancing prior rehab debt, working capital, inventory and improvements that are removable, such as the following:

Security systems
Equipment
Furniture

Loans are not available to remodel apartments above the business or areas not generally accessible by the public

Maximum Available: \$20,000 maximum (in addition to \$5,000 Tier 1 funds)

Other Funds Required: 50% of total project cost must be privately financed through owner equity and other lending sources.

Interest Rate: One half of prime interest rate the day the application is submitted.

Terms: Repayment period not to exceed 7 years. Minimum monthly payment of \$100.

Collateral Requirements: Personal guarantees, junior mortgage on building and/or assets.

Fees: \$150 processing

Applications Accepted: On a year-round basis.

Approving Authority: Gaylord Economic Development Authority. In addition to the financial aspects of the proposed loan, the EDA will review the proposed renovation / remodeling plans to determine if changes are in keeping with the original architectural lines/styles of the building. Approval of the loan is based on decisions made by the EDA. The Gaylord Economic Development Authority reserves the right to approve or deny individual applications.

Disbursement of Funds: Upon receipt of bills or pre-arranged approved schedule. Loan funds must be disbursed in full within 180 days of loan approval.

NOTE: Loan program is subject to the availability of EDA loan funds.

Contact: Gaylord Economic Development Authority
332 Main Avenue, P.O. Box 987
Gaylord, MN 55334
507-237-2338

Gaylord Economic Development Authority

Commercial Rehabilitation Loan Program Application – “Tier 2”

1. PURPOSE

It is the purpose of this document to establish a low-documentation commercial rehabilitation loan program to promote the rejuvenation of existing commercial/retail buildings within the City through exterior renovation and remodeling.

2. POLICY STATEMENT

The Gaylord Economic Development Authority (EDA) recognizes that improving the appearance of the exterior of a commercial/retail business is an essential part of creating a successful shopping experience. It is the intent of the loan program to provide affordable loans for the remodeling and/or rehabilitation of existing commercial/retail structures.

3. LOAN AMOUNT AND TERMS

The maximum amount will be 50% of the total project cost or \$20,000, whichever is less. The loan interest rate will be at one half the prime interest rate the day the application is submitted. Financing terms will be based on a per month repayment schedule, not to exceed seven (7) years. The minimum monthly payment is \$100. Loans will be based on a cost reimbursement procedure, with funds being remitted after project cost documentation is submitted to the EDA.

4. REGULATION FOR IMPROVEMENTS

All building renovation/remodeling is to comply with City/State codes and policies. Improvements may include but not limited to removal of false façade, exterior restoration, painting, windows, signage, tuck pointing, and other structural improvements which enhance the original architectural lines/style of the building. Any costs incurred prior to the approval of the application are not eligible. No project may commence until the required City permits are secured.

5. LOAN SECURITY AND GUARANTEES

The applicant must demonstrate the financial means to repay the loan and provide a personal guarantee and junior mortgage on building and/or assets.

6. PRODEDURAL GUIDELINES FOR APPLICATION AND APPROVAL

A. Application and Review

A completed application form, together with a processing fee of \$150, must be submitted to the Gaylord Economic Development Authority. The EDA will review the application and make a decision. The fee is used to cover EDA expenses for processing the application.

B. Project Review

The EDA will review each application in terms of its consistency with the goals of the loan program.

The EDA will also evaluate the project application in terms of the following:

1. Project Design – Evaluation of project design will include review of the plans to determine if the proposed changes are in keeping with the original architectural lines/styles of the building.
2. Financial Feasibility – Availability of funds, private involvement, financial packaging and cost effectiveness.
 - a. Ratio of private funds to requested funds is 1:1 or greater.
 - b. Sufficient cash flow to cover proposed debt service as demonstrated by financial information.
 - c. Business to be assisted must show a positive net worth.
 - d. Sufficient collateral.
3. All other information as required in the application and/or additional information as may be requested by the EDA.
4. The EDA will decide to approve or disapprove the application.
5. The loan recipient shall agree to provide the EDA with information as needed to monitor project compliance relative to the loan guidelines.
6. Loans will be made on a “one time” basis for each building. Businesses occupying more than one building will be considered as one building, and a building containing more than one business will be considered as one building for loan purposes.

C. Disbursement of Loan Funds:

Loans will be based on a cost reimbursement procedure, with loan funds being paid out to the applicant in accordance with a pre-arranged approved schedule upon receipt of cost documentation (invoices) for work completed. Loan funds must be disbursed in full within 180 days of loan approval.

APPLICATION
Commercial Rehabilitation Loan Program – “Tier 2”

I. BASIC INFORMATION

Name of Business _____ Loan Number _____

Address _____

City _____ Zip Code _____

Contact Person _____ Telephone _____

Tax ID # _____

Type of Business: _____ Sole Proprietorship _____ Corporation _____ Partnership

A. Brief description of the business the applicant is engaged in:

B. Are you or your business currently involved or have any history of being involved in litigation:

_____ Yes _____ No

II. NATURE OF THE LOAN REQUEST:

Amount of Commercial Rehabilitation Loan Requested: \$ _____

Provide a description of the project for which you are seeking funding; including cost estimates. Due to the purpose of this loan program, it is important that you provide the review committee with detailed plans for your project.

III. PERSONAL FINANCIAL DETAIL

- A. Detailed Personal Financial Statement
- B. Most Recent Personal Tax Return
- C. Bank Letter of Reference

The personal financial information provided will be kept confidential except to the extent that it needs to be considered in making an award

The foregoing statement/application, submitted for the purpose of obtaining EDA funding, is true and correct in every detail and fairly shows my/our financial condition at the time indicated. I/we will give the EDA prompt written notice of any subsequent substantial change in such financial condition occurring before discharge of my/our obligations to the EDA. I/we understand that the EDA will retain this personal financial statement whether or not the EDA approves the credit in connection with which it is submitted. The EDA is authorized to check my/our credit history and/or any other information contained herein.

Signature: _____ Date: _____

Co-Applicant Signature: _____ Date: _____