

## ENERGY EFFICIENCY PROGRAM - COMMERCIAL

### PROGRAM GOAL

The goal of this program is to provide funds for existing commercial properties and businesses to assist in reducing energy costs by improving building systems and business operations. [Please note: Vacation Rental Dwellings (VRDs) are not considered commercial buildings.]

Projects must be registered with Energy Trust of Oregon and/or USDA Rural Development REAP Grant Program. Energy Efficiency must meet the minimum Standard Incentives through Energy Trust of Oregon and/or the USDA Rural Development REAP Grant Program requirements. This Energy Efficiency Program acts as a “gap” funding to make possible energy efficiency improvements to commercial buildings.

### FINANCING

The funding source for this program is through Lincoln City Economic Development funds. Funds are subject to availability of annual funding. This program can only provide funds for future work; not refinancing of completed work.

- Multiple loans for multiple properties having the same owner are available, so long as the total loan amounts do not exceed \$150,000 (\$75,000 maximum per property per fiscal year).
- This loan may be combined with other City Economic Development Loans given the total loan amounts remain under \$75,000 in one year (not to exceed \$150,000).
- This program offers a 0% (zero percent) interest rate loan with no pre-payment penalty.
- It is recommended that any operation business attain other applicable certification
- Projects that do not comply with submitted plans will not qualify for 0% (zero percent) financing. They may assess the current prime rate of interest plus a 2% (two percent) penalty.
- Applicants may request a waiver of costs in cases where an energy study (rather than assessment) is needed.

Financing for Property Owners:

- Must have 30% (thirty percent) equity interest in property
- \$150,000 maximum secured loan per property
- Up to 10 (ten)-year payback, fully amortized through monthly payments

Financing for Business Owners

- Must provide written authorization for any building alterations from property owner
- \$5,000 maximum personally guaranteed loan to business owners
- Up to 5 (five)-year payback, fully amortized through monthly payments

### ELIGIBILITY

- Eligible activities: including, but not limited to, rehabilitation, renovation or replacement of existing building systems such as HVAC (Heating, Ventilation, Air Conditioning), lighting, hot water (solar, electric, gas), insulation, equipment (washing machines, dryers, refrigeration), etc.
- Ineligible activities (including, but not limited to): working capital, refinancing of existing debt, security systems, personal property, furnishings, inventory, billboards

**APPLICATION PROCESS**

1. Contact Energy Trust of Oregon and/or USDA REAP Program to register the project and receive free Energy Assessment and determine proposed project, and register the project with ETO or USDA Rural Development Program.
  - Energy Trust of Oregon  
Call 1-866-368-7878 to inquire about program incentives and register your project. To submit an Energy Assessment Request with the Energy Trust of Oregon visit:  
<https://energytrust.org/forms/commercial/ExistingBuildingIntakeForms/ShowForm/Form100E>
  - USDA Rural Development  
Call 1-503-414-3369 to inquire about program incentives and register your project;  
Or visit: [http://www.rurdev.usda.gov/ORbcp\\_energy.html](http://www.rurdev.usda.gov/ORbcp_energy.html)
2. Obtain cost estimates for proposed project work.
3. Forms are available online ([www.LincolnCity.org](http://www.LincolnCity.org)) and in the Lincoln City Economic Development Office, City Hall, 801 SW Highway 101, Room 350. Submit completed pre-application form with energy assessment and cost estimates to the Economic Development Office. City staff will initially determine when a pre-application is complete and meets the program objectives. Completed pre-applications will include:
  - Pre-application form
  - Evidence of property and/or business ownership
  - Preliminary design drawing
  - Property equity information
  - Description of methods and materials to be used
  - Itemized cost estimates from licensed contractor
4. Pre-application is forwarded to the Outside Loan Officer who will request preliminary title reports, credit reports, and appraisals or will perform alternative procedures to determine credit worthiness of the applicant for the proposed project. The borrower must demonstrate the ability to repay the loan in a timely manner.
5. Outside Loan Officer provides summarized financial information about the applicant's ability to repay the loan to City staff to include in the application packet for the City Loan and Grant Committee (Committee) to review.
6. Application packet is presented to the Committee for discussion and consideration. The Committee, at its discretion, may consider other conditions or building appurtenances.
7. If the Committee recommends loan approval, the request is issued an anonymous loan number and sent to City Council for final approval. In certain circumstances the Council may authorize a higher loan amount. After project completion, the project may be made publicly known to help market the program.

**CONDITIONS AND CONSIDERATIONS**

1. City Council shall have the sole authority to approve an application to receive City Economic Development funds.
2. The borrower must demonstrate the ability to repay the loan in a timely manner.
3. Processing and closing fees are paid by the borrower and not included in the loan amount, unless otherwise noted.

4. The bank loan is a construction-type loan. Funds are disbursed as work is completed and verified.
5. Equipment purchase or construction must begin within 12 (twelve) months and completed within 18 (eighteen) months of City Council approval.
6. Repayment begins after first draw request, with payments based on entire loan amount.
7. Loan cancellation and repayment occur if borrower fails to comply with the conditions of the loan. Penalties may apply.
8. Applicants must be current with all applicable taxes, licenses and fees.
9. Any work impacting exterior facades shall be updated and integrated into a design that complements adjacent structures to provide a harmonious composition of masses, materials, colors, and textures. Building components, if any (windows, doors, eaves and parapets), shall have good proportions and relationship to one another. Lighting standards and fixtures shall be of a design and size compatible with the building and adjacent areas. Design attention shall be given to mechanical equipment or other utility hardware so as to screen them from view to the extent feasible.
10. Minor addition(s) to an existing structure do not increase the square footage of the existing structure by more than 50% (fifty percent).
11. Note is due upon refinancing or sale of the business or property as applicable.
12. Before any funds are distributed, loan applicant must obtain all necessary approvals including those from Lincoln City Planning and Public Works Departments.

#### **COLLECTION POLICY**

Delinquencies, collection procedures, and foreclosures will be in accordance with procedures of all participating financial partners.



For more information, please contact the  
Lincoln City Economic Development Office  
at 541-996-1095