

FAÇADE IMPROVEMENT PROGRAM – (Commercial)

PROGRAM GOAL

The goal of this program is to provide renovation and rehabilitation funds for commercial properties to assist in alleviating blight conditions, to improve building structures, and to compliment local design characteristics.

FINANCING

This program uses City Economic Development funds that are subject to availability of annual funding. This program can only provide funds for future work; not refinancing of completed work.

- Funds can be used for structural and aesthetic building improvements, but must include façade improvements.
- Projects that do not comply with submitted plans will not qualify for 0% (zero percent) financing. They may be assessed the current prime rate of interest plus a 2% (two percent) penalty.

Financing for Property Owners

- Property owners must have 30% (thirty percent) equity interest in property
- \$150,000 maximum secured loan to property owners
- 0% (zero percent) interest rate
- Loan processing and closing costs paid by borrower
- 10 (ten)-year payback, fully amortized through monthly payments
- Up to 20 (twenty) hours of free design consultation (max. \$1,200.00)

Financing for Business Owners

- If the applicant is not the owner of the property to be renovated, written authorization from the property owner must be submitted with the application.
- \$ 5,000 maximum personally guaranteed loan to business owners
- 0% (zero percent) interest rate
- Loan processing and closing costs paid by borrower
- 5 (five)-year payback, fully amortized through monthly payments
- Up to 10 (ten) hours of free design consultation (max: \$600.00)

ELIGIBILITY

- Eligible activities: including, but not limited to, rehabilitation of building facades, including masonry cleaning, cornice restoration, new siding, exterior painting, canopies, and window awnings, repair to gutters and downspouts, removal of old signs and replacement of new conforming signs, Americans with Disabilities Act compliance and improvements which enhance the pedestrian environment. A plan that includes façade improvements may be eligible for structural repairs, rot repair, roofing, sidewalks, walkways, public plaza, interior renovations of public space, lighting, code compliance, minor additions, and “Pearl” projects. A Pearl project would be work that supports the Community Vision for the related district.

- The loan program is available to businesses for signage without the façade requirement under these conditions:
 - o The sign and business is located in a Historic Business District (Pearl), or
 - o An existing sign is being brought into compliance
- Ineligible activities: including, but not limited to, working capital, refinancing of existing debt, security systems, personal property, furnishings, inventory, billboards.

PROGRAM FAÇADE AND DESIGN GUIDELINES

1. Minor addition(s) to an existing structure do not increase the square footage of the existing structure by more than 50% (fifty percent).
2. 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.
3. Exterior lighting shall be of a design and size that meets all code requirements of LCMC 17.52.2 AND is compatible with the existing building and adjacent buildings.
4. Building components, such as windows, doors, eaves and parapets, shall have good proportions and relationship to one another.
5. Design attention shall be given to mechanical equipment or other utility hardware so as to screen them from view to the extent feasible.
6. Signs will be a part of the architectural concept. Size, materials, color, lettering and location shall be harmonious with the building design and the number of signs shall be minimized.

APPLICATION PROCESS

1. Forms are available online (www.LincolnCity.org) and in the Economic Development Office, City Hall, 801 SW Highway 101, Room 350. Submit completed pre-application form to the Economic Development Office. City staff will initially determine when a pre-application is substantially complete and meets the program objectives. Completed applications will include in part:
 - o pre-application form
 - o requested loan amount
 - o evidence of property and/or business ownership
 - o property equity information
 - o preliminary design drawings
 - o itemized cost estimates from a licensed contractor
 - o description of methods and materials to be used
 - o estimated project completion time
2. 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 applicant must demonstrate the ability to repay the loan in a timely manner and may be asked to provide the following information to the Outside Loan Officer:

- Business Plan or detailed description of your business
 - Breakdown of use of funds for the project
 - Personal financial statements
 - Resumes of business owner
 - Business income statement and balance sheet for past 3 years
 - Projected Income Statements
3. 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.
 4. Application packet is presented to the Committee to determine whether the project meets the mission and purpose of the Façade Improvement Program and for tentative approval to process. The Committee, at its discretion, may consider other conditions or building appurtenances.
 5. If the Committee recommends approval, the request is issued an anonymous loan number and presented to City Council for final approval. In certain circumstances, City Council may authorize a higher loan amount. After project completion, the project may be made publicly known to help market the program.

CONDITIONS AND CONSIDERATION

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. In cases where the property owner is able and demonstrates the skill to do the work themselves without using a licensed contractor (by applicable codes and ability), City Council can consider disbursement of funds (for materials, not labor) similar to a line of credit with any added conditions to reduce risk on a case by case basis.
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 to be 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. For improvements to real property, where not currently available, the plan must meet American with Disabilities Act compliance for accessibility from at least one entrance at street level.
10. Note is due upon refinancing or sale of the business or property as applicable.
11. 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