

**Arlington Economic Development Authority
Storefront Restoration/Renewal/Rehabilitation
Loan Program
Policy and Procedures**

The Arlington EDA along with the Arlington City Council wishes to establish a Storefront Restoration/Renewal/Rehabilitation loan program that assists businesses in improving and updating their retail/commercial property facades and building mechanical and code improvements.

Eligibility Criteria

1. Properties must be retail/commercial business properties located within the city boundaries of Arlington.
2. Applicants must have ownership interest in the property.
3. Applicant must not have started or completed work on the proposed project.
4. Proposed improvements must comply with the Minnesota State Building Code for rehabilitation work.
5. 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 conservation. Specific eligible improvements include the following:

Eligible exterior improvements:

- Windows and doors
- Painting, sandblasting and other façade improvements
- Roofs
- Foundations
- Exterior lighting
- Handicap accessibility (ramps)
- Cement work such as steps and sidewalks
- Landscaping
- Awnings

Eligible safety, accessibility, habitability and energy conservation improvements:

- Heating
- Air conditioning
- Electrical
- Plumbing
- Insulation
- Handicapped accessibility
- Asbestos abatement

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

- Lighting improvements
- Painting and wall treatments
- Flooring
- Cabinetry

6. Ineligible improvements include refinancing prior debt, working capital, inventory financing and improvements that are removable.
7. Living or apartment quarters above first floor commercial space is also ineligible for program participation.

Terms

Funding specifics are as follows:

- A. The EDA will provide 50% of the approved project costs up to a maximum EDA participation of \$10,000.00. Owner/applicant will provide all of the additional private funding over \$20,000.00.
- B. Approved applicants will qualify for a 7 year, 3% EDA loan up to the \$10,000.00 limit.
- C. Monthly repayments will be scheduled on the loan principal and interest beginning one month after loan proceeds are disbursed.

Conditions

This loan is due and payable upon the sale of the property.

A mortgage, a note and a personal guarantee will secure the loan. The mortgage will be collateralized in a first lien position whenever possible.

Borrower can perform the work. However the borrower can only use the loan proceeds for material and not for owner supplied labor. The EDA will not disburse approved loan proceeds until the borrower purchases and installs the materials.

At project completion, applicant will present to the EDA all final original invoices from contractors and material lists from suppliers. A completion certificate shall also be presented, signed by the borrower and contractor (if necessary). Copies of all required City permits and a copy of the final inspection sign-off (if necessary).

Failure to make timely scheduled loan payments will result in the EDA and City taking legal action. Borrower will be responsible for all legal and court costs incurred by the EDA and City in the recovery of past due payments and funding.

Standard document preparation expenses and closing and recording fees will be paid for by the successful applicant.

Application Materials

Completed Storefront Restoration/Renewal/Rehabilitation Loan Program Application.

Please also provide the Sibley County Assessor's most recent estimated market value for the property that the improvements will be made. The property abstract or Torrens certificate for the above property will also be required.

Applicant must provide one bid for projects under \$2000. Projects over \$2000 require two bids.

Applicant shall provide a copy of the most recent business financial statements including cash flow, profit/loss statements and business balance sheets.

Applicant will provide a copy of the Federal Tax Returns for the last 2 years.