



Commercial Building Facade Guidelines

PROGRAM INTRODUCTION

The Commercial Building Facade Loan provides financial assistance to property owners and encourages the revitalization of commercial buildings in the City of Eau Claire.

FINANCE TERMS AND CONDITIONS

Loan Amounts

The minimum loan will be \$5,000 and the maximum will be \$30,000.

Interest Rate

The interest rate shall be a 0% fixed annual rate. The Finance Director will review the program's interest rate annually as compared to market conditions and recommend changes, if any, to the Loan Administration Board, who shall have the authority to adjust the rate accordingly.

Terms

The repayment term shall be no longer than 7 years. The loan may be amortized up to 15 years. There is no prepayment penalty.

If it is determined by the Loan Administration Board that deferral of the principal payment for a period not to exceed one (1) year would likely lead to the success of the project, and that upon review of updated financial information filed by the borrower that loan collateral remains a viable and likely source of recovery in case of default, deferral may be allowed as approved by the Board.

Collateral

All loans shall be secured by a mortgage on the property rehabilitated. Unlimited business and personal guarantees will also be required of all owners with a 20% or greater ownership interest in the business.

Maintenance

All borrowers will be required to continue to maintain the properties in the condition and for a time as set forth in the loan documents but will normally not be less than the term of the financing.

ROLES

The City's Design Review Committee shall review the facade and building plans with the applicant in accordance with applicable design guidelines. Upon their recommendation, the City's Loan Administration Board shall review the entirety of the application and approve or deny the loan application.



Commercial Building Facade Guidelines

PROGRAM ELIGIBILITY

Eligible Borrowers

All property owners, businesses, and tenants located in the City of Eau Claire in areas zoned commercial or the central business district (Downtown) as defined by the district map adopted by the Eau Claire City Council. Startup businesses are eligible but must provide an acceptable business plan and show sufficient management background and an equity position in the business. Applicants must demonstrate an ability to cash flow the projected debt service and to operate a business successfully. Property taxes on the property must be current. Preference will be given to projects improving buildings constructed before 1990.

Eligible Uses of Funds

Facade renovation, signs, exterior doors, windows, awnings, exterior graphics, exterior lighting, and other facade or landscape improvements. Building code violations such as roofing, structural repair and necessary mechanical system upgrades are eligible but only as part of an approved facade improvement. Facade funds can only be used for rehabilitation expenses incurred after the application is approved for funding. Applicants can also apply for other public loan funds/grants for the same project but the facade design must be approved first.

Ineligible Uses of Funds

Refinancing, building purchases, inventory, furniture, equipment, or working capital. Projects cannot be primarily residential in nature. Projects must have reasonable assurance of repayment.

Design Requirements

Applications for projects in the central business district must include acceptable facade design plans that comply with the most recently adopted design standards approved by the City's Design Review Committee. All applications must include acceptable facade design plans that contribute to a cohesive and appealing look and feel of the area surrounding their business. All designs must meet local codes, laws, and standards.

APPLICATION

Prospective borrowers shall submit to the Economic Development Division a completed application with the following supplemental information provided separately:

- 1) Project information, including (a) scale drawing of the proposed facade changes, (b) construction schedule, (c) materials list and color samples with cost estimates, and (d) photos of the building, both current and historical.
- 2) Financial statements of the business (current plus last 2 years).
- 3) Personal financial statements for those with 20% or greater ownership interest
- 4) Business Plan (if startup). At a minimum this should include a brief business description and company history; a discussion of the business industry, sales, markets, and competition; and a summary of all Owners/Managers.



Micro Loan Fund Guidelines

PROGRAM INTRODUCTION

The City of Eau Claire's Micro Loan Fund provides small loans to startup, newly established, or growing small businesses. This is defined as those that have been in business less than 3 years. The key objective is to assist business owners who have traditionally had difficulty accessing debt financing, by affording them another alternative to obtain credit.

FINANCE TERMS AND CONDITIONS

Loan Amounts

The minimum loan will be \$5,000 and the maximum will be \$30,000.

Interest Rate

The interest rate shall be a 4% fixed annual rate. The Finance Director will review the program's interest rate annually as compared to market conditions and recommend changes, if any, to the Loan Administration Board, who shall have the authority to adjust the rate accordingly.

Collateral

The City will record a lien against the collateral pledged for the loan. The collateral pledged must be sufficient to cover the value of the loan and be related to the business activities covered by the loan.

Unlimited business and personal guarantees will also be required of all owners with a 20% or greater ownership interest in the business.

Terms

The terms of the loan will vary depending on the collateral and uses of funds. Short terms will be encouraged. Typical loan terms are:

- 1) Ten (10) years for real estate purchase or renovation.
- 2) Three (3) to Ten (10) years for capital equipment, depending on life of the asset.
- 3) Three (3) to Five (5) years for working capital.

If it is determined by the Loan Administration Board that deferral of the principal payment for a period not to exceed one (1) year would likely lead to the success of the project, and that upon review of updated financial information filed by the borrower that loan collateral remains a viable and likely source of recovery in case of default, deferral may be allowed as approved by the Board.



Micro Loan Fund Guidelines

PROGRAM ELIGIBILITY

Eligible Borrowers

Any manufacturing, commercial, or service business, excluding restaurants, located in the City of Eau Claire that has been in business for three (3) years or less and demonstrates an ability to repay the loan. Targeted economic areas for the program include businesses located in Downtown Eau Claire and those supporting the creative economy.

Eligible Uses of Funds

Permanent working capital; inventory purchases and supplies; acquisition of equipment, machinery, furniture and fixtures; leasehold improvements; building renovation and rehabilitation; and real estate acquisition.

Ineligible Uses of Funds

Refinancing existing debt. However, upon Board approval, RLF borrowers may move the loan to a different financial institution if the City's lien position will not be compromised. Relocation of companies located outside the City of Eau Claire.

APPLICATION

Prospective borrowers shall submit a completed application with the following supplemental information provided separately:

- 1) Financial statements of the business (current plus any prior years)
- 2) Personal financial statements for those with 20% or greater ownership interest
- 3) Business Plan (if startup). At a minimum this should include a brief business description and company history; a discussion of the business industry, sales, markets, and competition; and a summary of all Owners/Managers.

CONTACTS

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Revolving Loan Fund Guidelines

PROGRAM INTRODUCTION

The City of Eau Claire's Revolving Loan Fund (RLF) is a source of loan funds for commercial and industrial projects. The program serves the Economic Development Division mission by supporting the following goals and objectives in the City of Eau Claire:

- 1) To add new well-paying jobs.
- 2) To grow the tax base.
- 3) To facilitate expansions and support local businesses.
- 4) To recruit outside businesses to locate in the City of Eau Claire.
- 5) To increase the quality of life and promote a diverse economy.

FINANCE TERMS AND CONDITIONS

Loan Amounts

The minimum loan will be \$10,000 and the maximum will be \$100,000.

Unless special approval is given by the Loan Administration Board, lending institution participation is required for capital projects. Direct loans may be made up to 100% of the project for working capital needs.

Interest Rate

The interest rate shall be a 4% fixed annual rate. The Finance Director will review the program's interest rate annually as compared to market conditions and recommend changes, if any, to the Loan Administration Board, who shall have the authority to adjust the rate accordingly.

Collateral

The City will record a lien against the collateral pledged for the loan. The collateral pledged must be sufficient to cover the value of the loan and be related to the business activities covered by the loan. Unlimited business and personal guarantees will also be required of all owners with a 20% or greater ownership interest in the business.

Terms

The terms of the loan will vary depending on the collateral and uses of funds. Short terms will be encouraged. The participating financial institution can be relied upon to make term recommendations. Typical loan terms are:

- 1) Ten (10) years for real estate purchase or renovation.
- 2) Three (3) to Ten (10) years for capital equipment, depending on life of the asset.
- 3) Three (3) to Five (5) years for working capital.

If it is determined by the Loan Administration Board that deferral of the principal payment for a period not to exceed one (1) year would likely lead to the success of the project, and that upon review of updated financial information filed by the borrower that loan collateral remains a viable and likely source of recovery in case of default, deferral may be allowed as approved by the Board.



Revolving Loan Fund Guidelines

PROGRAM ELIGIBILITY

Eligible Borrowers

Any manufacturing or service business, excluding restaurants, located in the City of Eau Claire that has been in business for at least three years and demonstrates an ability to repay the loan. Targeted areas include Downtown Eau Claire, Sky Park Industrial Center, Gateway West and Northwest Business Parks, Chippewa Valley Industrial Park, and other commercial or industrial clusters.

Eligible Uses of Funds

Permanent working capital; inventory purchases and supplies; acquisition of equipment, machinery, furniture and fixtures; leasehold improvements; building renovation and rehabilitation; and real estate acquisition

Ineligible Uses of Funds

Refinancing existing debt. However, upon Board approval, RLF borrowers may move the loan to a different financial institution if the City's lien position will not be compromised. Relocation of companies located outside the City of Eau Claire.

APPLICATION

Prospective borrowers shall submit a completed application with the following supplemental information provided separately:

- 1) Financial statements of the business (current plus last 3 years).
- 2) Personal financial statements for those with 20% or greater ownership interest
- 3) Employment Plan consisting of current and future employment projections
- 4) Financial Institution commitment letter for participation loan OR an explanation why credit is not available in terms and conditions that would allow successful completion or operation of the project in the Eau Claire area.

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