

# Commercial Building Facade



Eau Claire, WI

*Business. Life. Balance.*

[www. EauClaireDevelopment.com](http://www.EauClaireDevelopment.com)



# 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.



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## 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 CHECKLIST

Included with this application are the following supplements:

- Completed and signed application
- Credit check within the past year
- Background check disclosure
- Business Plan that includes business description, company history, a discussion of the business industry, sales, markets, and competition, and a summary of all owners/managers
- Narrative about the past, present, and future of your business and the role this funding would play
- Site control/documentation of property
- Business entity creation must be completed prior to review of application
- If existing business, current plus last 3 years financial statements of the business (income statement, balance sheet, and cashflow)
- If new business with no previous financials, then attach past 3 years of personal tax returns
- Personal financial statements for those with 20% or greater ownership interest
- Employment Plan consisting of current and future employment projections (if applicable)
- 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
- Collateral documentation
- Proof of insurance for collateral (if applicable)
- Project information, including (a) scale drawing of the proposed facade changes, construction schedule, (c) materials list and color samples with cost estimates, (d) photos of the building, both current and historical.