

NWREDF FAÇADE LOAN PROGRAM

At least 10 percent of the defederalized NWREDF funds will be available for the Façade Loan Program. Eligible activities shall take place within the participating Northwest Wisconsin counties of Bayfield (except the City of Washburn), Burnett, Douglas, Iron, Price, Rusk, and Sawyer.

Minimum Downtown Façade/Historic Reinvestment Loan Program Requirements

(1) **Purpose:**

The purpose is to provide incentives and financial assistance that encourages property and business owners in traditional downtowns, meaning the traditional central business district of a community that has served as the center for socioeconomic interaction in the community, characterized by a cohesive core.

(2) **Eligibility:**

Applicants. All businesses or tenants located within traditional downtowns of eligible cities, villages and towns in northwest Wisconsin are eligible. Startup businesses located in traditional downtowns are eligible but must provide an acceptable business plan and show sufficient management background and an equity position in the business. Applicants must demonstrate ability to cash flow the projected debt service and to operate a business successfully. Property taxes on the property must be current. Stand-alone businesses located in rural areas outside of traditional downtown districts are ineligible to apply.

Eligible uses include façade renovation, signs, exterior doors, windows, awnings, exterior graphics, exterior lighting, and other façade or landscape improvements. Façade funds can only be used for rehabilitation expenses incurred after the application is approved for funding by the NWREDF Administrative Committee.

Ineligible Uses. No refinancing, building purchases, inventory, furniture, equipment or working capital. Projects cannot be primarily residential in nature. Projects must demonstrate a reasonable assurance of repayment.

Design Requirements, Applicants must provide acceptable façade design plans that must comply with approved general design guidelines that will be based on National Trust and Main Street Center or suitable design guidelines prepared and adopted by local governments. Communities wishing to participate in the program must submit a copy of their downtown façade design plan and guidelines along with the name of a primary community contact person to the NWREDF Program Administrator.

(3) **Terms and Conditions:**

Loan Amount. Up to \$20,000.

Interest Rate. The interest rate shall be fixed at 2 percent.

Loan Term. Loan terms shall not exceed 10 years or the date of property transfer, whichever occurs first.

Repayment. Loans payments may be deferred up to 2 years.

Collateral. Reasonable security will be required for 100 percent of the loan. Collateral may consist of (1) a first or second on project real estate, (2) a lien on all other assets owned by and used by the business, (3) personal assets and guarantees and/or (4) the full faith and credit of 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 closing documentation but will normally not be less than the term of the NWREDF loan.

Compliance. Businesses repairing or replacing façade shall comply with all applicable local, state, and federal laws and codes as they may apply to their situation.

(4) **Application Procedures:**

Prospective applicants must contact the NWREDF Program Administrator to determine preliminary eligibility.

Eligible applicants will be directed to a primary contact within each eligible community. The applicant must submit a formal project plan directly to the primary community contact person that includes copies of the design plan, sketches, and photographs, project cost estimates, a construction schedule, and evidence that property taxes are current. The primary community contact will determine if the project plan is complete and schedule a community façade guideline committee meeting.

The community façade guideline committee will certify that that the project plan is complete and meets all of the requirements of the community façade plan and guidelines. The committee will then submit their certification to the local community for their approval. Once the formal project plan has been approved by the local community it will forward the complete formal project plan to the NWREDF Program Administrator along with all attachments and documentation of the action taken.

The Program Administrator will review the final application submitted by the applicant for completeness and set up a meeting of the NWREDF Administrative Committee to review the final application including the formal project plan.

(5) **Loan Closing:**

Upon approval of the final application the Program Administrator shall prepare a letter of commitment and close the loan pending the availability of funds.

(6) **Monitor Compliance:**

The final disbursement of funds will not be paid until the local government sends a notice to the Program Administrator certifying that the project has met the community's façade guidelines.