

DOWNTOWN

Everyone's Neighborhood

DOWNTOWN OTTUMWA

— FAÇADE IMPROVEMENT PROGRAM APPLICATION

— INTEREST BUY-DOWN LOAN PROGRAM APPLICATION

PROPERTY ADDRESS: _____

CURRENT USE: _____

APPLICANT: _____

___ OWNER ___ TENANT

ADDRESS: _____

TELEPHONE #: _____

DESCRIPTION OF PROJECT

TOTAL ESTIMATED COSTS

**NOTE: FAÇADE: Please attach two estimates for the façade program
LOAN: Please attach one estimate for the loan program**

I have attached project plans and specifications or other appropriate design documentation. Photographs, proof of tax payment, copy of proof of ownership or lease are attached.

I understand that the incentive grant must be used for the project described in this application.

Signature: _____

Date: _____

REQUIREMENTS TO QUALIFY FOR THE DOWNTOWN INTEREST BUY-DOWN
REHABILITATION LOAN PROGRAM

1. Construction Contract, to include plans, itemized cost estimates and specifications, if applicable.
2. Loan approval from lender.
3. Certification of compliance with all zoning requirements.
4. Verification of ownership, payment of property taxes and a copy of lease if lease is applicable.
5. **Prior approval** of the project is required by the Façade and Loan Review Committee and Economic Development Department before proceeding with work.

DOWNTOWN INTEREST BUY-DOWN REHABILITATION LOAN PROGRAM

1. **PROJECT** - The City of Ottumwa and participating lending institutions are undertaking development projects to repair, rehabilitation, and/or reconditioning of buildings in designated development areas, in the downtown area of Ottumwa.
2. **PURPOSE** - This loan program, in conjunction with other downtown revitalization loan programs, will provide affordable financing, as an incentive, to eligible owners and/or lessees of commercial properties lying within the development area described in the Downtown Development Guide which was approved by the City Council on June 4, 1996. Participating lending institutions may provide direct loans to qualified borrowers in the assigned development area at zero percent (0%) interest rates, subject to participating lender's standard underwriting guidelines.
3. **OPERATION** - Each participating lender shall process loan applications through its normal operations, including review of financial, loan use, business plans, etc. Loans will be made by the participating lenders directly to the eligible borrowers (owners, purchasers, or lessees of structures in development area). This program may be used in conjunction with other downtown redevelopment loan programs, including the Downtown Facade Improvement Program at the discretion of the participating lender.
4. **DEVELOPMENT AREA** - This area is the downtown area designated in the Downtown Development Guide, represented in the map marked Exhibit A. Existing buildings that are recommended for replacement in the development guide plan are not eligible for the Downtown Interest Buy-Down Loan Program.
5. **INTEREST** - Each loan shall bear the interest from the date of such loan at the rate set forth in the note. Participating lenders will be requested to waive origination and discount fees applicable to loans made under the program.

The objective of the Interest Buy-Down Loan Program will be to buy-down the interest rate on qualifying projects to zero percent (0%) interest. The participation of the Downtown Interest Buy-Down Loan Program will not exceed 7.25% rate of interest in a 5-year term. Present value of the interest will be prepaid within thirty (30) days of final loan disbursement.

Example: \$50,000 maximum loan/5 year term
\$10,114 interest
\$8,412.54 present value

Participating lender will compute the interest and its present value and the city will verify.

6. **TERM OF PROGRAM** - The term of the program shall be subject to the availability of funds or otherwise discontinued by the City Council.
7. **USE OF FUNDS** - The aggregate amount of loans made under this program must be used by the borrowers to finance improvements to a facility or facilities within the development area, as defined

under item #4, and approved by the City of Ottumwa and the participating lender. Loan proceeds under this program may not be used for working capital, or to finance inventory or accounts receivable. Also, loan proceeds may not be used to refinance an existing loan, unless more than 50% of the proceeds are new funds, advanced under this program, and used for approved purposes. Eligible use of funds includes the improvement, rehabilitation, or repair of real property, including leasehold improvements, subject to approval by participating lender and shall be used in the downtown development area.

8. REPAYMENT STRUCTURE - The loan interest rate shall be agreed to for a period not to exceed five (5) years, although the loan amortization may exceed the interest rate term. Any loan may be prepaid in whole or part at any time without penalty. Loan amortization may not exceed fifteen years, but shall be based on the fixed asset being financed. Interest shall be collected in arrears, in accordance with terms agreed upon by the participating lender and borrower. Depending upon the purpose of the loan, there may be up to a 6-month moratorium on principal repayment.

9. ADVANCE RATE - Loan amount, secured by the affected properties, shall be based upon the asset(s) being financed under the program.

10. OTHER DOCUMENTATION - In addition to normal loan documentation required by the participating lender, the borrower shall also provide a borrower's certificate signed by the borrower and the City Administrator of the City of Ottumwa or their designee including but not limited to confirmation that loan proceeds shall be used in the development area (per item #4 above) and that the loan proceeds are being used for approved purposes (per item #7 above).

11. ELIGIBILITY AND SELECTION - Projects approved by the Community Services Department shall be consistent with the Downtown Development Guide. The eligibility and selection will be evaluated on the basis of the impact that the project improvements have on the goals and objectives of the Downtown Development Guide.

Facade improvements must be reviewed and approved by the Facade and Loan Review Committee.

Projects are not eligible that include conditional uses (adult uses) listed under Conditional Uses Sections 9.30, 9A.04 and 10.19 [b] of Appendix A Zoning Ordinance No. 1810 of the Ottumwa Municipal Code.

12. LIMITATION - Limitation as to loan amount on any one project shall not exceed \$50,000. Exceptions will be considered by the City to be recommended for approval by the participating financial institutions. The program may be augmented by other small business programs such as ones provided by the U.S. Small Business Administration or other downtown revitalization programs.

13. COMMUNITY LOGO - The logo is a marketing/community logo and slogan that is used for image promotion to represent a unified marketplace. The logo will be displayed on buildings that utilize the Interest Buy-Down Loan Program. Improvements to the facade of a commercial building shall incorporate the logo into approved location(s) on the building.

DOWNTOWN FACADE IMPROVEMENT PROGRAM

As part of the effort to make the central business district an attractive alternative to other commercial areas, an incentive fund is now available to current tenants, property owners or prospective merchants. The incentive fund program will encourage exterior renovation of the street facade to visually enhance the building stock and provide a means to adapt previously renovated buildings to the demands and taste of the business community. The facade incentive funds will respect and encourage design principles that are compatible with the original structure. Renovation improvements are subject to review and approval by the Facade and Loan Review Committee. The Facade and Loan Review Committee shall be comprised of three persons: a citizen designated by the Mayor, a member of City staff designated by the City Administrator, and the City Planner. Restoration of historic properties that lie in the downtown area are important, however, restoration of the business climate and activity is the focus of the program. Simple design guidelines that promote the use of materials and architectural elements, compatible with guidelines recommended in the Downtown Development Guide will mutually support both of these restoration efforts.

The City will try to assist you in any way to complete your building's facade design. For larger and more complicated projects, an architect is highly recommended. Your project plans will be reviewed by the Facade and Loan Review Committee who will endorse the project. Your project's approval will be determined by its merits or potential detriment to the overall architectural environment of the central business district. Final approval for your facade grant will come from the Economic Development Department.

Purpose:

Provide an economic incentive to:

- (1) Renovate storefronts in downtown Ottumwa.
- (2) Encourage good design projects which capitalize on the rehabilitation of existing properties

paired with the introduction of sympathetic new design.

Eligibility:

(1) Owner or tenant of a building located within the downtown area described in the Downtown Development Guide dated June 4, 1996 (Exhibit A).

(2) Owners and tenants may request incentive grants separately; however, any tenant must have the owner's written permission attached to the application.

(3) The Economic Development Department may judge a property eligible for an additional façade incentive grant if:

a) At least five years have elapsed since the last grant was awarded and the facade is in need of further improvement (i.e. repaint, new awning); under extenuating circumstances an additional facade incentive grant may be awarded prior to five years from the last grant, if deemed necessary and approved by the Facade and Loan Review Committee.

b) The existing business undergoes significant expansion which requires improvement to the facade (i.e. window replace on upper stories); or

c) A new business moves in and requires changes in the building's facade (i.e. new sign, new awning).

Guidelines:

(1) Rehabilitation of structures in the Central Business District should be considered a contemporary solution which respects the architectural integrity of the entire building front, retaining those elements that enhance the building.

(2) All rehabilitation design proposals will meet with the building code requirements of the City of Ottumwa and approval by the Facade and Loan Review Committee.

(3) Any exterior renovation proposal, facade rehabilitation proposal and approved façade improvement proposal is eligible for funding but top priority will be given to projects which will make a highly visible contribution to the commercial district.

(4) Any improvements to a downtown building's exterior that have been made through the

Downtown Façade Improvement Program and which becomes a part of the building's exterior will be considered part of the building and therefore, they may not be removed from the building unless they can be used (without significant alterations) on another building within the downtown target area (i.e. awning).

(5) All facade grant projects must be completed within 12 months of receiving the notice to proceed. Any extension beyond 12 months must be approved by the Facade and Loan Committee.

(6) Community Logo is a marketing/community logo and slogan that is used for image promotion to represent a unified marketplace. Improvements to the facade of a commercial building shall incorporate the logo into approved location(s) on the building.

Criteria:

Twenty-five percent (25%) grant(s) are given with a 75% match required from the merchant/property owner. A maximum city participation of \$5,000.00 per facade (facade may include front, side, and rear portions of the building). No one individual property owner may receive more than \$10,000 in grant money. Tenants who apply for loans must have property owners written permission.

Source of Funds:

The Downtown Facade Improvement Program funds are made possible through an appropriation by the Ottumwa City Council.

Process for Receiving Grant:

(1) Economic Development Department will provide application forms if the project is within the program guidelines.

(2) Owner/tenant should complete the application, including improvement plans and owner's permission if necessary and return to the Economic Development Department. Architectural design fees will be an allowable cost. A façade incentive grant application requires the following submittals:

- (a) Current photo of each facade for which application is being submitted.

(b) Elevation drawing of each facade, showing all improvements with notes that define all materials, finishes and colors. Drawings may be required that are drawn accurately to scale, and shall be at a scale of 1/8" = 1' or larger. Color samples shall be submitted with the submittal.

(3) A Notification Letter will be sent to applicant as to whether the project had been accepted as described in the application, accepted with conditions, or rejected.

(4) An agreement must be signed prior to work commencing. No project completed before City approval will be considered for incentives program. Parties in the agreement will be the applicant and the City of Ottumwa.

(5) Upon project completion, copies of paid statements must be sent to the Economic Development Department.

(6) The Economic Development Department inspects work completed and requests that a check be issued for 25% of the actual project cost or the grant maximum amount whichever is less, provided the work is accomplished in accordance with the agreement.

Contact: Planning and Development Department

City Hall

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