

DOWNTOWN DEVELOPMENT AUTHORITY

LOAN POOL

Program Goals and Objectives

Purpose

The Downtown Development Authority Loan Pool is to be a public/private partnership providing development incentives to businesses, property owners, tenants, and individuals. The objectives of the pool are to improve the viability and historic appearance of the downtown area and stimulate new, long-term reinvestment in Downtown Bainbridge.

Incentives and Activities

The incentives are in the form of short- or medium-term loans at favorable interest rates from a pool of funds set-aside by the banks in Bainbridge. The funds may be used only for building rehabilitation, structural improvements to buildings, or real estate acquisitions, if part of an overall project.

Terms

All participating institutions will allocate a maximum of \$100,000.00 toward the pool. Funds from the pool will be loaned at an interest rate equal to the Wall Street Journal Prime Interest Rate less ½ of 1%. A limit of \$30,000.00 per person/entity may be loaned with the payback period contingent on the amount borrowed and collateral pledged. The \$30,000 maximum may be used multiple times on multiple projects. However, at no time shall the maximum amount exceed \$30,000. The Loan Pool will function from June to June on an annual renewable basis. At that time, each bank will decide future allocations or course of action.

Eligibility Criteria and Conditions

Applicants, for funds from the Loan Pool, must be a property owner or business tenant with the written approval of the property owner within the defined downtown business district. Loan Pool funds may only be used for income producing or commercial properties. All exterior improvements must receive approval from a design review board before funds are approved. Free or low cost design assistance is available on a local and state level.

Administration and Management

General

The Downtown Development Authority Loan Pool will be administered through both the Main Street and the participating financial institutions. The Main Street office will review applicant eligibility and make recommendations to the Design Committee. Free design assistance is also offered to the property owners through the Main Street office, if requested. Approval of funding will be on a first come-first served basis to qualified applicants.

Marketing

The Main Street will primarily perform the marketing of the Loan Pool Fund. All participating institutions will help market the fund to existing customers. The Main Street will develop a brochure explaining the Loan Pool. In addition, an introductory session for commercial loan officers for each participating institution will be conducted.

Design Committee

The Design Committee of the Main Street will review every project to determine its design appropriateness for Downtown Bainbridge. The review will be based on established design guidelines published in the Secretary of Interior Standards for Rehabilitation and by Main Street. The approval of the Design Committee is required before a loan can be approved.

Loan Application Process

1. Application package for funds submitted to a participating bank loan officer or the Main Street Manager. Application includes financial disclosure documents, a façade improvement plan, an interior improvement plan (if applicable), and a bid from a contractor for the work.
2. Main Street Director reviews scope of project and qualifies the project.
3. Chosen financial institution of the borrower determines credit worthiness of applicant according to its normal bank procedures. Each Bank conducts its own credit review and services its own accounts. All closing costs will be the responsibility of the borrower.
4. The Design Committee reviews the façade improvement plan, and a Certificate of Appropriateness is approved or denied. (attached)

5. If the loan is approved, eligible construction activities will begin. If denied, the applicant is notified in writing. A rejected application can be resubmitted provided it satisfies the objections stated.
6. The Design Committee monitors construction for compliance.
7. The loan commitment is for a period of six (6) months and the approved project must begin within this time.

Role of Downtown Development Authority

1. Assist Main Street Director in qualifying the project
2. Review design of project and offer assistance if needed
3. Monitor progress of project
4. The Design Committee monitors construction for compliance

Role of Borrower

1. Submit all necessary documents to Main Street Director and/or bank. Documents include financial disclosures, corporate structure, building drawings, cost estimate, and other pertinent information.
2. Consultation with Main Street Director during application
3. Comply with the plans as submitted and approved

Factors Impacting Program

Acquisition

The Loan Pool funds may be used for a property acquisition only if the project includes other improvements to the building. Banks generally will not provide 100% financing. The purchaser must contribute 20% of the property value or purchase price, whichever is greater.

Acquisition

As one of the objectives of the Loan Pool Program is to encourage new investments in the downtown area, the Loan Pool Funds can only be used for new projects. Outstanding renovation loans may not be refinanced with the Loan Pool Funds.

Amendments

The participating financial institutions and the Downtown Development Authority regulations as experience may dictate.

BAINBRIDGE DOWNTOWN DEVELOPMENT AUTHORITY
LOW INTEREST LOAN POOL APPLICATION

Applicant's Name: _____
Address _____
Phone number (work) _____ (home) _____

Property to be considered:
Address _____
Current use _____
Property owner's name _____

Type of loan applied for:
Façade renovation _____ Structural improvement _____ Real estate acquisition _____

Primary objective to be achieved through renovation: _____

Project plans:

FOR ALL FAÇADE RENOVATIONS, SUBMIT THE FOLLOWING ITEMS TO ILLUSTRATE THE PROPOSED CHANGE (S) :

1. Photographs of the property, as it is now, and adjoining property.
2. Drawings showing work to be done and dimensions, details, signs, etc. Bring samples of materials to be used (awnings, paint color, signage) when appropriate.
3. Contractors bid or estimate and list of materials to be used.
4. Any other information needed to clarify the desired change.

Briefly describe plan of action:

FOR ALL STRUCTURAL IMPROVEMENTS AND REAL ESTATE ACQUISITIONS, SUBMIT THE FOLLOWING ITEMS TO ILLUSTRATE THE PROJECT:

1. Photograph of project area(s).
2. Contractors bid or estimate and list of materials to be used.

Briefly describe the plan of action:

I HAVE REVIEWED THE LOW INTEREST LOAN POOL BROCHURE AND HAVE SUBMITTED ALL REQUIRED INFORMATION AS STATED IN THIS APPLICATION.

Signature of applicant

Date

Signature of property owner