

CITY OF KIRKSVILLE

FACADE ASSISTANCE PROGRAM GUIDELINES

REVOLVING LOAN

PURPOSE

The Facade Assistance Program (Program) is to provide an incentive for property owners to rehabilitate, reuse, or enhance commercial buildings in the City. The Program is focused on providing financial assistance for façade (exterior) improvements to commercial buildings. The long-term goal of the Program is to create an environment that will continue to attract new investors, businesses, and residents to the City.

PROGRAM OBJECTIVES

- To provide financial assistance to property owners in overcoming the barriers associated with the rehabilitation of older buildings;
- To preserve and maintain viable older buildings; and
- To promote and encourage growth and expansion of commercial activity.

PROGRAM ASSISTANCE

General Façade Renovation: This program was designed to assist the Applicant with renovations to building facades and exterior structure improvements within the City. Through the Program, the City will loan up to Seven Thousand Five Hundred Dollars (\$7,500) for general façade renovation projects. Funds will be released after approval of the application and execution of the agreement for repayment. The repayment period is a maximum of three (3) years. The interest rate is 1/3 of prime. This program is subject to funding availability.

ELIGIBILITY

Buildings must be located within the city limits. The Program is open to both building owners and tenants; however, the owner must sign the Facade Assistance Program Agreement. Recipients of a loan may not apply for Program funds on the same building for thirty-six (36) months following the final loan payment on the previous loan.

PROGRAM REQUIREMENTS

Applicants will be required to complete an application provided by the City. The following Program guidelines also apply:

1. Program funds can be utilized for exterior renovation, including construction costs..
2. Applicant must provide proof that all property taxes are current on the property and the subject property is properly insured.

3. All City obligations in applicant's name should be current, including, but not limited to, tax liens from code violations and utility bills.
4. Applicant must adhere to the City's current building code and business licensing requirements prior to commencing work.
5. Applicant must provide cost information.
6. Construction must commence within ninety (90) days of execution of funds and be completed within one hundred eighty (180) days after construction start date. Requests for time extensions must be submitted in writing and will only be approved upon the express written consent of the City Manager.
7. Applicant's business license, if applicable, should not be in default. If Applicant becomes a successful recipient of a Program loan, the business license is not allowed to go into default if the business is still active.
8. Repayment period is a maximum of three (3) years. Payments are to be made monthly beginning the first month following the completion of construction.

INELIGIBLE USES OF PROGRAM FUNDS

Program funds cannot be utilized for any of the following uses:

1. Property acquisition costs.
2. Paying off existing debt.
3. Site plan, building or sign permit fees.
4. Building demolition.
5. Environmental consulting, testing, or actual abatement/clean up costs.
6. Property appraisal costs, legal fees or loan origination fees.

APPLICATION AND SELECTION PROCESS

Applications may be obtained in person at City Hall in the office of Economic & Community Development, 201 South Franklin Street, Kirksville, MO 63501, or by calling 660.627.1224. City staff will meet with Applicant, discuss the estimated scope of work, and determine initial eligibility. The City will review the proposed site or architectural plans. Upon approval, a Façade Assistance Program Agreement will be executed and the project can proceed.

RIGHTS RESERVED

The City of Kirksville reserves the right to reject any and all applications up to the limit of closing. The specific Program policies and procedures herein are subject to revision or amendment by the City of Kirksville. The City may discontinue this Program at any time, subject to the availability of Program funding.

DEFAULT AND REMEDY

To access Program funds, Applicants must complete the Façade Assistance Program Application Form; must certify that construction will commence within ninety (90) days of execution of funds; and Applicant

shall complete the Project within one hundred eighty (180) days after construction start date. Applicant will be in default if construction is not undertaken within the specific time period, with 100% of the loan plus interest to be reimbursed to the City of Kirksville.

Failure to make loan repayment within 60 days of due date will constitute a default.

In the event of default, the entire amount of the loan shall become due and payable, plus collection costs and reasonable attorney fees, if applicable. One or more of the following events shall constitute a default:

1. The Applicant fails to pay, when due, any real estate taxes or special assessments on the subject property during the repayment period of the loan.
2. The Applicant expends Program funds for uses other than approved Project costs as represented in the original application.
3. If, during a period of three (3) years following the completion of the project, the Owner/Applicant transfers ownership or interest in subject property to another party, unless such transfer secures the prior written approval of the City of Kirksville.
4. The Applicant defaults on bank loan or other public financing made in conjunction with the Program.

PENALTY FOR LATE PAYMENT

There shall be imposed upon Applicant a 10% penalty per month for any late payment computed upon the amount of any principal and accrued interest whose payment to City is overdue under the Program agreement and for which the City has delivered a notice of Penalty for Late Payment to Applicant.

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APPLICATION FORM

1. Applicant Information

NAME: _____

BUSINESS ADDRESS: _____

HOME ADDRESS: _____

BUSINESS PHONE: _____ HOME PHONE: _____

FAX: _____ EMAIL: _____

2. Project Information

BUILDING LOCATION: _____

BUSINESS(ES) LOCATED IN BUILDING: _____

NUMBER OF RESIDENTIAL UNIT(S) LOCATED IN BUILDING: _____

BUILDING AGE: _____ BUILDING ZONED AS: _____

OWNER OF RECORD: _____

IF LEASED: Lease Expires: _____ Renewal Term: _____

3. Project Description

Describe in detail the proposed scope of work, including design firm selected, if applicable.

Anticipated Construction:

Start Date: _____ Completion Date: _____ Total Project Cost: _____

Amount Requesting: _____

4. Mortgage Information

Is there a current Mortgage on the property: YES _____ NO _____

If YES, Holder of Mortgage:

Date of
Mortgage: _____

Original Amount: _____ Current Balance: _____

Are there any other loans, liens, and/or deed restrictions on the property?

YES _____ NO _____

If YES, please list: _____

5. Other Required Documentation

- a. Property deed with legal description of property.
- b. Proof that all property taxes are paid and current.
- c. Proof of property and liability insurance.
- d. Project budget.

I/We certify that all information set forth in this application is a true representation of the facts pertaining to the subject property for the purpose of obtaining funding under the City of Kirksville Building Rehabilitation Program. I understand and acknowledge that any willful misrepresentation of the information contained in this application could result in disqualification from the Program, requiring any funds already disbursed to be repaid in full to the City of Kirksville.

The Applicant further certifies that he/she has read and understands the Building Rehabilitation Program Guidelines. If a determination is made by the City staff that Program funds have not been used for eligible Program activities, the Applicant agrees that the proceeds shall be returned in full, to the City and acknowledges that, with respect to such proceeds so returned, he/she shall have no further interest, right, or claim. It is understood that all City funding commitments are contingent upon the availability of Program funds.

Signed this _____ day of _____, 20____

By: _____

