

Facade & Building Improvement Fund (FBIFund)

Schuyler, Nebraska

(approved by City Council on 05/16/17)

'An Attractive Business District Attracts Business'

LOAN INFORMATION:

- **Interest:** 0% interest loan program for financing improvements to commercial buildings of small businesses.
- **Basic Loan Amount:** Minimum \$ 1,000 ~ Maximum \$20,000 per building.
- **Maximum Loan Amount Possible:** Possibly up to \$25,000 maximum loan amount (would include a possible \$5,000 Historic Preservation Rebate - see Page 5 for requirements).
- **Loan Terms & Repayment:** Sixty (60) monthly installments in even amounts.
Payment received after the 10th of each month shall incur a **\$25 late fee**.
Automatic payments may be set up with City of Schuyler.
- **Cash Match:** 10% cash match is required from the Borrower.
- **Secured Loan:** Loan to be secured with commercial property (second position acceptable).
- **CLTV:** Combined loan-to-value (**CLTV**) of loans (first & second position) not to exceed 75% of commercial building's Loan Value.
- **Loan Value Determination:**
 - total cost of building repairs / improvements, or,
 - Colfax County assessed valuation, or,
 - assessed valuation plus costs of repairs / improvements, or,
 - commercial appraisal within past six months
- **Eligible Buildings:** Commercial buildings located in Schuyler, NE.
- **Eligible Applicants:** Owners of commercial buildings located in Schuyler. Must be current on all property tax for all for all Colfax County properties owned. Fraternal and nonprofit organizations owning commercial buildings in Schuyler.
Must be current on all property tax for all Colfax County properties owned.

Approved Borrower may submit a second FBIFund loan request for the same commercial building receiving a previous loan. Repayment of first FBIFund loan shall be current to be eligible for submitting second loan request. Maximum of two FBIFund loans per commercial building and the combined two loan amounts shall not exceed \$14,000.

Note: Based on the availability of funds, not all loan requests will be approved.

Loans to fraternal and non-profit organizations funded 100% with JOBS grant
(non LB 840 funds ~ City Attorney R. Seckman opinion dated 01/06/12).

Improve appearance, marketability, and extend building's shelf-life!

Eligible Repairs & Improvements:

Note: All planned improvements must comply with Municipal Building Codes.

- facade visible to public
- masonry brick work
- siding repair / replacement
- painting of exterior walls
- abutted concrete to storefronts used for pedestrian sidewalks
- repair / replacement of exterior windows and doors
- new awnings / canopies permanently attached to building
- professionally design / installed signage (includes electrical signage)
- related labor costs
- early detection / warning systems (24-hour monitoring – fire and / or burglary)
- inspection fees by certified professionals for electrical, heating, plumbing and / or overall fire safety of buildings
- repair / new HVAC (heating, ventilation, air conditioning), electrical, plumbing
- roof repair / replacement
- ground water mitigation (e.g., drainage tiles, sump pump)
- foundation repair
- structural repairs
- repair / replace concrete sidewalks adjoining building
- building repairs
- related labor costs
- Historic Facade Preservation (see *Page 5*)

Contact: Economic Development Coordinator – Jackie Farrell
1119 B Street (Homestead Center)
Schuyler, NE 68661
402-641-9176
schuylercommunitydevelopment@gmail.com

Facade & Building Improvement Fund (FBIFund)

Loan Process:

- 1) Applicant completes Preliminary FBIFund Application (*Page 4*) and submits to the Economic Development Coordinator @ 1119 B Street (Homestead Center).
- 2) Applicant's eligibility for FBIFund loan will be confirmed by Economic Dev. Coordinator (EDC).
- 3) After eligibility is confirmed and conveyed to applicant, additional documents must be submitted by Applicant to Economic Dev. Coordinator:
 - Completed Credit Application
 - Recent Credit Bureau Report
 - Most recent Federal Tax Return
 - Proof of Hazard Insurance
 - Sketched design of proposed improvements including detailed description of materials and colors (pre-approval by City Building Inspector required)
 - Contractor's detailed / accurate cost estimate of planned improvements including Contractor's name, business address, and telephone number
 - Completion date of all planned improvements
- 4) Loan Review Board (LRB) will meet and approve or decline loan request. (Board Members (five) are appointed by Mayor and approved by City Council.)
- 5) Applicant will be notified by EDC if loan request is approved or declined.
- 6) If approved, FBIFund Loan Agreement Letter will be prepared by EDC and signed by Mayor and approved Borrower.
- 7) Planned improvements need to be authorized for completion by City Building Inspector and a Building Permit secured at the Municipal Building (1103 B Street, Schuyler). Building Permit fee is an out-of-pocket expense to Applicant / Borrower and is not included with loan.
- 8) Completed improvements must be approved by City Building Inspector.
- 9) Borrower lets EDC know that improvements are completed and building inspector has approved. Then loan documents will be prepared. The Loan Processing Fee (title search, Promissory Note, Deed of Trust, legal review) incurred by Borrower is included in the FBIFund loan. Promissory Note and Deed of Trust will be finalized and prepared for signatures by the City Attorney.
- 10) After completed signatures on legal documents and completed improvements approved by City Building Inspector, City Council will authorize co-payment to Applicant and Contractor.
- 11) Loan repayment of sixty (60) monthly installments in even amounts (five-dollar increments) will begin six months after loan closing date. Payment received after the 10th of each month shall incur a \$25 late fee. Automatic payments may be set up with City of Schuyler. No penalty for early loan payoff.
- 12) Hazard Insurance is mandatory for the duration of the loan. Secured loans require City of Schuyler to be listed on the insurance policy as an 'additional insured'. Please provide City of Schuyler copy of hazard insurance policy and update each year until loan is fully repaid.
- 13) If building is sold before loan is repaid, payment of loan balance is due immediately on sale of building.
- 14) City of Schuyler administers FBIFund loan repayments.

Note: Depending on the availability of funds, not all requests will be approved for FBIFund loan.

Facade & Building Improvement Fund (FBIFund)

Schuyler, NE

Preliminary Application – Basic Loan Amount

FBIFund is a 0% interest repayable micro-loan for improvements to commercial buildings located in Schuyler. Loan amount per building improvement is \$ 1,000 minimum/\$20,000 maximum. Borrower required to provide 10% cash match. Loan Processing Fee (title search, Promissory Note, Deed of Trust, legal review) incurred by Borrower and included with loan. Loan repayment is sixty (60) monthly installments in even amounts (five-dollar increments). Building Permit fee is out-of-pocket expense to Applicant / Borrower and not included with loan. Hazard Insurance mandatory.

Type / Print Legibly

Name of Applicant: _____
Last Name First Name Middle Name

Social Security Number (SSN): _____ - _____ - _____ Date of Birth: _____

Home Address: _____

Best Contact Phone Number: _____

Business Name: _____

Business Address: _____

Business Telephone: _____ Business Email: _____

Location of commercial building if different than business address: _____

Applicant is Owner of Commercial Building: Yes / No

A. Estimated Building Improvement Costs: \$ _____

B. Loan Processing Fee included with loan (title search, Promissory Note, Deed of Trust, legal review) \$ 300.00 (Loan Processing Fee)

C. TOTAL (A+B) \$ _____

D. Loan Amount Request (secured loan/\$20,000 maximum): \$ _____

Applicant's Signature: _____ Date: _____

Office Use Only: Estimated 10% Cash Match Needed by Applicant: \$ _____
Estimated Monthly Repayment: \$ _____

Historic Preservation Rebate (HPR)

Funded through Facade & Building Improvement Fund (FBIFund)

Overview:

- Rebate open to commercial buildings located in Downtown Schuyler Historic District.
- Up to \$5,000 additional loan amount available by fulfilling requirements for Historic Pres. Rebate.
- Up to \$25,000 Overall Loan Amount (\$20,000 *Basic Loan Amount* + \$5,000 *HPR*).
- 0% interest and 72 months repayment of entire Overall Loan Amount (Basic Loan Amount + HPR loan).

Eligibility of Commercial Buildings:

1. 'Contributing' commercial buildings located in the Downtown Schuyler Historic District and identified in the National Register of Historic Places Registration Form.
 - a. Proposed facade improvements retain building's historic character as 'contributing' to Downtown Historic District to be eligible for *HPR*.
2. 'Non-contributing' commercial buildings located in the Downtown Schuyler Historic District and identified in the National Register of Historic Places Registration Form.
 - a. Facade improvements have resulted in the commercial building's return to its original historic character thereby 'contributing' to the Downtown Historic District.

Historic Preservation Rebate Requirements:

1. Must install early warning fire detection and/or fire suppression system (sprinklers).
2. Hazard insurance is required - minimum 90% replacement coverage.
3. Business continuation insurance coverage required.
4. Building must be compliant with Schuyler Municipal Codes.
5. Annual fire & safety inspection be completed by Fire Department & Municipal Bldg Inspector.
6. No smoking permitted in building – includes all floors, both commercial & residential.
7. Property Owner must be current on all Colfax County property taxes.

Historic Preservation Rebate Information:

1. If requirements are met, applicant is then eligible for the \$500 Historic Preservation Rebate (*HPR*) for each \$5,000 of completed building improvements. (Improvements that are made before loan is given and have been completed and approved by city building inspector.)
2. \$5,000 maximum *HPR* per building (up to \$50,000 in total building improvements allowed).
3. Building shall remain compliant with all *HPR* Requirements.
4. *HPR* will be paid in five equal annual installments beginning 12 months from date of completion.
5. Annual building inspection shall confirm compliance with all Municipal Codes prior to annual payment of Historic Preservation Rebate (*HPR*).
6. *HPR* is funded from Historic Downtown Redevelopment / Revitalization Account.

Note: Failure to comply with all ***HPR* Requirements** (1-7) shall result in the immediate suspension of future ***HPR*** payments for the remaining years the FBIFund loan is outstanding, and, all previous ***HPR*** payments shall be returned by the Property Owner via repayment of FBIFund loan.

Historic Preservation Rebate General Info *(continued from Page 5)*

Funding HPR:

The Historic Downtown Revitalization / Redevelopment Account (LB 840) is utilized to fund *HPR*, the consulting fees and related expenses.

Note: Failure to comply with all *HPR* Requirements (1-7) shall result in the immediate suspension of future *HPR* payments for the remaining years the FBIFund loan is outstanding, and, all previous *HPR* payments shall be returned by the Property Owner via repayment of FBIFund loan.

Downtown Facade Preservation Committee (FPC):

Purpose: The Facade Preservation Committee (FPC) shall ensure the downtown's continued listing in the National Register of Historic Places (NRHP) by guiding the preservation of Schuyler's downtown '*contributing*' buildings and its historic structure (Lincoln Highway's brick streets).

FPC Responsibilities:

1. Facade Preservation Committee (FPC) shall review / evaluate facade building improvements and the impact on retaining downtown's overall historic character.
2. FPC shall advise and recommend to City Council on matters pertaining to the Downtown Historic District and / or the Historic Preservation Rebate (*HPR*).
3. FPC shall monitor continuous compliance with all *HPR* Requirements prior to recommending to City Council the release of annual *HPR* payment.

FPC Membership:

Downtown Facade Preservation Committee shall be comprised of eight (8) members:

- ~ Three (3) downtown property owners of '*contributing*' buildings - appointed by Mayor and approved by City Council for three year term
- ~ One (1) member of Schuyler Historical Society
- ~ One (1) member of the DRCDC
- ~ One (1) Board Member of the Schuyler Area Chamber of Commerce
- ~ Executive Director of the Schuyler Area Chamber of Commerce
- ~ Economic Development Coordinator (Schuyler Community Development, Inc.)

Standards & Collaboration:

In accordance with the Secretary of the Interior's 'Standards for Rehabilitation', Downtown Facade Preservation Committee (FPC) shall collaborate with State Historical Preservation Office (SHPO), Nebraska Main Street Network and its District Design Charette Service, and select design consultants.

***** **Example #1** *****

Building Improvements (*contractor's estimate*) \$ 19,500.00 (*up to \$20,000 basic loan amount*)
 Fire Detection / Early Warning / Suppression (*estimate*) \$ 3,950.00 (*up to \$5,000 HPR addtn'l loan amnt*)
 Total Building Improvements = \$ 23,450.00 (*up to \$25,000 overall loan amount*)
 10% Cash Match - \$ 2,345.00 (*Property Owner pays*)
 Loan Processing Fee included with loan (title search,
 Promissory Note, Deed of Trust, legal review) + \$ 300.00 (*Loan Processing Fee*)

FBIFund Loan Overall Loan Amount Total (Basic Loan Amount + HPR) = \$ 21,405.00

Monthly Loan Repayment: \$ 297.29 (*0% interest, 72 months ~ loan secured*)

Historic Preservation Rebate (*\$500 HPR per \$5,000 of Total Building Improvements*):
 $\$23,450 \text{ (Total Bldg Improvements)} / \$5,000 = 4.69 \mid 4.69(x)\$500 = \$ 2,345$
HPR \$2345 / 5 years = \$469.00 HPR paid annually provided requirements stay met

***** **Example #2** *****

Building Improvements (*estimate*) \$ 19,800.00 (*up to \$20,000 basic loan amount*)
 Early Fire Detection / Warning / Suppression (*estimate*) \$ 0.00 (*ineligible for HPR – required to HPR*)
 Total Building Improvements = \$ 19,800.00
 10% Cash Match - \$ 1,980.00 (*Property Owner pays*)
 Loan Processing Fee included with loan (title search,
 Promissory Note, Deed of Trust, legal review) + \$ 300.00 (*Loan Processing Fee*)

FBIFund Loan Amount (Basic Loan Amount) = \$ 18,120.00

Monthly Loan Repayment: \$ 302.00 (*0% interest, 60 months ~ loan secured*)

Historic Preservation Rebate: ineligible – *did not meet requirements for HPR*

***** **Example #3** *****

Building Improvements (*contractor's estimate*) \$ 49,000.00 (*up to \$20,000 basic loan amount*)
 Fire Detection / Early Warning / Suppression (*estimate*) \$ 3,950.00 (*up to \$5,000 HPR add. loan amount*)
 Total Building Improvements = \$ 52,950.00 (*\$25,000 total loan amount*)
 10% Cash Match - \$ 5,295.00 (*Property Owner pays*)
 Loan Processing Fee included with loan + \$ 300.00 (*Loan Processing Fee*)

FBIFund Loan Amount = \$ 25,000.00 (*maximum loan amount*)
 Building Owner's Total Expense = \$ 28,250.00 (*amount over loan total*)

Monthly Loan Repayment: \$ 347.22 (*0% interest, 72 months ~ loan secured*)

Historic Preservation Rebate: $\$52,950 \text{ (Total Bldg Improvements)} = \$5,000 \text{ HPR Maximum}$
\$1,000 HPR paid annually