

Windom Small Business Façade Improvement Program

Guidelines

Program Purpose: The purpose of the Windom Small Business Façade Improvement Program is to provide incentives to improve and revitalize small businesses by **improving the appearance of building facades** and at the same time, stimulate private investment. The program is designed to encourage Property Owners to restore the exterior of existing properties and enhance the general character of their properties.

Eligibility:

Eligible improvements must be visible from the public realm and include, but are not limited to, the following:

- Façade materials and construction
- Brickwork
- Painting
- Awnings
- Signage
- Lighting
- Landscaping

Eligible Properties: Small retail and commercial businesses located in the Neighborhood Business District (B-1), Highway Business District (B-2), and Central Business District (B-3) as defined by the City of Windom Zoning Map.

Eligible Applicants: Property Owner(s) of small retail and commercial businesses (in the designated zoning districts) who employ no more than 25 fulltime-equivalent employees.

Loan Details:

Forgivable Loan:

- Minimum: \$1,000; Maximum: \$3,000 per project.
- Match Requirement: Dollar-for-dollar.
- 20% of loan balance forgiven per year, fully forgiven after 5 years.
- If property is transferred prior to 5 years after disbursement of loan funds, the unforgiven balance shall be repayable to the EDA.
- First-come, first-served basis dependent on available funds (\$30,000 is available as of 1-11-2021).
- Property Owner(s)' match funds will be expended first prior to loan funds.

Examples:

Project Cost: \$1000

Forgivable Loan: \$500

Applicant: \$500

Project Cost: \$3,000

Forgivable Loan: \$1,500

Applicant: \$1,500

Project Cost: \$6,000

Forgivable Loan: \$3,000

Applicant: \$3,000

Maximum Available Loan: The maximum amount of funds which can be loaned under this program is \$3,000 for one parcel per calendar year which is the maximum per commercial property owner per year (whether the property owner is an individual, two or more individuals, partnership, limited liability corporation, for-profit corporation, or non-profit corporation).

Property Owner(s) may fund improvements in excess of their required match by utilizing their own funding sources.

Forgivable Loan & Mortgage: The loan will be forgiven at the rate of twenty percent (20%) over five (5) years and shall not require any payments unless the property is transferred prior to the expiration of the five-year forgiveness period. Upon final distribution of the EDA's loan funds for the project, the Property Owner(s) shall execute a Combination Mortgage, Security Agreement, Note, and Loan Repayment Agreement ("mortgage") which shall be recorded with the Cottonwood County Recorder. The Property Owner(s) will be responsible for payment of the recording fees for filing the mortgage with the Cottonwood County Recorder.

Transfer of Property & Repayment of Unforgiven Loan Balance: In the event that the property is transferred by the Property Owner(s), for any reason, prior to the forgiveness of the entire loan balance, the unforgiven balance of the forgivable loan is due and payable in full to the EDA.

Application Checklist:

1. Completed application form submitted by the Property Owner(s).
2. Cost estimates.
3. Project plans AND drawings/sketches.
4. Picture of property before work begins.
5. Picture of property after work is finished (to be provided after project is approved and completed).

Program Administration:

The EDA of Windom will distribute forms and accept and process applications. The EDA Board will approve projects for funding. The EDA Board has discretion when considering applications and changing program parameters. After approval of a loan, the EDA Staff will work with the Property Owner(s) on the preparation of required documentation, processing of loan disbursements, and preparation of the mortgage for execution by the Property Owner(s) after final disbursement of the loan proceeds.

Additional Requirements:

Approval of Work: The Economic Development Authority of Windom will have sole authority to determine eligibility of proposed work and confirmation of completed work. Certain work may be required or precluded as a condition of approval.

Selection Methods: Funds are limited. Priority will be given to projects on a first-come, first-served basis. Applications will be reviewed on a monthly basis at the regularly-scheduled EDA Board Meeting. To be eligible for funding, projects cannot begin without formal approval by the EDA Board. Available Program Funds (as of 1-11-2021): \$30,000.

Other Approvals: Participating Property Owner(s) will be responsible for obtaining necessary regulatory approvals such as City building permits, and other necessary permits. All work must comply with City, State and Federal regulations.

Construction Contract(s): All construction contract(s) for a project will be entered into between the participating Property Owner(s) and the contractor(s).

Payment of Invoices: The Property Owner(s) will be responsible for receipt and review of invoice(s) from the project contractor(s). Prior to the submission of the invoice(s) to the EDA for payment, the Property Owner(s) will be asked to sign an acknowledgment of receipt and approval of the materials and/or work performed and the charges listed, and will authorize payment of said amount to the contractor/supplier. (This form will be provided by the EDA Office.) The Property Owner(s) will submit invoices with the approval forms to the EDA for payment of the invoices.

The Property Owner(s) can be reimbursed for supplies and materials which they purchase and are used in the approved façade project, but will not be reimbursed for any labor provided. To be eligible for reimbursement of these expenses, the Property Owner(s) must submit original receipts to the EDA for the supplies and materials they have purchased for the project and will be required to execute the "Receipt and Waiver of Mechanic's Lien Rights" form provided by the EDA.

The EDA will prepare the check(s) for payment of the contractor(s)' invoice(s) and will contact the contractor(s) to pick up the check(s) and execute a "Receipt and Waiver of Mechanic's Lien Rights" at the EDA Office prior to receipt of the check(s).

Insurance: The Property Owner(s) shall maintain insurance on the property in an amount which is not less than the total indebtedness on the property. A Certificate of Insurance shall be provided to the EDA each year during the term of this forgivable loan which lists the Economic Development Authority of Windom, 444 Ninth Street, P. O. Box 38, Windom, Minnesota 56101, as an additional insured.