

EDA Forgivable Loan Program

Low-Documentation Application

Commercial Building Exterior / Interior Renovation

Program Purpose: To facilitate the renovation and improvement of commercial buildings within a specified area of downtown Owatonna. This loan can be used in conjunction with other EDA loans provided the requirements of those loans are met.

Eligible Projects
EXTERIOR:

Include, but are not necessarily limited to:

1. Uncovering transom windows
2. Store front windows
3. Street (front) 2nd Floor windows
4. Awning
5. Paint
6. Canopy
7. Doors
8. Signs
9. Lighting
10. Brick & mortar (tuck pointing)

Designs must be approved by the Owatonna Main Street Committee.

PLEASE NOTE:

- **Projects *must* be completed within 12 months of approval.**
- **Projects cannot be for new construction**

Eligible Projects INTERIOR:

Include, but are not necessarily limited to:

1. Sprinkler systems
2. ADA accessible restrooms
3. Projects bringing the building into compliance with the ADA.
4. Elevators

Projects must be completed within 12 months of approval.

Projects cannot be for new construction.

**ALL PROJECTS MUST BE IN COMPLIANCE WITH APPLICABLE
CODES AND POLICIES**

How It Works:

Completed applications along with the a check for the \$25 application fee are to be submitted to the

Owatonna Area Business Development Center
1065 24th Avenue SW
Owatonna, MN 55060

Checks are to be made out to Owatonna EDA.

For questions about the program or other EDA loan programs feel free to contact

Bill Owens
bill@owatonna.biz
(507) 451-0517

The loans are forgivable over a period of five years. (20% each year.)

Eligible Applicants: Owners/Renters of commercial buildings within the specified area of downtown Owatonna. (See Section IV for a map outlining the specified area).

If the loan is made to the property owner, the balance is due if the building is sold within the five years.

If the loan is made to the property tenant, the balance is due if the business moves within the five years.

Maximum Available:

Exterior Projects: Up to \$10,000 per building but must not exceed 50% of project cost.

Interior Projects: Up to \$10,000 per building but must not exceed 50% of project cost.

The forgivable loan can be used in conjunction with other EDA loans provided the requirements for that loan are met.

Please note that the borrower's contribution can be in the form of "sweat equity" but only if the value of this equity is substantiated by a bid from a disinterested third party.

Fees:

A non-refundable application fee of \$25.00 must accompany each application.

Funds:

Funds will be advanced at a rate of 50% of the submitted paid receipts.

Guarantees:

Loans made out to corporations or other entities require a personal guarantee.

Approving Authority:

The Owatonna Economic Development Authority, upon recommendation of its loan committee, maintains the authority to approve or deny any loan application. In addition to the financial aspects of the proposed loan, the loan committee will review the proposed renovation / remodeling plans to determine if changes are in keeping with the original architectural lines/styles of the building-

The Loan Committee will also evaluate the project application in terms of the following:

1. Project Design – Evaluation of project design will include review of the plans to determine if the proposed changes are in keeping with the original architectural lines/styles of the building.
2. Financial Feasibility – Availability of funds, private involvement, financial packaging, and cost effectiveness.
3. All other information as required in the application and/or additional information as may be request by the EDA.
4. The Loan Committee will recommend to the EDA to approve or disapprove the application.
5. The loan recipient shall agree to provide the EDA with information as needed to monitor project compliance relative to the loan guidelines.
6. Loans will be made on a “one time” basis for each building. Businesses occupying more than one building will be considered as one building, and a building containing more than one business will be considered as one building for loan purposes.

Funding Source: The funding of the EDA Forgivable Loan program is limited. Preference will be given in the order the completed applications are received.

APPLICATION Low Documentation Forgivable Loan

I. BASIC INFORMATION

Name of Business _____ Loan Number _____

Address of Business _____

City _____ State _____ Zip Code _____

Address of Property to be Improved (if other than above)

Contact Person _____ Telephone _____

Type of Business _____ Sole Proprietorship _____ Corporation _____ Partnership

Social Security Number (if Sole Proprietorship) _____

A. Brief description of the business the applicant is engaged in:

B. Are you or your business currently involved or have any history of being involved in litigation:

_____ Yes _____ No

II. NATURE OF THE LOAN REQUEST:

Amount of Forgivable Loan Requested: \$ _____

Provide a description of the project (s) for which you are seeking funding including cost estimates. Due to the purpose of this loan program, it is important that you provide the review committee with detailed plans for your project.

For exterior loan applications we ask that you assist the committee by including a current photo of the building's exterior and a drawing of the proposed changes.

III. PERSONAL FINANCIAL DETAIL

- A. Detailed Personal Financial Statement
- B. Most Recent Personal Tax Return
- C. Bank Letter of Reference (if requested)

The foregoing statement/application, submitted for the purpose of obtaining EDA funding, is true and correct in every detail and fairly shows my/our financial condition at the time indicated. I/we will give the EDA prompt written notice of any subsequent substantial change in such financial condition occurring before discharge of my/our obligations to the EDA. I/we understand that the EDA will retain this personal financial statement whether or not the EDA approves the credit in connection with which it is submitted. The EDA is authorized to check my/our credit history and/or any other information contained herein.

Signature: _____ Date: _____

Co-Applicant Signature: _____ Date: _____

IV. MAIN STREET DESIGN GUIDELINES OWATONNA EDA FORGIVABLE LOAN PROGRAM

This program is restricted to those businesses located in the “Central Business District”. Subsequently projects must comply with the Main Street Owatonna Design Guidelines and Design Review.

The guidelines are available on the www.owatonna.biz website or by calling or by stopping at:

**OACCT/Main Street
320 Hoffman Drive
Owatonna, MN 55060
Phone: 507-451-7970**

To ensure compliance, you will need to meet with the Director of the Main Street Owatonna Program and have you plans reviewed. Once your plans are approved, have the Director sign and date this form and submit this form along with the loan application and other required documents as listed in the application.

_____ (name of applicant) has met the design review guidelines and is eligible to apply for an Owatonna Economic Development Authority loan.

Main Street Director: _____

Date: _____

Applicant's Signature: _____

Date: _____

“CENTRAL BUSINESS DISTRICT” for the purposes of the OWATONNA EDA FORGIVABLE LOAN PROGRAM.



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