



## **Historic District**

### **LOW INTEREST LOAN PROGRAM**

Jim Holland, Mayor

#### **Introduction**

The Village of Frankfort and participating banks provide low interest money for improvements to commercial buildings and sites in the Historic District. The goal of the loan program is to provide low interest loans for building and site improvements, improving architectural and aesthetic features of existing buildings and bringing structures in the district up to code. This assistance to the Historic District serves to protect this valuable economic and historical asset of the Village and allow it to continue to attract new business and patrons.

The Historic District Low Interest Loan Program was started in October, 1995. Projects are considered on a first-come, first served basis until the annual low-interest loan budget for the fiscal year is depleted. The applicant needs to obtain approval of the project application from Village staff and design approval from the 1890's Theme Committee. Loan approval will be required from the participating financial institution in accordance with their usual and customary practices.

#### **Project Eligibility Criteria**

The intent of the program is to encourage the rehabilitation, renovation and reuse of existing commercial buildings or vacant structures proposed for commercial use. Applications for vacant structures will be required to provide evidence of proposed commercial use with a signed lease or business license. Applications for vacant structures will only be accepted for thee expansion of existing businesses or new businesses and will be specifically denied for those businesses located in the District that are applying for loans for relocation purposes. The applicant must be the owner, contract purchaser, or lessee (with owner's approval) of commercial property located within the Historic District. Private, public or not-for-profit entities are eligible to apply provided over 51% of the structure is used for the purposes of selling goods or providing services to the general public. Projects will be reviewed by Village staff to determine eligibility.

The renovation of exterior building façades, site improvements, permanent\* interior improvements and professional fees associated with the proposed improvements are eligible improvements for consideration. New construction, or non-permanent improvements, including interior decoration, furniture or equipment are not eligible under this loan program. Properties or structures must comply with or be brought into compliance before or as a result of the application for a loan.

*\*Permanent improvements are defined as those improvements fixed to the real estate which do not restrict the future use of the building.*

## **Eligible Projects**

Following are examples of eligible projects. Applicants are encouraged to meet with staff to discuss eligibility.

### Exterior Renovation

- ◆ **Painting**
- ◆ **Tuck pointing**
- ◆ **Façade repair**
- ◆ **Cleaning of stone & brick**
- ◆ **Window/door replacement or repair**
- ◆ **Roof, floor or wall repair or replacement;**
- ◆ **Signage**
- ◆ **Other permanent replacements**

### Interior Permanent Improvements

- ◆ **Installation of sprinkler, smoke or fire alarm systems**
- ◆ **Installation of an elevator**
- ◆ **Removal or mitigation of asbestos or other hazardous material**
- ◆ **Repair or replacement of electrical, mechanical or plumbing systems\* that will bring the building into compliance with Village Code and the American Disabilities Act**

*\*Upgrade of existing systems are not eligible unless specifically required for code compliance, i.e., new air conditioning or heating systems, telecommunication or antenna devices, installation of additional plumbing systems which are installed specifically for the proposed use.*

### Site Improvements

- ◆ **Paving of parking areas**
- ◆ **Enclosure of dumpster areas**
- ◆ **Installation of bike racks**
- ◆ **Landscaping**

### Professional Fees

- ◆ **Architectural services**
- ◆ **Engineering services**
- ◆ **Other professional consulting services**

## **Borrower Eligibility**

The following parties will be eligible to apply for the Historic District Low Interest Loan Program as individuals or as partnerships or corporations.

- ◆ Business owner-occupant either presently occupying or proposing to occupy a building.
- ◆ Business-tenant occupant presently occupying or proposing to occupy a building or a portion thereof. (Owner will be required to be notified or proposed improvements.)
- ◆ Building owner who is not an occupant either presently owning or proposing to own a building. The owner or proposed owner must have signed tenants for at least 51% of the net leasable space included in the area proposed to be renovated under this program. (For projects involving exterior work, the street level space must be leased or occupied.)

## **General Terms & Conditions**

The following terms and conditions will apply to all projects:

- ◆ Funds will be limited to permanent improvements and not be used for working capital or refinancing of existing debt.
- ◆ No more than one loan will be made for improvements at any one building within a fiscal year, except multiple grants may be made to separate commercial tenants in a single building.
- ◆ All improvements applied for under this program must be in conformance with all building, plumbing, electrical and other construction codes and standards presently in force (or which may come into force during the course of this program) by the Village of Frankfort. At the conclusion of such rehabilitation, the portion of the building rehabilitated must be eligible for occupancy under applicable Village ordinances.
- ◆ All exterior improvements must conform to design guidelines as outlined by the 1890's Theme Committee and must receive a Certificate of Appropriateness before a building permit is issued for the project.
- ◆ Loans for improvements made to the property prior to applications are not eligible. Total eligible professional fees are limited to no greater than 15% of the estimated cost of construction.
- ◆ Approved applicants must provide a cost estimate of proposed improvements for approval by the Village.
- ◆ Improvements approved under the program must be completed within one (1) year of application approval.

## **Funding**

The Village of Frankfort has budgeted \$250,000 for the Historic District Low Interest Loan Program. The money will be used to reduce the present interest rate on approved commercial loans available from participating financial institutions. Loans will be available at three (3%) percent for a fixed term of 5-10 years. Applications for loans will be accepted for cost of improvements estimated at no less than \$25,000 and no greater than \$200,000. Applications will be reviewed on a first-come, first-served basis. All staff review fees, including building plan review fees, will be waived by the Village. The following fees are not waived: Village Building Permit Fees, BOCA and/or consultant fees.

## **Repayment Obligations**

Under any of the circumstances listed below, an approved applicant will be required to repay the Village all funds paid by the Village on behalf of such applicant under the program, with interest from the date of disbursement, together with all Village costs and expenses and attorney's fees:

- ♦ The approved applicant's failure to complete the improvements which were described in its Low Interest Loan Program application and approved by the Village, within one (1) year from the date of such approval.
- ♦ The approved applicant's use of Low Interest Loan funds for any use besides the completion of the improvements described in its Low Interest Loan Program application and approved by the Village.
- ♦ The approved applicant's failure to comply with any standard or requirement set forth in this Low Interest Loan Program description, as it is currently written or as it may be amended prior to disbursement.

## **Submittal**

Applicant is required to submit the following as part of the application process. Staff may require additional information upon review of the proposed project.

1. Verification of Ownership
2. Plat of Survey
3. Architectural Plans
  - a. Elevations (for façade improvement)
  - b. Floor Plans (for interior project)
  - c. Site Plan (for site improvement project)
  - d. Landscape Plan (for landscaping projects)
4. Schedule of Proposed Work
5. Photograph of Existing Building

**Applications will be reviewed in the order in which they were received.**

## **Process**

1. Pick-up or download application at the Village of Frankfort Administrative Office or via the village website [www.villageoffrankfort.com](http://www.villageoffrankfort.com). Staff will determine if eligibility requirements are met.
2. Submit application along with a site plan drawn to scale, elevations, floor plans, and a proposed schedule for construction.
3. Staff will review the application and plans, and will meet informally with the applicant to discuss the project.
4. Staff will forward the application and plans to the 1890's Theme Committee and the Village Building Department for review and comments.
5. Applicant meets with Lending Institution to become pre-approved for a loan.
6. Applicant will be notified of review date for the 1890's Theme Committee. Committee will review and either approve or disapprove the project.
7. Applicant secures loan from participating loan institution.
8. Applicant secures any required building permits associated with the project.
9. Village of Frankfort inspects project to ensure work is being performed as outlined in project approval within the approved timeframe.
10. Village of Frankfort issues a Certificate of Occupancy.