

Fayette Downtown Façade & Interior Loan Program

May 2004

“Communities across the U.S. have found that the design and physical integrity of downtown commercial structures is extremely important, not only as a matter of aesthetics, but also in contributing to the success of retail and commercial businesses. Property owners who have reinvested in their buildings through restoration and façade improvements have in most cases realized gains in property values. This trend also transcends to neighboring structures, as well as, the total property value of the downtown commercial district.”

In order to encourage widespread participation, this program offers a façade improvement loan of 25% of project costs up to \$5,000, to be repaid at 1.5% interest below prime with a minimum of 3.5% interest to be repaid over a five year time period. Similarly, it offers an interior improvements loan of 25% of project costs up to \$5,000, to be repaid at 1.5% interest below prime with a minimum of 3.5% interest to be repaid over a five year time period. An applicant with both façade and interior improvements can get a total loan of \$7,500 between the two with the same interest rates as above. There will be an annual review from the date of inception of each loan.

The Façade and Interior Loan Program utilizes the Bolger Fund to entice private investment by property owners interested in rehabilitating and restoring downtown commercial structures. Downtown Fayette has more than 125 years of construction currently in existence, though much of it has been inappropriately altered through the decades. The goal of the Fayette City Council and the Main Street Committee encompasses four points: 1) to encourage historic preservation through restoration of downtown structures, 2) to abate any continued deterioration of downtown commercial and/or residential structures, 3) to augment the natural assets of downtown by restoring the uniqueness, character and integrity of downtown structures to the period of their construction, and 4) to help in the economic growth through increased sales in retail and commercial businesses, and increased valuation of property.

To qualify for assistance an applicant must fill out an application and submit it to the Fayette City Administrator/Clerk. The Main Street Committee and then the Fayette City Council prior to commencement of work on the structure must approve all improvements.

A. Who is Eligible:

Applicants must be property owners operating a retail business, restaurant, service establishment or office with frontage on a Downtown street. Downtown is defined as the two and one half blocks along Main Street from the Fayette Main Street Bridge on the north to the intersection of Clark and Main streets on the south.

B. Eligible Activities:

Loan funds may be used to restore, rehabilitate, enhance or beautify the structure. Eligible items may include, but are not necessarily limited to:

1. Repair to building exterior facades (front, rear & side facades)
2. Masonry repair and tuckpointing
3. Restoration of details in historically significant buildings and removal of elements, which cover architectural details
4. Window replacement and window framing visible from the street
5. Landscaping features where appropriate, such as window boxes or planters
6. Cleaning of building exterior
7. Exterior painting
8. Repairing or replacing cornices, entrances, doors, windows, decorative detail, awnings
9. Removal of metal coverings
10. Sign removal, repair or replacement
11. Exterior Lighting
12. Other repairs that may improve the aesthetic quality of the building.

C. Ineligible Activities:

Items included but not limited to the following:

1. Purchase of property and/or buildings
2. Fixtures and/or furnishings
3. Inappropriate cleaning methods, repairs, replacements or alterations
4. Removal of architecturally important features
5. Inventory or operating capital
6. Sweat Equity (payments to the loan recipient for work done)
7. Any eligible program activity completed prior to receiving final approval of an application (unless the City Council approves a specific waiver).

D. Loan Policy

1. The Main Street Committee will not use race, sex, age or religion as grounds for refusing or granting assistance to an eligible applicant.
2. Properties must be up to date on all municipal taxes prior to participation in the Program.
3. Properties must comply with state and local code requirements.
4. Applicants must comply with all state and local laws and regulations pertaining to licensing and permits.

E. Program Implementation:

1. Application Process.

- A. Application and guidelines for the program will be available at the Fayette City Hall, 11 S. Main Street. The program will be funded to one application per building.
- B. Completed façade or interior improvement loan application, current photographs, drawings and plans of the building which illustrate all proposed work, including any structural work or repairs, awnings (plus a sample of the material), signage, cost estimates, construction schedules and paint colors must be submitted to City Hall for review by the Main Street Committee. All improvements must be in compliance with zoning regulations of the City of Fayette.
- C. The Main Street Committee will review the application and if not approved, will explain in writing to the applicant the reasons for rejection and what, if any, steps can be taken to receive approval.
- D. The Fayette City Council will give the final approval.
- E. Applicants requesting funds must sign a loan agreement with the City of Fayette.

2. Loan Process

- A. Work must begin within three (3) months and be completed within twelve (12) months of approval.
- B. The owner shall comply with all applicable provisions of the City Code of Fayette concerning equal employment opportunity and affirmative action programs and practices in connection with the construction work being completed using loan funds.
- C. The City of Fayette reserves the right to cancel this agreement in the event of failure to comply with this schedule.
- D. In order to receive funds, the owner must submit a financial summary report, copies of invoices and waivers of lien from contractors (and subcontractors, if applicable). Funds will be dispersed only after verification that the work has been completed in accordance with the contract.

****PLEASE NOTE: THERE CAN BE NO CHANGES TO DESIGNS WITHOUT PRIOR COMMITTEE APPROVAL.**

3. Post Loan Procedure:

- A. The Main Street Committee or City Administrator/Clerk will monitor the progress of the project.
- B. Approved changes in work verifications will be attached to the original application dated and signed by the City Administrator/Clerk.
- C. The applicant and the Main Street Committee will conduct a final inspection before the loan payment will be made to the applicant.
- D. Deviations from an approved plan may disqualify the applicant from this loan program.

Again, the ultimate goal of this program is to encourage improvements which stress the historic significance and uniqueness of downtown structures through building restoration and beautification.

APPLICATION

Fayette Downtown Façade & Interior Loan Program

Name of Applicant: _____ Phone # _____

Name of Business: _____

Business Location Address: _____

Mailing Address: _____

Signing this agreement, the applicant fully understands that he/she is an applicant for the Fayette Downtown Façade & Interior Loan Program, has read and understands the Program Guidelines and agrees to repay the City of Fayette _____ (\$_____) at the rate of _____ (____%) for the term of the loan, over a five year period; at payments agreed to by the Fayette City Council. The applicant also agrees to complete the work on his/her building as shown on the attached plans. If the loan is not repaid by the applicant as agreed upon, the outstanding amount including interest and a \$50 administration fee shall constitute a lien upon the premises applied for and shall be certified by the City Administrator/Clerk to the County Treasurer for collection as an assessment in the same manner as property taxes.

Signature: _____ Date: _____
Applicant

Signature: _____ Date: _____
Mayor, City of Fayette