

# City of Eyota Historic Downtown Business Incentive for Revitalization Projects

## Purpose:

The Eyota Economic Development Authority (EDA) was established to attract, promote and build a future for the City of Eyota, focusing on projects that make Eyota a better place to live, work and do business. The Historic Downtown business incentive is meant to enhance and improve the facades of the historic downtown buildings. Encouraging building owners to restore existing downtown buildings, for both energy efficiency, and to add aesthetic charm to Eyota’s historic downtown business district.

Funding to support the incentive program comes from the Rochester half a percent sales tax revenue. Building owners, who are eligible borrowers may also apply for \$10,000 in EDA revolving loan funds for the required building owner match.

## Commercial Rehabilitation Program Guidelines

Total maximum grant request is \$10,000

<u>Project Size</u>	<u>Grant Amount</u>	<u>Building Owner Required Match</u>	<u>Eligible Activities</u>
Up to \$2,500	Up to \$2,500	No match required	See Eligibility A
\$2,501 - \$10,000+	Up to \$7,500	Up to \$7,500	See Eligibility B

Projects can be larger than \$10,000, EDA grant assistance is a maximum of \$10,000

EDA Revolving Loan Assistance is a **maximum of \$10,000 per loan request to qualified borrowers**

**Total EDA grant and loan assistance per qualifying project totals \$20,000 for qualified borrowers**

The project funding is on a first come basis beginning July 28, 2015, and ending when all the funds have been assigned to downtown projects

The number of \$2,500 grants is limited to eight (8), applications: (\$20,000 committed)

The number of \$7,500 additional grant eligible projects is limited to (5) projects: (\$37,500 committed)

Each of the eight (8), \$2,500 grant awards are forgiven at the time of the award

Each of the five (5), \$7,500 awards are structured as deferred loans for five years at zero percent interest which then becomes a grant

There are no repayments made on the five (5) \$7,500 deferred loan/grant unless the building is sold within five (5) years, see more details below

**Eligible Buildings:**

The project must fall in the target map area

The building must have a street side store front, or building entrance from the sidewalk

The Front street apartment building, Post Office, and the carwash are eligible for \$2,500 grants, but do not qualify for the \$7,500 store front improvement program

The building owner must be in compliance with the City of Eyota

The building must be taxed for commercial use, with the exception of the Front Street apartment building with active rentals

**Eligibility A – up to \$2,500 for Project activities such as:**

Awnings, signage, decorative/safety lighting, painting (Awnings, signage and exterior lightening is required in order to add painting to the project award)

Front windows and entry doors are acceptable if awnings and signage exists

\$2,500 grants, resale of the building is allowable once the project is complete

**Eligibility B – up to \$7,500 additional for Project activities such as:**

Additional exterior enhancements (tuck pointing, siding, brickwork, ect..)

Front windows and entry doors visible from Public Street that enhances the character of the building

Replace decorative façade features

Restore the historic uniqueness, including roof lines of the building

Roof repairs if façade repairs are accounted for in the request, and the roof is visible from the public street

Remove non historic materials and repair or replace the building materials with historically significant building materials.

Other permanent, fixed, above ground decorative features will be considered

Consideration of reconfiguration of public interior entries will be considered

**Ineligible Projects:**

Interior painting and remodeling (some entryways will qualify) Shelving and displays

Inventory Equipment

Acquisition Routine building maintenance

New construction, building expansions

Parking lots

Improvements not visible from public area

Plants and non-permanent landscaping features

Improvements prior to the application period

*Ineligible project items are still encouraged using the owner's private funds.*

### **Application Process:**

Complete the application form and return to the City of Eyota EDA

Applicant's to submit drawings or sketches of the project to the EDA Director for EDA Board approval of the color scheme prior to project start date.

Submit before pictures of the building front view, and proposed project areas up to a maximum of six (6) photos. Photos and applications are submitted to [cathy.enerson@cedausa.com](mailto:cathy.enerson@cedausa.com)

All project applications will submitted to the Eyota Economic Development Authority for board review and recommendation to the City Council

The board reserves the right to reject applications, each application is reviewed case by case

### **Review Process**

Applicant must own the building, be current on taxes, loans and city utilities

The EDA staff/board reviews the application and determines eligibility based on project and guidelines, project scope, and ability to repay the revolving loan funds when applicable

EDA staff submits a summary report to the EDA Board

EDA Board reviews applications monthly

EDA staff notifies the applicant of the EDA Board decision

Once final, City Council approval, the project may begin

Once the work is completed, the applicant turns in paid invoices, after photos via email, and a direct payment to the building owner, as reimbursement (s) will be made

The applicant submits a letter from the applicant's commercial banker for the EDA Board's review verifying revolving loan fund repayment ability

For revolving loan funds, the applicant must have a 1:1 collateral position on the building.

For revolving loan funds the applicant must have a debt service ratio of 1.15%

EDA lien position on the building is required

The City Council will review the project, hear the EDA recommendation and make a final determination

**Other:**

Projects must begin within 6 months, once the application is approved, and be finished within 12 months. Application approvals expire in 12 months.

\$7,500 loans are amortized for 5 years at 2.5% interest. \$7,500 month payment = \$133.11

Re payment must be made via auto payments to Bremer Bank the City Depository

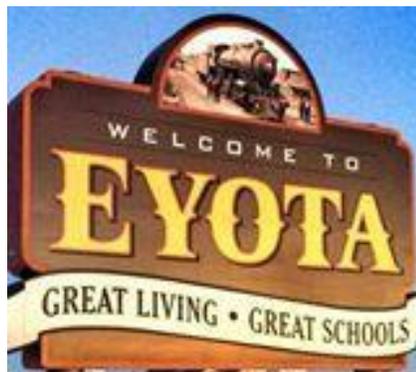
If the building is sold, before five (5) years, *the \$7,500 grant is forgiven each year at a rate of 20%*, repayment. At the point of sale repayment of the deferred loan/grant is required. After five years the entire \$7,500 is forgiven, and the deferred loan becomes a grant.

Request a revolving loan fund application from the EDA or download from the EDA website

Project approved by the EDA June 25, 2015

Project approved by the City Council June 25, 2015

**Go to the next page for the Business Subsidy Application**



**CITY OF EYOTA, MINNESOTA**

**Business Subsidy Application**

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Business Name: \_\_\_\_\_

Business Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone #: \_\_\_\_\_ email: \_\_\_\_\_

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Type of assistance requested:

Grant \_\_\_\_ Amount of assistance requested: \$ \_\_\_\_\_

Revolving Loan Funds \_\_\_\_ Amount of assistance requested: \$ \_\_\_\_\_

Projected start date: \_\_\_\_\_ Projected completion date: \_\_\_\_\_

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**PROJECT INFORMATION**

*(Please attach a description of the proposed project  
and explain why the assistance is needed. Be specific)*

Size of Building \_\_\_\_\_ sq. ft. Building Type \_\_\_\_\_

Function of Building: \_\_\_\_\_

**Provide a sketch plan and/or site plan for the project and up to six (6) before photos**

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Estimated Costs (please itemize)

Financing Sources (please itemize)

_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____

TOTAL COSTS \$ \_\_\_\_\_ TOTAL FUNDS \$ \_\_\_\_\_

*\* Financial statements for the past two years are to be submitted with this application to the applicant's commercial lender if applicant is applying for revolving loan funds. Businesses without financial statements will be required to submit personal tax returns for all principals of the business for the previous two years. The applicant must submit information on all current business related installment debts, contracts, notes, or mortgage payables. A bank reference letter will be requested.*

Banker's information:

Name of Bank: \_\_\_\_\_ Contact Name: \_\_\_\_\_

Address: \_\_\_\_\_ Phone Number: \_\_\_\_\_

## PUBLIC PURPOSE & JOB CREATION INFORMATION

What benefits will the City and its residents gain if assistance is provided?

\_\_\_\_\_ Job Creation    \_\_\_\_\_ Job Retention    \_\_\_\_\_ Land Clean Up

\_\_\_\_\_ Redevelopment    \_\_\_\_\_ Other (please list)

# OWNERSHIP / COMPANY INFORMATION

Type of company (corporation, etc.): \_\_\_\_\_

Owner(s) name(s): \_\_\_\_\_ Address: \_\_\_\_\_

Phone #: \_\_\_\_\_ Is there a parent company? \_\_\_\_\_

*If there is a parent company, please describe the relationship in detail.*

Has the business, owners or parent company ever declared bankruptcy? Yes or No

*If yes, you must include information about the bankruptcy.*

Has your business or parent company received a business subsidy, for this or any other project, from another Minnesota unit of government during the past 5 years? Yes or No

*Please explain past subsidy (s)* \_\_\_\_\_

This application is compliant with City of Eyota ordinances, taxes and utilities. Yes / No

The applicant agrees to provide additional information if requested by the City. Yes / No

The undersigned does hereby certify that the information provided within and attached to this application is true and correct to the best of his/her knowledge.

\_\_\_\_\_  
Applicant(s) Title Date

\_\_\_\_\_  
Applicant(s) Title Date

\_\_\_\_\_  
Applicant(s) Title Date

\_\_\_\_\_  
Applicant(s) Title Date