

**CITY OF WINSTED
DOWNTOWN BEAUTIFICATION PROGRAM GUIDELINES**

1. **PURPOSE**

The purpose of this document is to establish guidelines for application and administration of the City of Winsted's Downtown Beautification Program. These guidelines are intended to insure fairness and to avoid discrimination in the application of procedures. However, as these policies are merely guidelines, departure from the guidelines is expected when supported by a rational basis for the departure. Applications will be reviewed on a first-come, first served basis. The program will only continue as long as funds are available and partial project awards may be made in order increase the impact of the program.

2. **POLICY STATEMENT**

Recognition of Needs: The City of Winsted recognizes the need to stimulate private sector investment for the beautification of commercial structures located in the downtown. This program has been created to provide incentive financing for the exterior beautification of commercial/mixed use buildings in order to promote the viability of the downtown.

3. **PROJECT ELIGIBILITY**

3.1 Downtown Beautification Program funds can be used for: 1.) Any exterior improvements that meet the design guidelines for downtown Winsted and have an estimated life of more than 10 years; or 2.) As the owner's portion of matching funds for the Small Cities Development Program, so long as the funds are applied to exterior improvements.

3.2 **Eligible Geographic Area:** Projects must be located within the boundaries established on the map attached as Exhibit 1.

3.3 **Local Contractors, Suppliers, Professionals, and Financial Institutions Favored:** Projects which propose to use local contractors, suppliers, vendors, professionals, and/or financial institutions will be favored when applications are considered by the City of Winsted.

3.4 **Job Creation Requirements:** Projects seeking funding through this program must at a minimum create construction jobs during project implementation.

3.5 **Implementation:** Construction must start by July 1, 2011, and program funds must be expended by December 31, 2011.

4. **LOAN AMOUNT**

4.1 Forgivable loans of up to \$5,000 may be granted by the City upon approval of the City Council. Applications for program funding shall be supported with evidence of the availability of matching funds.

4.2 One-fifth of the loan amount shall be forgiven each year for 5-years. Applicants shall be required to repay the outstanding loan amount if they sell their building within 5 years of receiving assistance.

4.3 Applicants must match, and provide evidence of said match, on a 1:1 basis. Program funds shall not exceed 50% of the total project cost.

4.4 There shall be no interest on the outstanding balance of the forgivable loans.

4.5 **Maximum Loan Per Building:** The maximum loan per building is \$5,000.

5. **REGULATIONS FOR IMPROVEMENTS**

All building construction or renovation is to be in conformance with the applicable building codes, design guidelines, and other City codes and policies.

6. **LOAN SECURITY AND GUARANTEES**

6.1 Applicant must be able to secure the loan with a subordinated mortgage on the property to be improved. Other forms of guarantee may be considered at the discretion of the City Council.

6.2 The applicant must demonstrate that the building to be improved is insured for its full replacement cost.

7. **TIMING OF PROJECT EXPENSES**

7.1 Costs incurred before the loan application has been approved may be considered as eligible expenditures subject to financing by the City loan at the discretion of the City.

8. **PROCEDURAL GUIDELINES FOR APPLICATION AND APPROVAL**

8.1 **Application and Review**

1. Any interested loan applicant should meet with City staff/consultants to obtain information about the Downtown Beautification Program and to discuss the proposed project and obtain application forms.
2. A completed application form must be submitted to the City prior to review and consideration. Applications deemed incomplete by staff will not be forwarded to the City Council.
3. Applications are reviewed by City staff to determine conformity to all City policies and ordinances, and whether the proposed project will result in conformance with the building, zoning, design guidelines, and related City codes.

8.2 **Project Review:**

1. City staff/consultants shall review each application in terms of its proposed activities in relation to its economic impact and ability to meet program goals. Staff will make a recommendation concerning funding of the proposed project to the City Council for final approval of disbursements.
2. After receipt of the project cost summary or estimates and the applicant's proof of matching funds, Staff will evaluate the project application in terms of the following:
 - a. Project Design - Evaluation of project design will include review of proposed activities, timeliness and capacity to implement.
 - b. Financial Feasibility - Availability of funds, private involvement, financial packaging and cost effectiveness.
 - (1) Ratio of private funds to Downtown Beautification Program Funds shall be determined based on project eligibility, but a minimum threshold of \$1 private funds for \$1 City funds will be required.

- (2) Determination of financial viability of the request.
 - (3) Letter of commitment from applicable business pledging to complete project during proposed project duration if loan application is approved.
 - (4) Proof of matching funds.
3. All applications failing to meet the minimum threshold standards may be reviewed on a case-by-case basis. The City reserves the right to waive certain requirements of this program and may request additional information and documentation as deemed necessary.
4. **Program funds will be released at the completion of the project.** The applicant will be required to provide copies of project related invoices to document total project costs.
5. The City Council will have final review and approval.

9. **ORIGINATION**

The loan closing will be handled by City staff and/or their designee. At the closing, one or all of the following documents will be executed:

- a. Promissory Note
- b. Loan Security Agreement
- c. Mortgage

CITY OF WINSTED
DOWNTOWN BEAUTIFICATION PROGRAM APPLICATION

APPLICANT _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

CONTACT PERSON(S) _____

BUSINESS PHONE _____ HOME PHONE _____

AMOUNT REQUESTED _____

1. Describe Project (including when it will be started and completed & estimated number of construction or other jobs that will be created). Attach additional sheets as needed:

2. Purpose of Loan (Describe which portions of the project program funds will be used for):

4. Cost of Project:

A) Project Costs (attach plans & costs)	\$ _____
B) Other (attach description)	\$ _____
C) Other (attach description)	\$ _____
TOTAL COSTS	\$ _____

5. Proposed Financing:

<u>SOURCE</u>	<u>NAME</u>	<u>TERMS</u>	<u>AMOUNT</u>
A) Bank Loan	_____	_____	\$ _____
B) Cash (Equity)	_____	_____	\$ _____
C) Other	_____	_____	\$ _____
D) This Loan	_____	_____	\$ _____
TOTAL FINANCING			\$ _____

6. Attach and include the following:

- ___ A) Letter of commitment from applicant pledging to complete during the proposed project duration.
- ___ B) Letter of commitment from the other sources of financing, stating terms and conditions of their participation in project.
- ___ C) A complete legal description of the property and County Parcel I.D.#.

I/We certify that all information provided in this application is true and correct to the best of my/our knowledge. I/We authorize the City of Winsted to verify financial and other information. I/We agree to provide any additional information as may be requested by the City of Winsted to process this application.

DATE: _____

Applicant Name

BY _____

By _____

CHECKLIST

1. Application
2. Proof of Sufficient Insurance Coverage
3. Project Bids
4. Commitment letter for matching financing
5. Commitment letter for completion of project as outlined in application.
6. Complete legal description and County Parcel I.D.#.

SIGNATURE _____

DATE _____