

COMMERCIAL REHABILITATION LOAN PROGRAM

Program Description

The City of Franklin, through the repayments from previous low interest loans, has established a revolving loan fund which is to be used for the restoration, renovation, rehabilitation and preservation of commercial buildings within the corporate limits of the City of Franklin. Funds will be limited to physical improvements to the facility.

Eligibility Requirements

1. The real property to be improved must be located within the corporate limits of the City of Franklin.
2. The improvements to be made with the loan proceeds are limited to the cost for the restoration, renovation, rehabilitation and preservation of commercial buildings and structures.
3. Only new loan applications will be accepted. No refinancing of an earlier Low Interest Loan for building improvements will be allowed under this program.
4. The applicant shall have no current delinquent payments or have had any delinquent payments from a previous low interest loan for one year prior to application.
5. The applicant shall be in good standing with the City of Franklin. All real estate taxes, personal property taxes, business license fees, business property taxes, sales taxes, meals taxes, and all utility accounts with the City of Franklin must be current. In addition, no nuisance liens must have been attached to the real property.

Amount of Loans

The maximum amount of any loan under this program shall be \$35,000. The minimum amount shall be \$5,000.

Terms and Conditions

1. Loans will be made available for a fixed interest rate of 1% above the existing prime rate at the time the loan is approved.
2. The repayment term may vary up to a maximum of 7 years.
3. Repayment shall be in equal monthly installments of principal and interest commencing on the first of the month after the project has been completed.
4. Up to 15% of the loan may be applied to soft costs for the hiring of an approved architect, architectural designer, interior designer, or contractor to prepare façade improvement plans and specifications.
5. Loan applications shall be approved by a committee appointed by Franklin City Council consisting of a representative of the City of Franklin, Franklin Southampton Economic Development, Inc., the Downtown Franklin Association and the Franklin Southampton Area Chamber of Commerce.
6. A Deed of Trust will be placed on the property by the City of Franklin to secure the loan.
7. All contractors shall submit lien waivers from subs and suppliers before full payments is made.

Application Process

1. Applicant is advised to solicit help and advice from the FSEDI and the City of Franklin on any proposed work to be done with approved loan program funds.
2. Applicant shall submit the following items to the committee referenced above:
 - a) Application form
 - b) Design approval packet
 - c) Financial approval information
 - d) Estimates from a qualified/licensed contractor.
3. The design packet shall be reviewed by the committee for design quality and for adherence to applicable policies, requirements, codes, and appropriateness as determined by the City of Franklin Department of Community Development.
4. No loan shall be made until the committee receives a signed bid from a qualified contractor for the proposed work. Estimates may differ from bids changing the loan amount.
5. A statement addressing asbestos inspections for buildings built before 1985 shall accompany the application.
6. The financial information shall be reviewed by the appointed committee for financial feasibility and collateral requirements.
7. The committee will contact the applicant as to the Committee's decision and requirements.

Please Note: In no event shall the City of Franklin use race, sex, age, or religion as grounds for refusing a loan to an eligible applicant.

COMMERCIAL REHABILITATION LOAN APPLICATION FORM

APPLICANT

NAME: _____

ADDRESS: _____

PHONE: _____

BUILDING OWNER(S)

NAME: _____

ADDRESS: _____

PHONE: _____

BUILDING INFORMATION

BUILDING NAME: _____

BUILDING USE: _____

ADDRESS: _____

TAX MAP NUMBER: _____

DIMENSIONS OF THE PROPERTY: _____

BUILDING AGE: _____

SQUARE FEET OF BUILDING: _____

LINEAR FEET: Front: _____ Side: _____

DESIGN APPROVAL

I. Property Owner Time Frame

A. How soon after approval of your loan will renovation/rehabilitation begin?

B. Have you consulted with an architect or other design professional? If so, please list their contact information below.

C. When do you expect the project to be completed?

II. Estimated Budget

A. Total Cost of Project: _____

B. Total Low Interest Loan Request: _____

III. Project Description

<u>Description of Work</u>	<u>Estimated Cost</u>
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Exterior walls and Detailing: _____	_____
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Windows: _____	_____
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Doors: _____	_____
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Painting: _____	_____
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Roofing: _____	_____
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Site Work (landscaping, etc.): _____	_____
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Other: _____

IV. Exterior Improvement Plan

Please submit the following information:

- A. 8" X 10" black & white or color photograph(s) of the building which show the present form and condition of the structure.
- B. Drawings and plans of the building which illustrate all proposed work. This includes any structural work or repairs, paint colors, awnings, signage, etc.
- C. Information on the methods and materials to be used.
- D. This info requested above under design approval.

FINANCIAL APPROVAL

I. Required Documentation

A. Project Information

1. Written Cost Estimates (see Design Approval)
2. Proof of Title of Ownership of the building.
3. If rehabilitation is proposed on leased facilities, provide copy of lease and written approval from landlord or agent for the landlord.

B. Company/Principal Information

1. Assumed Name Certificate
2. Identity of the Applicant, including the principal officers, directors, and owners.
3. Certificate of Insurance

C. Financial Information

The City of Franklin will require a Deed of Trust for the amount and term of the loan, which will be satisfied when the loan is satisfied.

D. Number of employees (including the owner if self-employed) that will be impacted by the renovations/rehabilitation?