

LAKE CITY FAÇADE IMPROVEMENT PROGRAM GUIDELINES

INTRODUCTION

Thank you for your interest in the Lake City Façade Improvement Program (FIP). FIP funds are a public source of money from which loans are made to eligible applicants for the rehabilitation of business building exteriors.

ELIGIBILITY REQUIREMENTS

Businesses must be located in Zoning District B1 – Central Business District or B2 – Highway Commercial within the corporate boundaries of the City of Lake City to be considered for a loan. Vacant properties are not eligible unless an occupancy plan is in place.

Eligible Uses of FIP Include:

- Exterior Improvements
 - Ex: tuck-pointing, cleaning of bricks, window replacement, installation of signage
- Code Compliance
 - Ex: exterior correction of code violations, mitigation of safety hazards
- Increasing Handicap Accessibility
 - Ex: installation of ramps or handrails, entrance modifications
- Historical Building Preservation
 - Ex: restoring original building features or design

TERMS AND CONDITIONS

1. The term is determined by the RLF Committee and fixed at 5 years or less.
2. Maximum loan amount shall not exceed \$10,000.
3. FIP loan shall not exceed 50% of the total project cost.
4. Matching project funds can be composed of private funding or interior updates.
5. Half of the total FIP loan will have a fixed interest rate equaling 2%.
6. The non-interest accruing half of the FIP loan will be forgiven at 20% each full year of the life of the loan.
7. Automatic withdrawal from selected account.
8. Taxes, utilities, insurance and other loans must be maintained and current.
9. Immediate repayment of the entire outstanding balance of the loan will be made if the business relocates outside the corporate limits of the City of Lake City.
10. All construction and renovation must comply with City Codes and policies.
11. A project must be approved by all appropriate City Committees and Commission, including but not limited to the Design Review Committee.
12. A project may only commence after the City Council of Lake City has approved the loan.
13. No building construction may commence until the required City permits have been secured.

REVOLVING LOAN COMMITTEE MEMBERSHIP

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| 1. City Council Members (May include Mayor) | 2 |
| 2. Economic Development Authority Members | 2 |
| 3. City of Lake City Finance Director (Advisory) | 1 |
| 4. Port Authority Executive Director (Advisory) | 1 |
| 5. <u>Community Representative</u> | 1 |
| Total RLF Committee Members | 7 (5 Voting Members + 2 Advisory) |

DELINQUENCY AND DEFAULT

Past Due Balances:

A loan payment is considered *past due* fifteen (15) days after the payment due date.

The loan will be considered in *default* thirty (30) days after failure to make a scheduled payment.

Process:

After fifteen (15) days - The borrower will receive written notification that their loan payment is past due, that a late payment fee has been assessed and the amount due to return the loan to a current status.

After thirty (30) days – The borrower will receive 2nd notice of default including: late fees that have been assessed, the amount due to return the loan to a current status and notification that collection procedures will commence in thirty (30) days if no action is taken to resolve this matter.

After sixty (60) days – The borrower will receive a final notice of default stating that all other attempts to collect on this debt have been unsuccessful, therefore, if the borrower does not contact the City within ten (10) business days to resolve this matter collections procedures will commence.

Remedies in the event of default:

If a borrower knows that they will be late making a scheduled loan payment, or have fallen behind on regular monthly payments they are encouraged to contact the City Finance Director/Treasurer at 651-345-5383 to schedule a payment plan.

Fees and Penalties:

- Insufficient Funds Fee – \$25.00 for insufficient funds in.

Collections:

Collections are the last source of repayment and will begin seventy (70) days after the payment due date if no actions are taken by the borrower to resolve the default. The City will make every reasonable effort to resolve this issue with the borrower prior to commencing with collections actions. If, after seventy (70) days, the City is unable to negotiate an alternative with the borrower, collections will be pursued in accordance with approved policy guidelines and applicable laws. All costs associated with collection proceedings will be the responsibility of the borrower.

- Judgments are filed against the borrower for any remaining balance on the loan owed after the sale of collateral.
- The borrower will be ineligible for future revolving loans with the City.

Please contact the Lake City Port Authority to start the FIP Loan Process.