

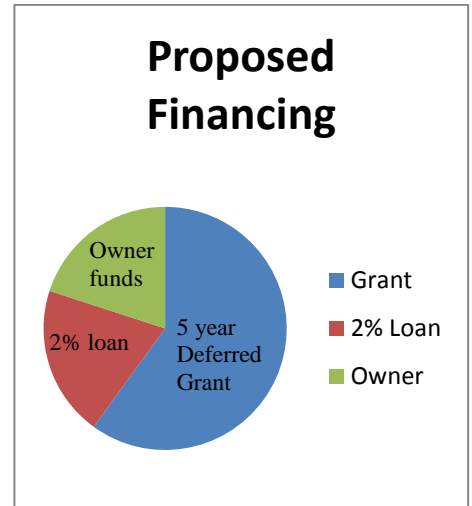
Dear City of Glenwood Property Owner,

The City of Glenwood is seeking grant funds from the Minnesota Department of Employment & Economic Development's (DEED's) Small Cities Development Program (SCDP) for downtown property owners interested in improving their commercial buildings. As part of the application process for these funds, the City must provide a list of interested property owners and examples of projects in Glenwood which need funding. **It is important that you complete the attached Letter of Interest Form if you would like funding from this grant to fix up your property!**

Commercial Funding Information

These funds would be made available to property owners for qualifying projects by the way of deferred and partially forgivable low interest loans. The City plans to request this grant which would provide the following financing package to property owners for commercial projects:

- Maximum Dollar Amount: Up to \$40,000 per project (eligible program expenses)
- Minimum Owner Required Match: 20% of eligible project funds.
- Terms: up to 80% of eligible costs of your project may receive funding
 - 60% would be a grant that would be provided in the form of a 5 year forgivable loan which is only repaid if the property is sold; title is transferred, or conveyed within the first 5 years of the loan.
 - The other 20% would be provided in the form of a low interest loan with an annual 2% interest rate payment with a 5 year term.



To Qualify:

- The building must be in the designated project area (See page 2).
- The building must be the site of a business.
- The applicant must be the building owner with the ability to have a lien placed on the property for all loans under the SCDP project. For Contract for Deed situations, the holder of the contract and the principal borrower must sign off on the loan.
- Taxes must be current and proof of insurance is required.

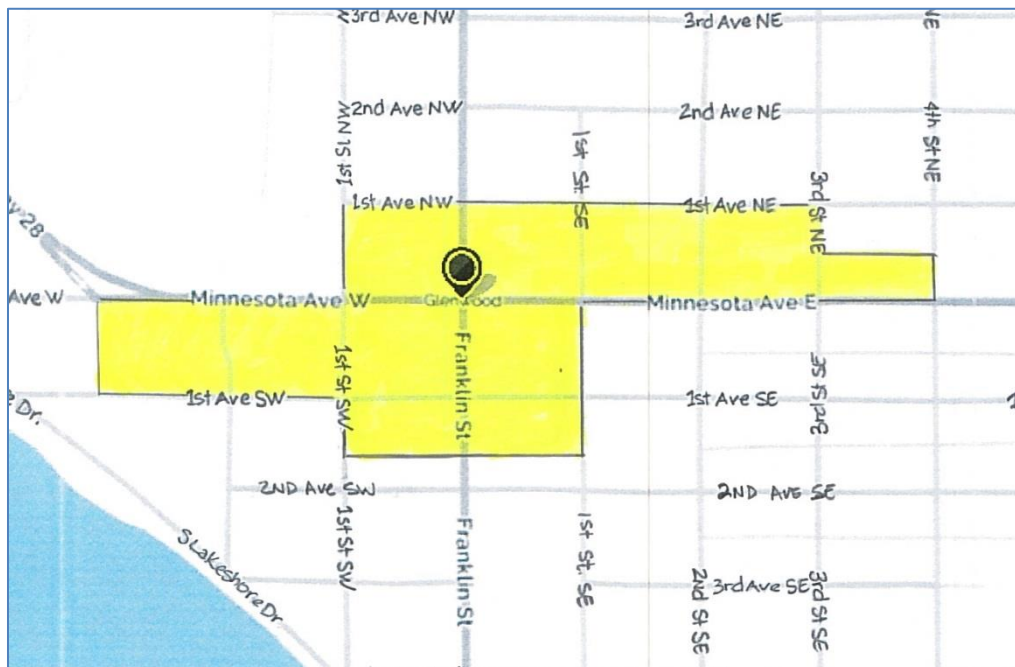
Interested property owners must fill out and return the "Letter of Interest" form by Friday, September 30, 2016, to the Douglas County HRA. Submission of the Intent to Participate form *by building owners* will allow the City of Glenwood to prove that there is interest in this program. Please submit the form to:

Douglas County HRA
Attn: Emajean Zwieg
P.O. Box 965
Alexandria, MN 56308
Special accommodations for people with disabilities available upon request.

What Happens Next:

Information from these letters is needed for the City's preliminary application is due Nov. 10, 2016. Final applications are due Feb. 23, 2017. Notification of approval will be in the spring 2017 at which time property owners and local media will be informed. Detailed individual applications from property owners will be collected during the summer of 2017, and **the earliest that the first rehabilitation project may begin is during the late summer of 2017.** The program does run a total of 30 months, likely starting July 1, 2017 through Dec. 31, 2019.

Proposed Target Area for Commercial Improvement Program



Commercial Letter of Interest Form

Please sign and return to the Douglas County HRA

This letter is intended to show my intent to participate, or apply to, the Glenwood Small Cities Development Program (SCDP) to rehabilitate my commercial property as outlined below / discussed at informational meetings / indicated in informational mailings.

Do you have residential rental either above or behind the commercial building you are hoping to improve? If so, would you like to receive information about a proposed rental rehabilitation program for those units as well?

Yes: _____ No: _____

Commercial Property Address:	
Year Built:	
Is the property occupied or vacant?	
Is the property occupied by the owner or a commercial tenant?	
Business Name:	
Ownership Type (ie; LLC, individual, non-profit, corporation):	
Desired SCDP Repairs: <i>(Please explain in detail to the best of your ability; information will be utilized by the City of Glenwood to demonstrate to DEED that there are interested participants and eligible projects in the program target area)</i>	<div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div>

Here is an example of a Commercial Property Project and how it may be financed:

The owner of a commercial property within the rehab target area runs a business out of the space. Their inspection shows a need for \$29,500 in repairs:

Estimated Project Costs

Roof Repair	\$15,000
Electrical	\$2,000
Siding	\$5,000
Tuck Pointing	\$5,000
Handicap Entrances	\$2,500
Total:	\$29,500

This is how the owner might pay their repairs:

Owners Match	20%	\$ 5,900.00
Loan	20%	\$ 5,900.00
Grant	60%	\$ 17,700.00
		Total \$29,500

- The property owner must provide 20% of the eligible project costs through bank loans, cash, or similar means.
- The installment loan would provide an additional 20% with a 2% annual interest rate over 5 years.
- The grant funds would provide the remaining 60% of eligible project costs from the SCDP program through a 0% rate deferred rehabilitation loan that will be forgiven after 5 years if the property owner remains in compliance for the term of the loan (current on taxes, operated for approved commercial business, and retains ownership).

* **NOTE:** If you are the owner of multiple buildings in the Small Cities Development Program target area, please complete and submit a **separate "Letter of Interest" form for each building** by Sept. 30, 2016. Thank you!

I am the property owner for the above property and I understand that:

- Eligible Activities Include:
 1. Exterior repairs & improvements (windows, doors, signage, awnings, roofs).
 2. Code violation corrections (handrails, exit signs, health & safety issues).
 3. Ramps and bathroom accessibility conversions.
 4. Energy improvements (heating system upgrades)
- “Remodeling” is not allowed to qualify under the Small Cities Development Program although handicap accessibility improvements can be made.
- The Federal Labor Standards (Davis Bacon Wage Rates) apply to all work completed with Small Cities Development Program funds on commercial buildings. This means that the prevailing wage rates as determined by the Department of Labor and Industry for Freeborn County will be enforced for all trades performing work funded by the SCDP loans.
- In order to receive the loan, an outside match of funds, a minimum of 20% of the total project cost, must be secured as a cashier's check before the work starts on my property.
- Under the City’s application, assistance offered to property owners would be in the following form for up to 80% of eligible program expenses with :
 - 60% of eligible project costs provided in the form of a 5 year forgivable loan which is only repaid if the property is sold; title is transferred, or conveyed within the 5 years (loan 1).
 - 20% of eligible project costs provided in the form of a low interest loan with an annual 2% interest rate over 5 years.
 - As security for repayment of the loan, a lien will be placed against my property for those 5 years.
 - Should I sell, transfer, or convey the property to someone else during the first 5 years, all of the grant, and any remaining portion of the installment loan, must be repaid to the City (which will be used on similar projects).
- The maximum loan amount through this program could be up to \$40,000. In order to receive this amount my total project cost must be \$1,000 (or greater).
- Not all applicants may receive funding. Applications will be processed on a first-come first-served basis.
- These funds are targeted to a specific area within the City.
- The building to be rehabilitated must be the location of a commercial business.
- All rehabilitation will be coordinated through the Douglas County HRA, and competitive bids will be required. Any work done before coordinating with the Douglas County HRA will not be eligible for funding.

After reviewing the above information and the program fact sheet, I am interested in participating in the City of Glenwood Small Cities Development Program, should it receive funding. I also understand that by submitting this form in-person or via mail to the Douglas County HRA by Friday, Sept. 30, 2016, I am not required to participate, however, I will be contacted if the program is selected to receive funding.

Property Owner Name: _____

Phone Number: _____

Mailing Address: _____

Email Address: _____

Building Owner Signature

Date

