

Building Improvement Programs: Rebate and Low Interest Loan Pool

COLDWATERCOUNTRY
PURE MICHIGAN

I. PURPOSE OF REBATE and LOW INTEREST LOAN POOL PROGRAMS

The Rebate and Low Interest Loan Pool programs are designed to stimulate building improvements and maintenance which stress historical significance and uniqueness in downtown Coldwater. By working together with business and building owners, local financing institutions, the City of Coldwater, and the Historic District Commission, the Downtown Development Authority is able to offer attractive incentives to support projects that improve and maintain the image and structure of the downtown area while setting the stage for future development.

The Rebate program is a cash reimbursement for approved project expenditures while the Low Interest Loan Pool offers 1% below prime financing for approved project expenditures. Together, these programs reward and encourage downtown building improvements by offering direct cash assistance and reducing the finance costs of projects.

II. DESCRIPTION OF REBATE PROGRAM

1. The DDA will offer rebates towards façade improvement projects. Applicants may also include interior and structural improvements with their application, but these are not required.
2. Rebate amounts will adhere to the following conditions:
 - a. Not to exceed 50% of any project's eligible costs.
 - b. Not to exceed \$5,000 to any individual building or business within a 5 year period. For projects that will include \$100,000 or more in private investment, will lead to job creation, and will result in new business, a rebate of up to \$10,000 may be approved.
 - c. A rebate amount of up to \$10,000 per building or business may be granted if the Review Committee identifies a compelling, robust, or unique project which achieves one or more of the following objectives:
 - i. \$100,000 or more in private investment
 - ii. Forecasts job creation of 1 or more full-time-equivalents (FTEs)
 - iii. Creates or includes housing
 - iv. Supports a business that fills a critical need of the downtown, as identified in the City's Master Plan, Community Marketing Strategy, or DDA formal planning documents (e.g., housing, retail, entertainment, etc.)
3. Eligibility for the Rebate Program will be based on criteria listed in section IV ("Eligibility").
4. Projects will be evaluated and rebates will be awarded using the criteria outlined in V ("Application Review").

III. DESCRIPTION OF LOAN PROGRAM

1. Century Bank and Trust and Southern Michigan Bank and Trust have each contributed 400,000 to a loan pool offering 1% below prime interest rates, floating, for 5 years with a floor of 3.25%. Funds are designated to projects which must include, but are not limited to, façade improvements.
2. Eligibility for the Loan Pool Program will be based on guidelines listed in section IV ("Eligibility").
3. Projects will be evaluated and loan funds will be awarded using the criteria outlined in V ("Application Review").
4. The interest rate that applies to each project shall be the current Wall Street Journal Prime rate less one percent (1%) floating with a floor of 3.25%. Other terms of each loan will be determined by the financial institution handling the particular loan.
5. Maximum loan amount is \$100,000 per project.

- a. Waivers of this limit can be requested as an attachment to the program application.
- b. In the case(s) where a particular loan(s) would have an impact on the downtown significantly beyond that expected of program loans, the maximum loan amount may be increased subject to the approval of the Review Committee and the participating financial institution.

IV. ELIGIBILITY

1. Applications must pertain to businesses, buildings, and/or parcels located within the DDA Tax Increment Financing (TIF) District. Property taxes on the real estate must be current.
2. Applications must be submitted, reviewed, and approved before any project work begins. Here, project work includes anything that is directly rebated, or financed, by the programs.
3. All projects must include a significant façade improvement component. One exception to this rule is outlined in IV(4) below.
4. Building and business owners who have completed façade improvements in the preceding 5 years, and whose improvements were approved through the Rebate program, may apply to the Low Interest Loan Pool for structural improvements and building maintenance without tackling additional facade improvements. All other loan pool parameters apply.
5. All projects **must** abide by the Secretary of the Interior’s Standards for Rehabilitation (attached) and, where applicable, must be approved by the Historic District Commission (HDC). Additional requirements may apply.
6. Applicants **must** seek project guidance from, and meet with, Review Committee staff when a project is in its initial phase of design/planning. The purpose of this meeting is to:
 - a. Provide an orientation to the application procedure, design standards, and general program parameters.
 - b. Arrange design assistance, if needed, to help develop an attractive and historically sensitive project (i.e. choosing paint colors, designing signage and awnings, etc.).
 - c. Inform applicants of potential permits and permissions that may be required by other departments of the City of Coldwater (i.e. Sign permit, right-of-way permit, etc.)
 - d. Allow for Q&A with applicants.
7. Tenant applicants are required to submit written evidence of building owner approval of the application. A standard form will be available for this purpose.
8. **Eligible facade improvements** under the Rebate and Low Interest Loan Pool Programs are those which improve the visual appeal of the building, preserve and/or restore its historical integrity, draw attention to its tenants, and improve the pedestrian experience.

Examples of exterior improvements include, but are not limited to:

Lighting	Window Repair or Replacement
Signage	Labor
Multi-color Paint Scheme	Materials
Surface Cleaning	Enterances
Awnings	Masonry Work/Sidewalks
Tuck Pointing	

Examples of interior and structural improvements include, but are not limited to:

Flooring	Plumbing
Lighting	ADA Accessibility
HVAC	Fire Suppression and Prevention
Business Specific Equipment	

8. Furniture, inventory, and incompatible cleaning methods and materials for the building are examples of ineligible expenses for both the Rebate and Loan Pool programs.
9. Applications will be accepted on a rolling basis, contingent upon funding.

V. Application Review

1. A Building Improvement Programs Review Committee (“The Review Committee”) will hold the authority to review applications, assess the eligibility of each applicant and each proposed project, and approve or deny awards based on the established eligibility and awards criteria outlined in sections IV and V (“Eligibility” and “Application Review”, respectively).
2. The Review Committee shall be composed of Economic Development staff, a member of the Historic District Commission, and THREE (3) DDA members.
3. If the applicant(s) and the project meet all eligibility requirements, a rebate and/or loan amount will be awarded based on the following criteria:
 - a. Overall visual impact.
 - b. Historical sensitivity significance.
 - c. Compatibility to neighboring structures.
 - d. Job creation.
 - e. Project supports a business that fills a critical need of the downtown, as identified in the City’s Master Plan, Community Marketing Strategy, or DDA formal planning documents (e.g., housing, retail, entertainment, etc.)
 - f. Relative size of the building.
 - g. Overall amount of private investment into project.
 - h. Availability of remaining funds.
4. The Review Committee reserves the right to reject any application for a building which, in the Committee’s evaluation, is in such a state of deterioration that the proposed loan could not be recovered during its term or the proposed investment is at best a stop-gap measure against imminent demolition.
5. In no event shall race, sex, age, or religion be used as grounds for refusing a rebate or award by the Review Committee or any participating financial institution.



VI. Implementation

1. Design Assistance
 - a. The City of Coldwater will coordinate design assistance to help applicants develop an attractive and historically sensitive project.
2. Application Process
 - a. Applicant meets with project staff for initial guidance and for preliminary design approval or coordination of design assistance. Meeting may be in person or virtual, as appropriate.
 - b. The application portal will be available online. Applicants can review program rules and application requirements on the DDA's website, and must affirm understanding of program rules and requirements prior to having the application reviewed by the Review Committee.
 - c. Once an application has been received and reviewed for completeness by Economic Development staff, the Review Committee will review the complete application during the next regularly scheduled meeting date.
 - d. Following the Committee's review of an application, a letter outlining the Committee's decision(s) will be issued to each applicant.
 - e. If approved for rebate and/or loan pool funds, projects must be completed as submitted and approved by the Review Committee. Changes to the project which impact any element(s) that the applicant is requesting rebate and/or loan funds for, must be resubmitted and reviewed by program staff and/or the Review Committee.
3. Rebate Awards
 - a. Projects which are approved for a DDA rebate will have the approved rebate amount earmarked from the DDA's program budget.
 - b. Rebates will be mailed within five weeks of:
 - i. Verification that the project was completed as approved.
 - ii. Copies of all paid receipts related to the project have been submitted.
4. Loan Pool Awards
 - a. Applications which are approved for Low Interest Loan Pool financing will be forwarded to the financial institution and banker of the applicant's choice. The forwarded application will verify that the application has been approved for the Loan Pool and will list the amount of Loan Pool financing the project is eligible for.
 - b. All loan amounts that are awarded by the Review Committee are preliminary; the reviewing financial institution may approve or reject the forwarded application according to its established credit practices. Projects will be evaluated on an individual basis to determine overall loan worthiness and calculate the base interest rate.
 - c. If the application is rejected by the reviewing financial institution, the applicant has the option of applying to any of the remaining participating financial institutions. Applicants may only submit to one lending institution at a time.
5. Project timeline
 - a. Unless otherwise noted in an applicant's award letter, projects must be completed within 12 months following the issuance of the award letter.

VII. Program Amendments

1. The details of the DDA's Rebate Program may be amended at any time, subject to the approval of the DDA Board.

Secretary's Standards for Rehabilitation

Rehabilitation projects must meet the following Standards, as interpreted by the National Park Service, to qualify as "certified rehabilitations" eligible for the 20% rehabilitation tax credit. The Standards are applied to projects in a reasonable manner, taking into consideration economic and technical feasibility.

The Standards apply to historic buildings of all periods, styles, types, materials, and sizes. They apply to both the exterior and the interior of historic buildings. The Standards also encompass related landscape features and the building's site and environment as well as attached, adjacent, or related new construction.

1. A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
2. The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.
3. Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.
4. Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.
5. Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.
6. Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.
7. Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.
8. Significant archaeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.
9. New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.
10. New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

Downtown Overlays

Downtown Development Authority

-  Downtown Historic District
-  Contributing Structure
-  Non-Contributing Structure
-  Central Business Zoning District

