

MAIN STREET RADFORD

LOW INTEREST LOAN PROGRAM APPLICATION AND PROCEDURE DESCRIPTION

The Main Street Radford (Main Street) is pleased to offer property owners and business persons (applicants) a low-interest building façade renovation loan program. A \$1 million loan pool has been established by the several banks in the Radford area – Sun Trust, Wachovia, Blue Ridge, First National Bank, BB&T and the National Bank of Blacksburg, with $\frac{1}{2}\%$ **below prime interest rate** as part of its program to assist the City of Radford in promoting economic development and the tourism trade. The purpose of the program is to promote continued economic development through renovations, restoration, and preservation of commercial buildings within the central business district.

This publication provides a description of the program, lists eligible project types, and outlines program application procedures. Additional information and assistance can be obtained from the Main Street office at the above address and telephone number.

General Program Evaluation and Design Criteria:

Because of funding limitations, loans will be evaluated on the basis of the following factors:

1. The economic impact of the project on the City and the Applicant's business.
2. The historical significance of the building and the architectural appropriateness of the proposed changes to the building and its contribution to the attractiveness of the city and its streetscape.
3. Utilization for economic enterprise of unused floors and space.
4. The strength of the proposal and the Applicant's demonstrated ability to complete the project.

Eligible Projects:

Loans shall be for restoration, renovation, rehabilitation and preservation of commercial buildings within Radford's business district. It is recommended that emphasis be placed on exterior improvements and that whenever feasible, improvements take care to preserve the historic nature and architecture of the structure. The following improvements will qualify as eligible project expenditures:

1. Façade improvements.
2. Interior renovations, including upper floor improvements and unused floor plan expansion.
3. Structural repairs, roofing repairs done in conjunction with the qualified improvements listed herein, not to exceed 10% of the loan.
4. Permanent mechanical systems improvements relating to plumbing, electrical service, heating, cooling, and elevators done in conjunction with the qualified improvements listed herein, not to exceed 10% of the loan.
5. Permanent built-in features such as restrooms or access improvements for the handicapped.
6. Professional design, architectural or engineering services not to exceed 10% of the loan.
7. Landscaping done in conjunction with other qualified exterior renovations.
8. Work required by City building and use codes.

Loan proceeds **shall not** be used for the following:

1. To refinance existing loans.
2. For general and periodic maintenance other than those projects listed above.
3. For operating capital, inventory, equipment, furniture or fixtures.
4. Acquisition of real property.

Rehabilitation Loan Procedures:

The following steps detail the procedure to be followed in applying for funds under this Program. Each required step must be completed before loan approval may be granted. Program participants are encouraged to seek assistance from the Main Street staff in preparing application materials. The proposed improvement must be approved by the Main Street Design Committee before the applicant submits a loan application to the participating bank of his or her choice.

Step 1 – Determination of Eligibility

Submission of the accompanying Preliminary Façade Loan Application (the “Application”) to Main Street will provide the means to initiate project eligibility and begin the loan review

process. The form requires only a general description of the project and primary contact information.

Step 2 – Application

The Application must be completed and submitted along with required supporting documentation before Main Street can conduct its review. In addition to provision of a more detailed description of the project, the applicant must demonstrate economic feasibility, assure compliance with program objectives, and document ability to complete the project in a timely manner and in conformity with zoning and building regulations.

Step 3 – Main Street Review

Main Street will review all application materials promptly and assure project compatibility with program objectives. The applicant will be provided a primary contact with a Main Street representative to provide assistance as needed.

Step 4 – Loan Approval

Applications for projects approved by Main Street will be submitted to the participating bank of the applicant's choosing for loan approval. Each bank will undertake its own evaluation of the applicant and the documentation supplied for the proposed façade improvement. Each bank will make its own credit decisions and disperse its own funds. The relationship between the applicant and his or her bank shall be a private one and Main Street reserves no right proprietary information supplied to the bank. Main Street involvement will be limited to assuring compliance with program and building code regulations.

Step 5 – Issuance of Loan

Program loans may be of the construction type, with the number and amount of draws determined at the onset and agreed to by the applicant and the participating bank. If the proposed renovation work is to be phased with draws tied directly to the completion of specific phases, a Main Street representative will inspect the project at completion of each phase to ensure that work is accomplished according to approved plans. The project must be completed within the time period agreed upon at the outset. The applicant shall not restrict reasonable access to the premises to complete the inspection. If the property is not owned by the applicant, the owner of the property must agree to and endorse the loan application required by Main Street Radford, notwithstanding any waiver of requirements by the participating bank.

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Completing the Application for LOW INTEREST FAÇADE IMPROVEMENT LOANS

1. Preliminary Façade Improvement Application (available at Main Street Radford office).
2. Any architectural plans.
3. A detailed sketch of the proposed work.
4. Exact samples of paint chips or awning materials to be used for the proposed exterior work.
5. If applicable, the property owner's written approval and grant of deed of trust if required by the bank
6. A budget or proforma statement.
7. Indication of preferred banking institution. Banks will require the completion of their own loan documents to complete the process and no guarantees of qualifications are made on behalf of Main Street.

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