

## DOWNTOWN POTSDAM BUILDING IMPROVEMENT FUND

### LOAN APPLICATION GUIDELINES

The Village of Potsdam is committed to working with property owners to improve the condition and appearance of buildings in the downtown area. The Downtown Potsdam Building Improvement Fund is dedicated to that purpose.

Eligible properties are any privately owned buildings in the downtown area of the Village, defined as being located within the Central Area Overlay District per Section 180 of the Village Code. Eligible work includes improvements to building systems (boilers, roofs, foundations, etc.), facades and other work. Additions to existing buildings will be considered as well, although priority for the loans will be for improvements. Leasehold improvements will not be eligible through this program, although loan funds may be available from other sources to assist with these improvements and applicants should discuss their needs with Planning and Development Office staff.

The goal of the program is to assist property owners in maintaining the condition of their buildings, improving the economic viability of the community and preserving the Village's tax base. In order to achieve this, the Fund will provide low interest loans (5% or less) for up to fifteen year terms. The maximum loan amount will be \$20,000, although in certain cases (such as a complete rehab) larger loans will be considered. The applicant will be expected to provide a match of a least one-third of project costs. Applicants may count materials and labor (at market value) toward the match. The Village will consider subordinating its loan to a bank loan or one from another economic development agency.

As an example, if a building renovation project is estimated to cost \$20,000, the Village would lend \$13,000 toward the total amount, with the owner expected to contribute the remaining in either equity, "sweat equity," or private loan funds.

Loans for facade work will be considered requiring no owner match, if the applicant is prepared to sign an easement agreement giving the Potsdam Local Development Corporation the right to review any changes to the facade during the term of the loan.

As this program involves the use of federal money, projects involving National Register listed buildings will require a review by the State Historic Preservation Office. The Planning and Development Office will assist with this process. Other federal regulations may apply as well. However, unlike other programs, federal prevailing wage rates are not required on projects using these funds.

In certain circumstances loans for demolition of properties will be considered. Demolition loans will be for a shorter term and will require collateral security on other property.

Loans will be reviewed and approved by the Potsdam Local Development Corporation, who will administer the program on behalf of the Village. Applications will be reviewed by the Potsdam Economic Development Loan Committee, who will make a recommendation to the LDC.

Security for the loans will be negotiated on a case by case basis, with the building or other asset usually pledged as collateral, along with personal guarantees by the owners.

POTSDAM DOWNTOWN IMPROVEMENT PROGRAM (DIP)  
LOAN FUND APPLICATION

APPLICANT:

Legal Name of Business: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

Address of Business: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Please List All of the Business's Principals, Owners and Guarantors

Name	Address	Phone	Title	% Ownership	Salary from Business
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

(Please attach additional sheets if necessary.)

BUILDING INFORMATION:

Please describe the nature of improvement work to be done:

(Please attach additional sheets if necessary.)

Do you have cost estimates for the work? If yes please describe work to be done and source of match.

What businesses will be affected by the work?

**PROPERTY TO BE REHABILITATED:**

Street Address: \_\_\_\_\_

Physical Description: \_\_\_\_\_

Number of Units: Before Rehab: Residential \_\_\_\_\_ After Rehab: Residential \_\_\_\_\_  
 Commercial \_\_\_\_\_ Commercial \_\_\_\_\_

Tenant Information: Residential Commercial Section 8

Tenant Occupied Units Before Rehabilitation

Tenants to be Permanently Displaced After Rehab \_\_\_\_\_

Tenants to Continue in Occupancy After Rehab \_\_\_\_\_

Status of Project Residency by Borrower(s)

Does any Borrower presently occupy the subject property? \_\_\_\_\_

Does any Borrower plan to occupy the property? \_\_\_\_\_

Hazard Insurance:

Company & Agent: \_\_\_\_\_

Amount of Coverage: \_\_\_\_\_

**LOAN APPLIED FOR (BUDGET):**

a) Construction:

Construction Estimate \$ \_\_\_\_\_

Contingency \_\_\_\_\_ % \$ \_\_\_\_\_

b) Planning & Design:

Architectural \$ \_\_\_\_\_

Engineering \$ \_\_\_\_\_

Other (specify) \_\_\_\_\_ \$ \_\_\_\_\_

c) Closing Costs:

Title Examination \$ \_\_\_\_\_

Recordations \$ \_\_\_\_\_

Title Insurance \$ \_\_\_\_\_

Revenue Stamps \$ \_\_\_\_\_

Other (specify) \_\_\_\_\_ \$ \_\_\_\_\_

d) Current Accruals:

Taxes \$ \_\_\_\_\_

Insurance \$ \_\_\_\_\_

Special Assessments \$ \_\_\_\_\_

Other (specify) \_\_\_\_\_ \$ \_\_\_\_\_

e) Total Rehabilitation Budget \$ \_\_\_\_\_

**EXISTING DEBT ON PROPERTY TO BE REHABILITATED:**

Lender's Name/Address	Original Mortgage or Lien	Monthly Payment	Unpaid Principal	Maturity Date
1. _____	_____	_____	_____	_____
2. _____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____

**UNIT MIX AND INCOME BEFORE REHABILITATION (ACTUAL FIGURES):**

Residential:

Type of Unit	Area in Sq. Ft.	# of Units Ea. Type	# of Units Occupied	Monthly Rent Per Unit	Gross Annual Rent
Efficiency					
1-Bedroom					
2-Bedroom					
3-Bedroom					

Commercial:

Use	Area in Sq. Ft.	Rate Per Sq. Ft.	Monthly Rent	Gross Annual Rent

Other Income	Source	Amount/Year

Total Annual Residential Income for Property      \$ \_\_\_\_\_

Total Annual Commercial Income for Property      \$ \_\_\_\_\_

Total Other Income from Property                      \$ \_\_\_\_\_

Gross Income Before Rehab                                 \$ \_\_\_\_\_

Do you plan to increase the number of residential or commercial units?     Yes     No

If yes, please describe:

**ESTIMATED ANNUAL OPERATING EXPENSES:**

		Tenant Payment	
Administrative			
Advertising	\$ _____		
Management	_____		\$ _____
Operating Expenses			
Electricity	\$ _____	\$ _____	
Fuel (Oil and Gas)	_____	_____	
Water	_____	_____	
Garbage & Trash Removal	_____	_____	
Payroll Taxes & Allowances	_____	_____	\$ _____
Maintenance			
Decorating	\$ _____	\$ _____	
Repairs	_____	_____	
Exterminating Services	_____	_____	
Insurance	_____	_____	
Grounds Maintenance	_____	_____	
Janitor Supplies	_____	_____	
Furniture & Furnishings	_____	_____	
Other (specify) _____	_____	_____	\$ _____
<b>TOTAL ESTIMATED OPERATING EXPENSES:</b>		\$ _____	

**PROJECTED ANNUAL OPERATING STATEMENT:**

Gross Projected After Rehab Income		\$ _____
Less Vacancy Allowance ( _____ %)		_____
Gross Effective Income		_____
Total Operating Expenses		_____
Total Taxes		
Real Estate	\$ _____	
Personal Property	_____	
Other (specify) _____	_____	
		\$ _____
Fixed Costs		
DIP Loan	\$ _____	
Other Loans	_____	
Other Fixed Costs	_____	\$ _____
Total Operating Expenses, Taxes and Fixed Costs		\$ _____
Projected Net Income Before Taxes		\$ _____

**PROJECT FINANCING:**

Please summarize the financing requirements for the project:

What is the source of 1/3 project match (equity, loan, sweat equity, work done in the past 12 months - provide receipts):

**Sources and Uses of Funds:**

Project Costs		Sources of Funds	
Property Acquisition	_____	Equity/Cash	_____
Renovations	_____	Bank	_____
Machinery/Equipment	_____	Potsdam DIP	_____
Working Capital	_____	Other	_____
Other	_____		
<b>Total</b>	_____	<b>Total</b>	_____

**LOAN REQUESTED/COLLATERAL:**

What is the total amount you wish to borrow from the Loan Fund? \_\_\_\_\_

How do you propose to collateralize the loan?

In addition to the collateral offered, are you prepared to sign a personal guarantee for the loan?  Yes  No

If your business does not perform as you expect, how will you pay off this loan?

Regulations require that, as a condition of this loan you demonstrate that you are not able to obtain sufficient and reasonable access to private capital, such as a bank loan. You will need to provide evidence that your project is not feasible without Potsdam DIP assistance. Staff will work with you to identify what documentation will be necessary to demonstrate that the project is not feasible without assistance from the Potsdam DIP Loan Fund.

**OTHER QUESTIONS:**

Is the business or any of its principals currently involved in any lawsuits that could have a financial impact on the business?

Yes  No

Has the business or any of its principals ever filed for protection from bankruptcy or have been bankrupt?

Yes  No

Are you behind in any of your taxes, including local property taxes?

Yes  No

Has any principal in the business ever been convicted of a felony?

Yes  No

If you answered yes to any of these questions, please discuss with the Planning and Development staff what additional information will be required.

**DECLARATIONS:**

I (we) authorize the staff of the Potsdam Planning and Development Office to order credit reports and/or other financial background information on my (our) personal and business financial background. I (we) authorize disclosure of all information submitted in connection with this application to any financial institution in consideration of any assistance that may be provided. I (we) waive all claims against the Village of Potsdam, the Potsdam Planning and Development Office, and their staff and consultants.

I (we) attest that to the best of my (our) knowledge, information and belief, the information contained in this application is correct and true. I (we) am (are) aware that the filing of false information in connection with this application may constitute an attempt to defraud the Village of Potsdam and may be a felony under the laws of the State of New York.

This is not a legally binding document for purposes of receipt of loan moneys. The loan request may be withdrawn at any time before the loan closing.

If the applicant is a sole proprietorship or a partnership, please sign below:

\_\_\_\_\_  
Signature Date Social Security Number

\_\_\_\_\_  
Printed Name and Title Date

\_\_\_\_\_  
Signature Date Social Security Number

\_\_\_\_\_  
Printed Name and Title Date

State of New York }  
County of St. Lawrence }

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me personally came \_\_\_\_\_, to me known, who, being be me duly sworn, did depose and say that deponent resides at \_\_\_\_\_, the company described in and which executed the foregoing instrument; that deponent had the authority to execute same by order of the Board of Directors or other authority of said company; and that deponent signed deponent's name thereto by like order.

\_\_\_\_\_  
Notary Public