

The Manchester Downtown Investment Fund

Loan Program

Guidelines and Application

Sponsored by:

*The Town of Manchester, Administered by the Department of
Planning and Economic Development*

Mission Statement:

The mission of the Fund is to promote economic development by partnering with owners to address contemporary code and access requirements in the designated Downtown District. The goal of the fund is to financially assist transformative projects by focusing on addressing the code and/or access issues when it can be demonstrated that they are the primary barrier to expanded or enhanced use of the space that would add jobs, value, economic vitality and taxable asset appreciation to the Downtown.

Downtown Investment Fund Loan Program Guidelines

Loan Program Parameters:

1. The loan program is limited to owners of real property within the Downtown Special Services District or potential owners with a signed contingency agreement;
2. Such loan must fund improvements that conform with the mission statement of the Downtown Investment Fund Loan Program;
3. Available funds will be prioritized for existing or proposed multi-story buildings with proposed retail, restaurant, entertainment or art-related uses on the first floor to enhance pedestrian engagement.
4. The total original loan pool is \$750,000;
5. Applications may be submitted between January 1, 2019 and December 31, 2022. Loan availability is subject to available funds
6. The terms are typically 10 years or less but may be adjusted for adequate debt coverage. Loan repayment is quarterly principle; repayment will begin one year after the loan is initiated; 50% of the loan will be converted to an awarded grant after the fifth year of repayment (capped at \$75,000) if the following conditions are met: repayment has never been in default; building is compliant with all Town building, zoning, fire and health codes; the building is currently occupied, consistent with the approved proposal, and has been for at least 42 months.
7. Loans over \$100,000 require a dollar-for-dollar matching façade or other improvement investment by the applicant;
8. Payments may be auto-debited from a checking or savings account;
9. The minimum loan amount is \$25,000 and the maximum loan amount is \$250,000 up to 50% of total cost of the project;
10. The number of loans per property may be limited to 1;
11. The Economic Development Commission will recommend expenditures from the loan fund to the Board of Directors by finding that the completion of the proposed code compliance improvements conform with the program mission and:
 - Significantly improve the long-term viability of the property;

- Are necessary to accommodate the proposed use or uses;
 - Respect any historically significant aspects of building façades;
 - Enhance the overall environment and economic viability of the Downtown;
 - Will result in a desirable use or uses. Such uses include but are not limited to:
 - Destination, anchor or niche retail, toy or hobby shop;
 - Restaurants, brewpubs, and specialty food stores;
 - Entertainment, arts and health and wellness venues;
 - Makerspaces;
 - Upper floor professional offices;
 - Upper floor market-rate or artist housing.
12. The property owner must receive tax clearance from the Manchester Collector of Revenue;
13. Loan proceeds must be used for real property improvements that will result in compliance with existing building, zoning, fire or health codes;
14. Loan proceeds must begin to be drawn within 60 days of the loan closing date, and all loan proceeds drawn within 1 year of the closing date (unless authorized additional time by the Town). Failure to draw funds within this timeline may result in requiring the resubmission of an amended application and an additional credit review. This loan is not a line of credit;
15. Loan origination, and loan servicing may be provided by an entity contracted by the Town;
16. Loan recipients must produce a qualified code analysis plan by a certified architect either at the time of application or prior to the disbursement of any loan funds. Such an analysis should outline all existing building, fire and health code-related issues and recommend a pathway to address those issues during conversion to the proposed use or uses.” Once complete such a code analysis plan must be reviewed and approved by the Chief Building Inspector or designee. Applicants may apply for mini-grants from the Downtown Special Services District to procure a qualified code analysis plan. Applications are available through the Department of Planning and Economic Development or at:
<http://planning1.townofmanchester.org/index.cfm/economic-development/development-services-and-incentives/>
17. The company must provide a certificate of insurance naming Town of Manchester as an additional insured each time a policy is renewed;
18. Determination of loan delinquency and default is made by the Town of Manchester. Late payment fees may be assessed;
19. Loan collections will be referred to the Town of Manchester’s Town Attorney’s Office.

Loan Funding Guidelines:

1. Acceptable code compliance expenses include the items below:
 - Building Code compliance, including ADA accessibility improvements, elevators and lifts, and other egress requirements;
 - Health Code compliance, including hazardous material removal;

- Fire Code compliance, including fire suppression systems and fire separation requirements.

Expenses incurred within three (3) months prior to approval of the application qualify with acceptable documentation evidencing incurrence or payment of these expenses.

Loan Application Instructions:

1. Loan applications must be made on the form attached.
2. One (1) original signed copy shall be postmarked or delivered to:

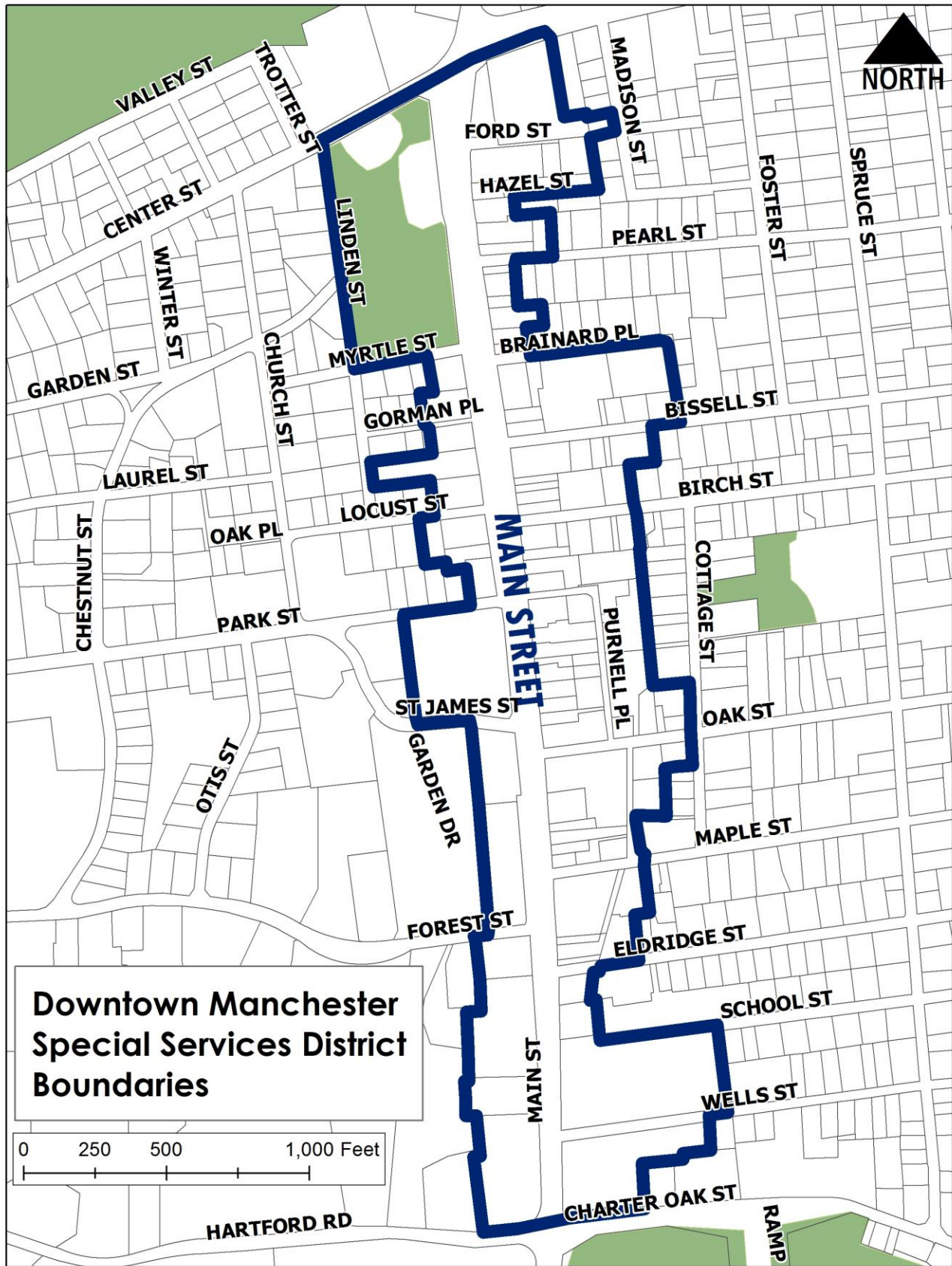
 Planning Department
 Downtown Investment Fund Loan Program
 PO Box 191
 494 Main Street
 Manchester, CT 06045-0191
3. All loan applications shall be accompanied by at least two (2), originally signed, letters of reference (names, addresses and telephone numbers included) who have personal and business relationships with the applicant (at least one letter from a personal relationship and one letter from a business relationship).
4. Loan applications that are not complete (all questions answered) or in compliance with steps 1-3 above may be considered non-responsive.
5. Applicants approved will be required to complete additional loan paperwork, including the payment of any reasonable processing fees, prior to accessing the loan funds.
6. Applicants must complete the Certification and Affirmation on pages 11 and 12 of the application.
7. Applicants must obtain a tax clearance certificate (valid for 90 days) from the Manchester Collector of Revenue for each property.

Loan Application Checklist:

- One complete, original signed and dated application submitted to Town.
- One complete copy for the applicant's own records and file.
- One (1) copy of the code analysis plan completed by a certified architect, or a signed contract indicating the analysis is underway.
- One (1) copy of at least two (2) character references in writing (see Item 3 Loan Application Instructions).
- Manchester Collector of Revenue Tax Clearance Certificate.
- Additional financial information (e.g. tax returns or letter of credit), if requested by the Town.
- A statement of corporate structure/ parent/subsidiary relationships- additional information may be required.
- Identification of the contractor or construction company expected to perform the work- additional information may be required.
- Signed and Notarized Certification and Affirmation page.
- All of the above in digital format on a USB flash drive or emailed to ganderson@manchesterct.gov
- A \$25 nonrefundable check or money order made out to the Town of Manchester (for credit reviews).

Loan Application Process

1. Application submitted to Planning and Economic Development Department
2. Staff reviews for completion
3. Complete applications referred to the Economic Development Commission (EDC)
4. Applicant presents conceptual plan to the EDC at a public meeting
5. EDC either approves, denies or takes no action on conceptual project
6. Approved projects sent to Finance and Building staff for approval of financials and code analysis plan
7. Approved projects referred to EDC for final action
8. Loan documents drafted and signed by applicant and Town of Manchester



Town of Manchester Downtown Investment Fund Code Compliance Loan Application

All applicants must read and follow the Guidelines section of this Application. The Guidelines section contains information on the Loan Program Parameters, the Loan Application Instructions, and the Loan Application Checklist.

PROPERTY INFORMATION

Owner Name

Address

City

State

ZIP

Date of Birth

Home Telephone

Business Telephone

Cell Telephone:

Fax

E-Mail

Tenant Name **(if multiple tenants, complete tenant list on page 7 of application)**

Business Location (if different)

City

State

Zip

County

Date business was established

Number of Current Employees: Full Time: _____ Part Time _____

Type of Tenant(s)

Federal ID Number:

Type of Code violations addressed

Any personal/business judgments, unsettled lawsuits or major disputes? Yes _____ No _____
If yes, please explain.

Has the business, or any principals, been involved in bankruptcy or insolvency proceedings? Yes _____ No _____
If yes, please explain.

Are you a U.S. Citizen? Yes _____ No _____ (If no, mail a copy of Alien Registration Card Form I-151 or I-551.)

FINANCING INFORMATION

Total amount of loan request (maximum \$250,000) \$ _____

Purpose of loan request

Personal (not borrowed) funds available to invest in property \$ _____

Other Sources of Funds:

Have you contacted your bank for financing? Yes _____ No _____ Name of bank _____

Who referred you to the program? _____ Phone _____

DEMOGRAPHIC INFORMATION

The Town has requested that we obtain the following information for statistical purposes only. Please circle all those that apply.

Property owned by (> 50% Female owned) (> 50% minority owned)

Veteran Status Non-Veteran Vietnam-era Veteran Other Veteran

Ethnicity: African American White Hispanic Asian/Pacific
Islander Eskimo/Aleuts American Indian Multi Ethnic

What is your combined yearly household income as of today? \$ _____

How many are in your household?

ADDITIONAL INFORMATION

Please provide the following items with a completed application and forms.

- Check for \$25 made payable to Town of Manchester for a credit review.
- Qualified Code Analysis Plan

CERTIFICATIONS

Please read the following and sign the Application Form. All owners, officers, and partners must sign this application.

The information in this Loan Application is provided for the purpose of applying for funds under the Town of Manchester Downtown Investment Fund. The information is accurate to the best of my knowledge. I understand that personal and/or business information may be requested pursuant to this loan application and I hereby give my consent for such information to be provided to the Town. I also understand that the Town retains the sole decision as to whether this loan application is approved, disapproved, or modified. It is my right to accept or decline the loan amount, rate and terms approved by the Town of Manchester.

I AUTHORIZE TOWN OF MANCHESTER to keep this application whether or not my request for credit is approved. By signing below, I authorize TOWN OF MANCHESTER to obtain a credit report on me through the credit-reporting agency of its choice, as well as to answer questions others may ask about my credit record with TOWN OF MANCHESTER (if applicable). I understand that I must provide updated credit and financial information as requested if my financial condition changes.

Print Name

Signature

Date

Print Name

Signature

Date

The Town of Manchester is an Equal Opportunity lender. The Town of Manchester will not discriminate against any loan applicant because of his or her race, color, religion, sex, handicap, familial status, or national origin.

PROJECT NARRATIVE

Please describe the project, in terms of scope and building improvements as it applies to the mission statement of the Downtown Investment Fund. Include the estimated cost of the project. Attach additional pages as necessary.

PERSONAL FINANCIAL STATEMENT

As of _____, 20_____

Complete this form for: (1) each owner, or (2) each limited partner who owns 20% or more interest and each general partner, or (3) any other person or entity providing a guaranty on the loan.

Name: _____

Phone: _____ Res. Phone: _____ E-mail: _____

Residence Address: _____ City/State/Zip: _____

Name of Applicant/Borrower: _____

| ASSETS | (Omit cents) | LIABILITIES | (Omit cents) |
|--|--------------|--|--------------|
| Cash on Hand and in Banks | \$ | Accounts Payable | \$ |
| Savings Accounts | \$ | Notes Payable to Banks and Others (Describe in Section 2) | \$ |
| IRA or Other Retirement Accounts | \$ | Unpaid Taxes (Describe in Section 6) | \$ |
| Accounts and Notes Receivable | \$ | Installment Account (Other) Mo. Payments \$ | \$ |
| Life Insurance – Cash Surrender Value Only (Complete Section 8) | \$ | Loan on Life Insurance | \$ |
| Stocks and Bonds (Describe in Section 3) | \$ | Line of Credit tied to Real Estate | \$ |
| Real Estate (Describe in Section 4) | \$ | Mortgages on Real Estate (Describe in Section 4) | \$ |
| Automobile – Present Value | \$ | Installment Account (Auto) Mo. Payments \$ | \$ |
| Other Personal Property (Describe in Section 5) | \$ | Other Liabilities (Describe in Section 7) | \$ |
| Other Assets (Describe in Section 5) | \$ | | |
| Total Assets | \$ | Total Liabilities | \$ |
| | | Net Worth | \$ |

| SECTION 1. Source of Income | Contingent Liabilities |
|--------------------------------|----------------------------------|
| Salary | As Endorser or Co-Maker |
| Net Investment Income | Legal Claims and Judgments |
| Real Estate Income | Provision for Federal Income Tax |
| Other Income (Describe below)* | Other Special Debt |

Description of Other Income in Section 1. Please describe any recurring income not reflected on previous tax returns:

*Alimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.

SECTION 2. Notes Payable to Bank and Others (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

| Name and Address of Note Holder(s) | Original Balance | Current Balance | Payment Amount | Frequency (monthly, etc.) | How Secured or Endorsed Type of Collateral |
|------------------------------------|------------------|-----------------|----------------|---------------------------|--|
| | | | | | |
| | | | | | |
| | | | | | |

SECTION 3. Stocks and Bonds (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

| Number of Shares | Number of Securities | Cost | Market Value Quotation Exchange | Date of Quotation/Exchange | Total Value |
|------------------|----------------------|------|---------------------------------|----------------------------|-------------|
| | | | | | |
| | | | | | |
| | | | | | |

SECTION 4. Real Estate (List each parcel separately. Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

| | Property A | Property B | Property C |
|-----------------------------|------------|------------|------------|
| Type of Property | | | |
| Address of Property | | | |
| Name of Property Owner | | | |
| Date Purchased | | | |
| Original Cost | | | |
| Present Market Value | | | |
| Name of Lender | | | |
| Loan Number | | | |
| Loan Balance | | | |
| Amount of Payment per Month | | | |
| Status of Loan | | | |

SECTION 5. Other Personal Property and Other Assets (Describe, and if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment, and if delinquent, describe delinquency.)

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SECTION 6. Unpaid Taxes (Describe in detail as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)

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SECTION 7. Other Liabilities (Describe in detail.)

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SECTION 8. Insurance Held (Give face amount and cash surrender value of policies – name of insurance and beneficiaries.)

SECTION 9. Ability to Pay Full Project Costs

Sources of Funds

| | |
|---|----|
| Manchester Downtown Investment Fund Loan | \$ |
| Bank Loan | |
| Grant Funding | |
| Cash | |
| Other | |

| | |
|-------------------------------------|----|
| Total Funds From All Sources | \$ |
|-------------------------------------|----|

Uses of Funds

| | |
|-----------------------------|----|
| Project Construction | \$ |
|-----------------------------|----|

| | |
|----------------------------|----|
| Total Uses of Funds | \$ |
|----------------------------|----|

I authorize Lender to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I certify the above and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of either obtaining a loan or guaranteeing a loan. I understand FALSE statements on a Manchester Small Business Loan application may subject me to the penalties prescribed by section 570.140, RSMo. FALSE statements on a conventional loan application may result in fines and imprisonment under relevant Federal and State laws.

Signature: _____ Date: _____ Social Sec. No.: _____

Signature: _____ Date: _____ Social Sec. No.: _____

CURRENT AND PROPOSED TENANT LISTING

| Name | Type of Business | Lease Term | Value \$ |
|------|------------------|------------|----------|
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CERTIFICATION AND AFFIRMATION

- I certify that I am an authorized representative of the Applicant and as such am authorized to make the statement of affirmation contained herein.
- I hereby agree to allow representatives of the Town of Manchester access to the property and applicable records as may be necessary for the administration of the Manchester Downtown Investment Loan Program.
- I certify under penalties of perjury that the above statements and information contained in the application and attachments are complete, true, and correct to the best of my knowledge and belief.
- I attest the information submitted by the Company to the Town of Manchester regarding the Project is consistent with documents provided to lenders, other governmental entities or investors who may provide funding for the Project and that the Town of Manchester is authorized to verify such information from any source.
- On behalf of the Company, we agree to disclose any information to the Town of Manchester regarding any person who owns an ownership interest or who is employed in a management capacity by the Company and who has committed a felony, is presently under indictment or is on parole or probation for a felony; with the understanding that this information will be used by the Town of Manchester solely for performing its due diligence obligations and that such information, if any, will not necessarily disqualify the company unless the Town of Manchester believes such information might impact the Company's ability to perform its obligations under this Program.
- I attest there are no pending or threatened liens, judgments, or material litigation which is likely to affect the viability of the property as an ongoing concern.
- I certify the property does not have any delinquent non-protested federal, state or local taxes
- I certify that neither the operations of the property nor the requested funding would violate any existing agreement.
- I certify that the Applicant has not filed (nor is about to file) for bankruptcy.
- I certify the Applicant has not failed to fulfill any obligations under any other state or federal program.
- I certify the signatory is the authorized representative of the applicant and is authorized to make the statement of affirmation contained therein.

Required Attachment:

| | |
|------|-------|
| Name | Title |
|------|-------|

| | |
|-----------|------|
| Signature | Date |
|-----------|------|

STATE OF CONNECTICUT)
)ss.
COUNTY OF HARTFORD)

On this _____ day of _____, 20 before me,

_____ ,

a Notary Public in _____, and for said state, personally

appeared _____, known to me to be the

person who executed the Certification and Affirmation and acknowledges and states on his/her oath to

me that he/she executed the same for the purposes therein stated.

Notary Public

My commission expires