

DOWNTOWN BUILDING & BUSINESS REVOLVING LOAN FUND



City of Platteville Redevelopment Authority

The City of Platteville Redevelopment Authority (RDA) administers several programs to help strengthen and enhance the downtown area. To encourage investment in the downtown area, the RDA is offering loans to assist in the renovation and improvement of properties and the growth and expansion of businesses.

Property Eligibility Requirements:

Eligible properties must be located in the downtown area within Redevelopment Area 1, as designated by the City of Platteville Redevelopment Authority (map attached). The property must be currently used for, or proposed to be used for, commercial or mixed-use activities.

Eligible Projects:

Interior Renovation & Expansion into Underutilized Space. The program is intended to be used for renovating deteriorated, vacant, or underutilized floor interiors for new and higher economic uses. Exterior improvements that are necessary to maintain the structural integrity of the building may also be eligible, as part of the overall project costs. Examples of eligible rehabilitation activities include, but are not limited to: Repairing and/or replacing interior features such as stairs, elevators, lighting fixtures, etc.; Reconstruction and/or installation of floors, walls, stairs and other permanent fixtures; Installation and/or repair of mechanical systems such as heating, air-conditioning, electrical, plumbing, fire protection, etc. Design and permit fees associated with the construction are also eligible project costs.

Façade & Exterior Improvements. Loans may be used for restoring or enhancing the facade or elevation of a building, and for installing other site improvements. Eligible items include uncovering and restoring historical facades, removing existing facade materials, and replacing them with more appropriate and attractive designs and materials, signage, painting, cleaning and tuckpointing masonry, and other detailing which leads to a substantially enhanced appearance. The program is primarily intended to fund projects that significantly improve the visual appearance of the property from the street. Roofing or other projects that do not improve the appearance of the property are not eligible. Design and permit fees associated with the construction are eligible project costs.

Property and/or Business Purchase. Loans may be obtained to assist with the acquisition of a property or business. Generally, the role of the RDA is to provide gap financing to supplement financing obtained through a standard financial institution.

Loan Details:

The loan amount is variable depending on the cost and complexity of the project, the amount of housing units or area of commercial space created, the amount the project will increase the value of the property, and the anticipated benefit to the downtown area. The maximum loan amount is also dependent on the amount of program funds available. A completed application form and accompanying project details must be submitted to the Community Planning & Development department. A loan agreement will be required for all approved projects prior to distribution of funds.

Terms

1. Most loans will be made available at one percent interest (1%), subject to the availability of RDA funds. Larger loans may have rates set near the City's borrowing rate.
2. All loans shall be paid in full within a period set by the Authority, but not more than ten (10) years. The Authority may approve amortization schedules up to twenty-five (25) years with a balloon payment not later than year ten (10).

Collateral

1. The repayment of loans used to purchase real estate or improve buildings shall be secured by a mortgage interest in such real property. The combined total of the RDA loan and any other liens having priority over the RDA loan shall not exceed ninety percent (90%) of the fair market value of the mortgaged property.
2. The RDA may require that repayment of a loan used for purposes other than purchasing real property or improving buildings be secured by a mortgage interest in real property or a security interest in other property. In such cases, the loan to value ratio, the priority of the Authority's security interest in the collateral, and other terms, shall be as determined by the Authority on a case-by-case basis.
3. The Authority requires that repayment of any loan be secured by personal or corporate guarantees.
4. The applicant must provide such other documentation or evidence as the Redevelopment Authority may request to establish the fair market value of collateral. The applicant may also provide any evidence of value it wishes the Authority to consider.
5. The applicant must provide such title evidence and/or title insurance relating to collateral that the Authority may require on a case-by-case basis.
6. The Authority shall require that collateral be insured, and that the proceeds of insurance be used to repair or replace any damage to collateral or paid to the Authority.
7. The Redevelopment Authority may consider releasing collateral during the term of the loan so long as the Authority's investment of public funds is protected. In order to protect the investment of public funds, the Redevelopment Authority may also seek additional collateral at renewal of the loan.

Loan Payments

Loan Payments must be electronically deposited in an account to be established at the time of loan closing. The City Financial Operations Manager or his/her staff will record each payment made and ensure that deposits are made in a timely manner. Loan Payments must be received as per the scheduled due dates. Payments received five (5) or more days after the due date may be subject to a penalty. Loans left unpaid for forty-five (45) days may be turned over to a collection agency for the collection of the remaining loan balance, reported to credit agencies, and/or placed as a special charge on the property tax bill. The City Finance Director is responsible to ensure that collection of loan defaults are pursued to the fullest extent of the law. Legal fees and costs associated with collections shall be at the borrower's expense.

Other Information and Requirements:

Information divulged to the Redevelopment Authority in open session should not be considered confidential. Such information may be open to the public under Wisconsin Law. Please do not provide information you wish to have remain confidential.

The owner shall obtain building permits as required, and projects located within the Main Street Historic District that involve exterior modifications shall also receive approval from the Historic Preservation Commission. The owner shall assist and actively cooperate with the City in obtaining the compliance of contractors with such provisions of the Municipal Ordinances, and with the rules, regulations and relevant orders issued by the City pursuant to such provisions of the Ordinances.

Contact: Joe Carroll
Department of Community Development
75 North Bonson Street
Platteville, WI 53818
608-348-9741 x 2235
carrollj@platteville.org

