

## **Commercial Façade Loan Program (CFLP)**

### **PURPOSE**

This incentive provides gap financing in the form of a minimum interest loan to businesses or property owners that wish to make exterior façade improvements on their property where the applicant is unable to fully finance the proposed project after exhausting equity, bank financing, and other private and public financing.

The policies and procedures contained within this document are to present the criteria which govern the economic development activities assisted with funds made available through the Winchester Economic Development Authority (EDA) Commercial Façade Loan Program (CFLP).

### **TERMS AND CONDITIONS**

Generally, the CFLP offers a 2.5% interest rate for projects located within the Enterprise Zone (EZ) and 3.5% for non-EZ projects with a maximum loan amount of \$35,000. The term of the loan shall be a 5-year period.

The EDA board may award incentives above the threshold in cases where the project significantly impacts economic and/or workforce development efforts within the City of Winchester. For a project to significantly impact economic and/or workforce development efforts, it must achieve several of the Citywide Economic objectives as defined by the most recent Winchester Comprehensive Plan. The ultimate incentive value is at the full discretion of the board.

Loans shall be made in conjunction with other sources of financing. EDA loans serve as secondary sources of financing after primary, private lending sources are exhausted.

A monthly amortized payment schedule will be established. There will be no penalty for early repayment.

Collateral requirements shall be determined on an individual basis by the EDA and may include: deeds of trust on land and buildings; liens on fixed and major movable equipment; liens on accounts receivable and inventory; liens on the corporate assets of affiliated businesses, when appropriate; and key-person life insurance coverage naming

the City as a beneficiary, when appropriate. This collateral may be subordinated to private sector financial institutions participating in the CFLP project, if required.

Loans are possible if the property is being leased or purchased under contract if all parties to the lease or contract agree to the improvements in writing.

All plans for properties located within the Primary or Secondary Districts must be approved by the Board of Architectural Review to ensure consistency with the architectural theme.

## **APPLICATION PROCESS**

Applicants should submit a completed loan application form with detailed descriptions of the proposed work, cost estimates, and written bid(s) from licensed, and bonded contractor(s). Applications must be submitted before the work is completed.

Applications with all required materials will be forwarded to the Finance Committee of the Winchester Economic Development Authority for preliminary review prior to a full board vote for approval. Loan approval and award amounts are at the discretion of the Economic Development Authority Board. Full loan amounts are not guaranteed.

Any information submitted by the applicant that is intended to remain confidential shall be noted with specificity. The EDA shall determine (with advice from legal counsel if needed) whether any such information qualifies for confidential treatment under applicable Virginia law. Any questions regarding confidential treatment should be discussed with the EDA prior to the submission of any information requested by the applicant to remain confidential.

The applicant will need to receive financial approval as part of the approval process and the financial underwriting criteria.

The EDA shall require the applicant to pay all of the costs, if any, incurred by the EDA for the CFLP loan closing, including but not limited to appraisal, legal, environmental, title insurance, recording costs and filing fees. The fees may be included in the loan application as an eligible use of CFLP proceeds.

All approved EDA loans require the signing of a promissory note to receive funds.

If approved, the applicant must complete the work detailed in application within twelve (12) months of receiving the funds.

Only one application may be approved per physical address, as determined by tax map ID, during the life of the loan. Subsequent applications outside of the 5-year loan interval may be considered if the work performed differs substantially from work previously approved.

## **ELIGIBLE AREA**

The incentive is available citywide; however, priority will be given to businesses located within the EZ.

## **ELIGIBLE APPLICANTS**

Any business or property owner of a commercial, mixed-use\*, and/or industrial property within the City of Winchester is eligible to apply.

In order to receive incentives from the EDA, applicants must be in good standing with or otherwise recognized by the State Corporation Commission as eligible to transact business in Virginia, as well as recognized by the CoR and Treasurer for the City of Winchester as eligible to transact business in the City, in possession of a current business license to operate in the City (as applicable) and not be delinquent in paying any prior taxes.

The EDA shall not discriminate on the basis of race, religion, sex, color, age, sexual orientation or national origin in reviewing and approving applications and administering the incentive program.

\*"Mixed-use" is defined as a building incorporating residential uses in which a minimum of 35% of the usable floor space is devoted to commercial, office, or industrial purposes.

## **INELIGIBLE APPLICANTS**

No member of the Winchester City Council; the EDA; or any other official, employee, or agent of the City who exercises decision-making functions or responsibilities in connection with the implementation of the CFLP is eligible for financial assistance under this program.

Non-profits organizations, banks, savings and loan associations, non-independently owned gas stations, used car lots, adult entertainment establishments, check cashing outlets, and furniture and appliance rental shops are ineligible for EDA incentives.

## **ELIGIBLE ACTIVITIES**

Eligible projects include rehabilitation and restoration, as well as painting, awnings, and signage for the exterior façade of the building. The exterior façade is defined as the frontage of a building that faces a major roadway. Murals or exterior artwork outside of signage, Interior rehabilitation, landscaping, purchase of inventory, promotions or business venture expansions does not qualify.

## CFLP APPLICATION

Legal Name of Business:	Tax ID#:
Property Address:	Telephone #:
Website:	Date Established:
Applicant:	Telephone #:
Address:	Email:
Co-Applicant:	Telephone #:
Address:	Email:
Property Owner:	Telephone #:
Property Owner's Address:	Email:
<p>Structure of Borrower (Check One)</p> <p>Sole Proprietorship: <input type="checkbox"/>      S-Corporation: <input type="checkbox"/>      C-Corporation: <input type="checkbox"/></p> <p>Limited Liability Company: <input type="checkbox"/>      Limited Partnership: <input type="checkbox"/>      Other: _____</p>	
<p>Is this business New or Existing?</p> <p>New: <input type="checkbox"/></p> <p>Existing: <input type="checkbox"/></p>	<p>Is this business in the Enterprise Zone?</p> <p>Yes: <input type="checkbox"/></p> <p>No: <input type="checkbox"/></p>
<p>Amount Requested (<i>May not exceed \$35,000</i>):</p>	

**MANAGEMENT & OWNERSHIP**

Proprietor, partners, key personnel, officers, directors and all shareholders 100% ownership must be shown.

Name:	Title:	# of Years with Business:
Address:		% Owned:
Telephone #:	Email:	
Name:	Title:	# of Years with Business:
Address:		% Owned:
Telephone #:	Email:	
Name:	Title:	# of Years with Business:
Address:		% Owned:
Telephone #:	Email:	

**PROPOSED PROJECT**

Describe the overall project for which financing assistance is being requested. *If more space is needed, please continue on a separate sheet.*


**PROJECT TIMELINE**

When will the project be completed? If the project was carried out in stages, please list the approximate completion date of each stage.


**FINANCIAL COMMITMENT**

Please attach detailed invoices relating to the amount of capital investment that you leveraged for the project.

**JOBS**

State the number of Full-Time and Part-Time positions presently employed by your business (if applicable)

PT: \_\_\_\_\_  
 FT: \_\_\_\_\_

**JOBS BEING CREATED AS A RESULT OF THIS PROJECT**

Job Type	Number to be Hired	Special Training Required?	Hours per week, PT/FT?	Wage estimated

Estimate the number of positions that will be created over the next (5) year period of time: \_\_\_\_\_

**REFERENCES**

Provide three (3) professional references including at least one creditor and one trade reference.

Name of Reference:	# Years Known:
Relationship:	Telephone #:
Address:	

Name of Reference:	# Years Known:
Relationship:	Telephone #:
Address:	
Name of Reference:	# Years Known:
Relationship:	Telephone #:
Address:	

**DISCLOSURES**

1. Have you or any officers of the company ever declared bankruptcy or defaulted on any financial or contractual obligation?  
 Yes:  No:
  
2. Are you or your business involved in any pending litigation?  
 Yes:  No:
  
3. Are you or your business delinquent on any federal, state or local taxes?  
 Yes:  No:
  
4. Have any of the individuals listed in the "Management & Ownership" section been convicted of a felony?  
 Yes:  No:

\*If the answer is YES to any of the above, please explain:

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**CERTIFICATION**

I certify the above information and statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of obtaining a loan. I authorize the Economic Development Authority of the City of

Winchester to make inquiries as necessary to verify the accuracy of the statements made and to determine by credit worthiness.

I give my consent for the Commissioner of the Revenue to divulge and the City Manager and his/her designee(s) to receive any and all information pertaining to the assessment, payment and/or collection of taxes paid by the applicant, such information to be used for the sole purpose of administering this incentive.

I authorize the EDA to investigate the applicant's and affiliated companies' credit and financial records including bank records. As part of the investigation, I authorize the EDA to request and obtain consumer credit reports on the applicant and affiliated companies' in connection with the opening, monitoring, renewal, and extension of this other loan requests with the EDA. I understand that the EDA may ask for additional information not listed as they deem necessary to complete my application.

Funds will not be disbursed if improvements do not comply with the project as approved. Applicant agrees to terms as set forth above and agrees to abide by loan policies.

Signed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Applications can be submitted in person, by mail, or electronically to the Economic Development Authority located at 117 E. Piccadilly St., Ste. 301, Winchester, VA 22601. Applications may also be emailed to [econ.dev@winchesterva.gov](mailto:econ.dev@winchesterva.gov).



## REQUIRED DOCUMENTS

<b>Application Checklist</b>	<b>Check Off When Completed</b>	<b>For Office-Use Only</b>
Completed CFLP Application		
A written business plan and financial proposal. This should include a brief company history including when it started or is to start, legal structure, management, markets, and products.		
A marketing plan, including a list of key customers and clients a discussion of your industry, and a discussion of competition, need for CFLP financing and other matters relevant to your application.		
Financial Commitment. (A document detailing how much capital investment you will be leveraging personal equity and lending for the project.)		
A debt schedule listing debt, to whom payable, and monthly debt amount for each owner with twenty percent (20%) or greater ownership or any co-signers and/or guarantors for the requested loan		
Aging of accounts receivable and accounts payable corresponding with latest available financial statements		
Most recent two (2) years personal Federal Income Tax returns [1040] for each owner with twenty percent (20%) or greater ownership		
Personal Financial Statement for each owner with twenty (20%) or greater ownership or any co-signers and/or guarantors for the request loan including recent credit reports		
Projected Balance Sheets, Income Statements and Cash Flow Statements for two (2) years (first year on a month-by-month basis for new businesses)		
For businesses less than two (2) years old, personal resumes for individuals listed in "Management &		

Ownership” section of application, including: number of years of experience in the business; educational background; and role in the proposed or existing business.		
If applicable, letters from all interested parties (if the building is under lease or contract) agreeing to the scope of the work.		
Letters of commitment from all financial institutions or other sources of funds for the debt financing that are included in the project		
If applicable, please include details if you, other stockholders or partners ever defaulted on loan obligations or been involved in bankruptcy proceedings		
If applicable, please include details if your present company(ies) or any of your past business enterprises ever defaulted on financial or contractual obligations		
Details if you or your business is involved in any pending lawsuits		
Details if you, other stockholders or partners ever were convicted of a felony		
A copy of the franchise agreement if your business is a franchise		
A copy of your company’s organizational documents (i.e. Articles of Incorporation, By-Laws, Partnership Agreement, Fictitious Name Documents, etc.)		
A signed affidavit confirming the applicant is not delinquent or in default on federal, state, or local taxes or any existing private or publicly financed loan.		
A rendering or diagrammatic drawing depicting the exterior of the building, of all construction work, including new lighting and signage		
A list of vendor/supplier cost estimates (including installation) of supplies and labor to be purchased with the loan if applicable		

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**INTERNAL USE ONLY**

Amount requested:
Amount suggested after review:
Approval by EDA (Y/N, amount, date):
Check issued (date):
Comments: