

**DOWNTOWN  
DEVELOPMENT  
AUTHORITY**

**FACADE LOAN PROGRAM**

**DESIGN PROCEDURES  
LOAN PROCEDURES**



D O W N T O W N

## DOWNTOWN DEVELOPMENT AUTHORITY MAIN STREET PROGRAM

576 LIBERTY PARK  
LAPEER, MI 48446  
(810) 664-4553

### CITY OF LAPEER DOWNTOWN DEVELOPMENT AUTHORITY FACADE LOAN FUND LOAN PROCEDURES

#### Loan Terms and Interest Rate

Businesses located within the Downtown Development District may borrow up to \$10,000 per facade for 4 years at 4% or the same amount for 8 years at 8%. No loan shall exceed \$20,000.

The Facade Loan Fund is intended to leverage additional funds from private sources, therefore, it may be used in conjunction with other loans.

#### Marketing

Lapeer Main Street, Inc., through the City of Lapeer's Downtown Development Authority Office, located at 576 Liberty Park, Lapeer, MI 48446, will be responsible for the marketing of the Loan Fund Program within the Downtown Development District.

#### Loan Pool Management

The Lapeer Development Corporation, located at 449 McCormick Drive, Lapeer, MI 48446, will administer the loan fund and service the individual loans.

The loan fund is managed cooperatively by the following organizations:

1. The Lapeer Main Street, Inc. was formed by the Lapeer Downtown Development Authority Board Members to facilitate rehabilitation of the downtown district. The Lapeer Main Street, Inc. board is the primary organization involved in the Facade Loan Fund Program.
2. The Lapeer Downtown Development Authority was established in 1982. Since its inception, the DDA board has financed and implemented a wide range of activities to build and promote the downtown district.
3. The Lapeer Development Corporation is a community based, non-profit, economic development corporation covering Lapeer County. The Lapeer Development Corporation, certified by the Small Business Administration, has and currently manages a loan portfolio of over \$2,000,000. The Lapeer Development Corporation has demonstrated the ability to screen loans to determine repayment ability, assist small businesses develop business plans, structure loans and service loans.

## Facade Loan Fund Committee

Lapeer Main Street, Inc.'s Loan Committee, in conjunction with the Lapeer Development Corporation, will review each loan on an ability to pay basis and have the authority to approve or disapprove a loan request. The Committee will consist of the Chairperson, Treasurer and one at large member of the Lapeer Main Street Board. The Lapeer Development Corporation's Financial Analyst will present a financial analysis for each loan request to the Facade Loan Committee for their review. The DDA Executive Director shall serve as Secretary of the Committee.

## Approval Criteria

- A. The financial information submitted by the applicant and the financial analysis prepared by the Lapeer Development Corporation adequately demonstrates an ability to repay the loan.
- B. If necessary, the Executive Director of the Downtown Development Authority will make a determination that the building for which the loan is requested is in adequate condition to be rehabilitated and put to commercial use for the term of the loan.
- C. The funds loaned are to be used on the facade of the building, except for interior items related to exterior work. The facade loan design guidelines shall establish the criteria for the use of the funds.
- D. All work done on the facade of the building meets the conditions set forth by the Lapeer Main Street, Inc.'s Design Committee.
- E. The applicant shall provide the following financial information to the Lapeer Development Corporation for the screening of the loan:
  - 1. Balance Sheets (3 years)
  - 2. Profit and Loss Statements (3 years)
  - 3. Projected Cash Flow (by month for 12 months)
  - 4. Projected Employment (total persons expected to employ during term of loan)
  - 5. Personal financial statements of the applicant

If the applicant has no previous financial statements, the loan screening will be based on cash flow projections.

The following additional information may be requested by the Lapeer Development Corporation prior to approval of the loan:

- 1. Verification of proper insurance coverage
- 2. Credit check
- 3. Verification of property taxes paid
- 4. Tax returns

### Loan Approval/Disapproval

The loan committee shall make a formal recommendation for each approved design project to the Lapeer Main Street Board for their consideration.

### The Closing Process

1. Upon approval of the project and facade loan by the Lapeer Main Street, Inc. Board, the Lapeer Development Corporation will coordinate the closing process. The closing fee will be paid at the time of closing.
2. At the closing, the applicant may be asked to sign the following:
  - A. Affidavit As To Use of Loan Proceeds for Business Purposes
  - B. Note
  - C. Participating Business Loan Agreement
  - D. A Mortgage

### Repayment

1. The Lapeer Development Corporation will provide the applicant with an amortization schedule and coupon book for the loan.

Repayments shall begin 30 days after the date of closing. Payments are made to the Lapeer Main Street, Inc. and are mailed to the Lapeer Development Corporation, 449 McCormick Drive, Lapeer, MI 48446.

2. In the event of delinquency, the Lapeer Development Corporation will:
  - A. Make a telephone call to the loan recipient informing them of the delinquency.
  - B. Follow-up the telephone call with a letter.
  - C. If payment is not received at this point, the Loan Committee of Lapeer Main Street, Inc. will be notified. The Committee will review the loan and action to collect the loan may take place, pursuant to the loan agreements.
3. In the event it is the decision of Lapeer Main Street, Inc. to take necessary legal action to recover losses of non-performing loans, the stated terms of the facade loan agreement shall become effective.

**CITY OF LAPEER  
DOWNTOWN DEVELOPMENT AUTHORITY FACADE LOAN FUND  
DESIGN PROCEDURES**

**DESIGN PROCEDURE**

The following is a list of the procedural steps necessary to be completed for Facade Loan Funds. If it is necessary for your project to deviate from these procedures, the Design Committee or the Executive Director of the Downtown Development Authority must be notified at (810) 664-4553.

1. Call the Downtown Development Authority to inquire about your possible project. At the initial call, the Downtown Development Authority office will be able to advise you as to whether your property is within the Downtown Development District.
2. The potential applicant should then receive a copy of the design guidelines along with the cover letter indicating that the guidelines should be passed onto the applicant's architect if he has one.
3. If the applicant does not have an architect of his own, and wishes to take advantage of the Downtown Development Authority's free design assistance program, the Downtown Development Authority office can recommend a participating architect. Free architectural design services are available up to \$1,200.00. In the instance when the applicant does not pursue an approved design, a fee of \$500.00 will be due to the Facade Loan Program.
4. The applicant, his architect, the Executive Director of the Downtown Development Authority and the Design Committee meet to discuss preliminary design considerations. At this time, questions regarding procedure can be clarified and the design guidelines are reviewed.
5. The drawing and written recommendations of the architect for a rehabilitation or new construction project are submitted to the Executive Director of the Downtown Development Authority. At this time, the project can be evaluated for adherence to the guidelines.
6. The Executive Director of the Downtown Development Authority will then send a letter with a recommendation to the Design Committee. At this time, the Executive Director of the Downtown Development Authority (1) will recommend that the Design Committee approve the design project, (2) will recommend that the design be submitted to another architectural firm for review, or (3) will recommend that the applicant and architect reconsider their choice of design as it is not in conformance with the guidelines.
7. The Downtown Development Authority Design Committee will formally review the project design that has been recommended for approval and will make a recommendation to the Lapeer Main Street Board for their action.

8. Additional meetings of the Design Committee may be scheduled at the request of the Chairman of the Design Committee, the Downtown Development Authority Executive Director, or at the request of the applicant or architect. The Downtown Development Authority Design Committee shall meet as necessary to review design work in progress or to consider design issues that may arise.
9. Upon approval of the Design Committee of the architectural plans and the project cost estimates, the applicant should contact the Lapeer Development Corporation at (810) 667-0080 to request an application packet for Facade Loan funds.
10. The Downtown Development Authority will issue its letter of recommendation on the project to be attached to the applicant's facade loan fund application.

**CITY OF LAPEER  
DOWNTOWN DEVELOPMENT AUTHORITY  
FACADE LOAN PROGRAM DESIGN GUIDELINES  
FOR NEW CONSTRUCTION**

**RECOMMENDED**

Maintain compatibility with district through proper scale, color, design patterns, roofing, windows and other elements distinctive to the district.

Infill buildings (new buildings between or adjacent to existing buildings) should be placed in a plane parallel to and with the same setback as the adjacent building(s).

Use sand mold or semi-smooth faced brick of red, pink, cream or light brown color. Use appropriately colored mortar (red or gray). Corbeled brick, soldier coursing and other brick patterns similar to original structure patterns should be encouraged.

Window patterns and styles should be compatible with historic buildings. Repetitive patterns on the second stories are encouraged. Street level display windows should be compatible with historic buildings.

Windows should be of wooden construction or of aluminum with a black or dark bronze finish. Wooden windows can be painted in with an overall color scheme.

Building facades should terminate at the upper level with a parapet wall of masonry which can be straight or could have corbeled brick or brick patterns.

Standing seam metal roofing on sloped roofs can be encouraged if proper colors are used.

Signs should be simple, flat against buildings, of good design compatible with historic buildings.

**NOT RECOMMENDED**

Attempts to duplicate exactly period architecture in new construction.

Single story buildings should be discouraged when located between multi-story buildings or where the low scale will detract from the district's cohesive appearance.

Do not set new buildings back from the face of adjacent building faces or from the setback line of other buildings on the street.

Use of materials incompatible with the original architecture such as aluminum or other metal siding, plaster, vertical or diagonal wood siding, polished marble, aggregate faced panels, porcelain enamel panels and other such contemporary materials.

Use of contemporary colored brick such as white, green or other colors not compatible with the historic character. Avoid treebark and other heavy texture brick.

Natural (silver colored) aluminum is not recommended.

Mansard roofs or canopies at the secondary cornice (street level display windows) or at rooflines are not compatible with historic architecture.

Do not try to duplicate original historic cornice work at the upper termination of a masonry wall on a new building.

Do not use wide vertical metal fascia or other similar fascia to terminate.

Back-lit plastic signs, projecting two sided signs and oversized signs.

**CITY OF LAPEER  
DOWNTOWN DEVELOPMENT AUTHORITY  
FACADE LOAN PROGRAM DESIGN GUIDELINES  
FOR REHABILITATION OF EXISTING BUILDINGS**

**RECOMMENDED**

Windows may be replaced with similar windows of wood (preferred) or of aluminum with a black or dark bronze finish. Windows should be of the same height.

Preferred treatment of windows would be the retention of checkrail patterns (4 over 4 windows, etc.).

Cloth awnings of appropriate design are encouraged for display windows and for upper story windows.

Reconstruct window brows were missing.

Reconstruct cornices where missing.

Remove mansard roofs and other non-conforming design elements.

Removing existing non-conforming materials such as wood or metal siding, aggregate faced panels, porcelain enamel panels, etc.

Remove non-conforming signs, large plastic letters, back-lit plastic signs, etc.

**NOT RECOMMENDED**

Reduce the size of upper windows or display windows.

Natural (silver) aluminum replacement windows.

Metal or fiberglass awnings.

Covering over original architecture with wood siding, metal, aggregate faced panels, plaster, porcelain enamel or other contemporary siding.

Removal of cornices, window brows, other original detailing.

The use of back-lit plastic signs, two sided signs, plastic letters or large signs.

**AGREEMENT FOR FACADE LOAN FUND ARCHITECTURAL ASSISTANCE  
FROM THE CITY OF LAPEER MAIN STREET PROGRAM  
AND DOWNTOWN DEVELOPMENT AUTHORITY**

The City of Lapeer Main Street Facade Loan Program provides up to \$2,500 in architectural assistance from a registered architect for business owners and building owners located within the DDA district of downtown Lapeer (see accompanying map of DDA district).

The purpose of the Facade Loan Program is to encourage building and business owners to upgrade downtown buildings in a manner appropriate to the era of the building. The mission, design guidelines and procedures for the Facade Loan Program are provided in the accompanying Facade Loan Program Design Procedures/Loan Procedures.

**THIS AGREEMENT** is made and entered into on the \_\_\_\_\_ day of \_\_\_\_\_  
by and between the Downtown Development Authority of the City of Lapeer (the DDA and

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**RECITALS**

- A. The DDA is authorized by the Downtown Development Authority Act to improve land and construct, reconstruct, rehabilitate, equip and improve any building within the downtown district for the use in whole or in part of any public or private person or corporation.
- B. The DDA has adopted a Development Plan authorizing the DDA to provide architectural assistance to building owners and business owners located within the DDA Development District.
- C. The DDA has adopted Program Guidelines for a Facade Loan Program to encourage high quality and historically sensitive building improvements within the Authority District Boundaries for the DDA.
- D. \_\_\_\_\_  
has requested Architectural Assistance from the DDA and agrees to abide by the program procedures and requirements.

**NOW, THEREFORE**, the parties hereby agree as follows:

- 1. \_\_\_\_\_ shall utilize the architect recommended by the Design Committee of the Downtown Development Authority for the development of sketches and limited detail drawings.
- 2. In consideration for the compliance with the Facade Loan Program guidelines, the applicant shall receive the aforementioned architectural assistance free of charge. It is understood that the normal fee for such services is a minimum of \$2,500.

**FACADE LOAN PROGRAM  
ARCHITECTURAL ASSISTANCE AGREEMENT  
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3. Prior to considering a loan for the applicant from the Main Street Facade Loan Fund, the proposed design shall be approved by the DDA Design Committee.
4. Should applicant fail to proceed with the implementation of the approved facade design through the Facade Loan Fund, or any other source of funds, the applicant shall be liable for a charge of \$500 for the architectural services.

DDA Design Committee Representative: \_\_\_\_\_

Applicant: \_\_\_\_\_

DOWNTOWN DEVELOPMENT AUTHORITY  
DISTRICT

