

Wilmington Downtown, Inc.  
P.O. Box 2235  
Wilmington, NC 28402  
(910)763-7349 (910)343-6950 FAX

## **OPERATIONS & REHABILITATION LOAN FUND**



## **LOAN PROGRAM APPLICATION, TERMS & CONDITIONS**

Wilmington Downtown, Inc. is a non-profit corporation established to facilitate the revitalization of the Central Business District of Wilmington, North Carolina.

The organization is the outgrowth of a Task Force appointed by the Mayor in 1976. Wilmington Downtown receives both public and private financial support for its administration and programs. It is governed by a 37-member Board of Directors that represents the City, County and Downtown, as well as at-large members of the community.

Wilmington Downtown's goal is to insure that the physical and economic change in Downtown Wilmington develops in a positive way by serving as a liaison between the public, business and government sectors, and by promoting and developing downtown as a good place to shop, work, live and enjoy. Wilmington Downtown works to identify problems and opportunities and advocates for positive change.

Wilmington Downtown's loan programs, developed after analyzing revitalization strategies of other cities and refining them to the local situation, contains all the elements for a successful effort. The program's success depends on the leadership, commitment and coordination of both the public and private sectors.

**WILMINGTON DOWNTOWN, INC.**  
**Loan Application Wilmington Downtown, Inc.**

Loan Amount Requested \_\_\_\_\_ Date of Application \_\_\_\_\_

Operations \_\_\_\_\_ Rehabilitation \_\_\_\_\_  
Loan Applicant (s) and Address (es)

\_\_\_\_\_  
\_\_\_\_\_

Are you the owner of this property? Yes \_\_\_\_\_ No \_\_\_\_\_

If not the owner, please provide the following information of the landlord:

Name \_\_\_\_\_

Address \_\_\_\_\_

Telephone Number (\_\_\_\_) \_\_\_\_\_

Please attach a copy of the current lease.

Social Security # \_\_\_\_\_ or Tax Identification # \_\_\_\_\_

Phone # (\_\_\_\_) \_\_\_\_\_

Date of Birth \_\_\_\_\_

Project Address and Description: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Type of Use: (Residential, Commercial, Mixed Use) \_\_\_\_\_

Total estimate of project (including work not funded by Wilmington Downtown, Inc. loan) \_\_\_\_\_

Have You Submitted Financial Statements on all Owners? \_\_\_\_\_

Have You Submitted Detailed Plans and Specifications? \_\_\_\_\_

Owners Name: \_\_\_\_\_

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

Owner's Phone Number: \_\_\_\_\_

**Certification and Authorization**

The signer(s) certifies that he/she is authorized to execute the application for the business named above, and that the information in this application and any other documents submitted in connection with the application are true, correct and complete. The signer(s) authorizes the loan committee to verify the information and to obtain personal, customer and/or business credit reports. The signer(s) further agree to provide additional information upon request and to notify the Loan Committee via Wilmington Downtown, Inc. promptly of any material change in the information provided in this application.

Applicant(s) Signature: \_\_\_\_\_ Signature: \_\_\_\_\_

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

Applicant(s) Signature: \_\_\_\_\_ Signature: \_\_\_\_\_

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

We require the following for a Wilmington Downtown loan application:

1. Actual loan application form.
2. Explanation of improvement (what is being done and why).
3. Itemized estimate for majority of costs of improvement.
4. Three year cash flow projections required on loans greater than \$25,000.00.
5. Personal Financial Statement (all proposed guarantors).
6. Two years tax returns (corporate return; and year-to-date business financial statements).

If the loan is approved, we may require:

- If applicant is not owner, a waiver from landlord (available at bank) must be signed
- Promissory note
- Deed of trust (on commercial or personal property)
- Guaranty Agreement (Blanket lien on equipment, accounts and inventory)
- Title insurance policy naming Wilmington Downtown, Inc. as a “Mortgagee”
- Casualty and insurance policy with Wilmington Downtown, Inc as “loss payee”
- Those with 20% or more ownership interest are required to submit and be part of the application.

Our policy is to make building improvement loans only. The loan may be made for the purchase and/or rehabilitation costs of the project and is not to exceed \$100,000.00. The interest rate is  $\frac{3}{4}$  of prime (at the commitment date fixed). Terms can be amortized up to 20 years with a call not to exceed 5 years, but is determined by our loan committee. However, Wilmington Downtown, Inc. does offer a small commercial/retail loan of \$10,000.00. Please see Page 6 for more information.

If you have any additional questions, please give us a call at 910-763-7349.

# FINANCING PROGRAMS

Under the City's housing and community development plan, the City works through Wilmington Downtown, Inc. to concentrate several financial programs in specific areas in order to encourage owners to make comprehensive building repairs and subsequent full use of their structures. These areas are the Central Business District, North Fourth Street (essentially the Downtown Redevelopment Area) and Castle Street. The objectives of the plan are:

1. Offer construction and permanent financing at less than market interest rates to make it more financially feasible for owners or developers to renovate buildings.
2. Provide technical assistance to owners of buildings in determining repairs necessary for the building to meet NC Building Code standards and general property improvements necessary for the building to accommodate its intended use.
3. Cooperate with Wilmington Downtown and other business interests in designing plans and loan programs for the improvement of buildings and provision of business development in designated commercial areas.
4. The objectives of the plan are to be achieved by implementation of the following programs:

Program: Building Improvement Loan Fund

Maximum Loan: \$100,000.00.

Interest Rate:  $\frac{3}{4}$  prime at date of commitment

Description: To encourage the development of commercial and residential uses in the Central Business District, which includes N. Fourth Street and in the Castle Street corridor as well. Wilmington Downtown, Inc. offers loans of up to \$100,000 at fixed interest rates of  $\frac{3}{4}$  prime amortized over a 20 year arm. Each loan has a five year call. The lower interest rates and longer terms will reduce the owner's monthly debt service and will enable an owner to offer the units for monthly rents affordable to more people. The development of commercial and residential uses in the Downtown Redevelopment Area will provide for utilization of upper floors of buildings and contribute to the redevelopment of offices and retail shops on the ground floors and should be encouraged. This program provides low-interest fixed loans at  $\frac{3}{4}$  the prime rate amortized for a term of up to twenty (20) years with a balloon payment in five (5) years or ten (10) years. The maximum loan amount is \$100,000.00 and can be used for general building renovations. This loan program is administered by Wilmington Downtown, Inc.

Program: Retail/Small Commercial Loan

Maximum Loan: \$10,000.00.

Interest Rate:  $\frac{3}{4}$  prime at date of commitment fixed

Description: Wilmington Downtown, Inc. also offers a retail/small commercial loan program. This program is for leasehold improvements only. Building owners and lessees will not qualify unless they are up-fitting the building for their own small business use. The loan program shall provide up to 100% of up-fit costs for projects not exceeding \$10,000.00.

## **THE SECRETARY OF THE INTERIOR'S STANDARDS FOR REHABILITATION**

The Secretary of the Interior is responsible for establishing standards for all programs under Departmental authority and for advising Federal agencies on the preservation of historic properties listed or eligible for listing in the National Register of Historic Places. In partial fulfillment of this responsibility, the Secretary of the Interior's Standards for Historic Preservation Projects have been developed to direct work undertaken on historic buildings.

Initially used by the Secretary of the Interior in determining the applicability of proposed project work on registered properties within the Historic Preservation Projects have received extensive testing over the years-more than 6,000 acquisition and development projects were approved for a variety of work treatments. In addition, the Standards have been used by Federal agencies in carrying out their historic preservation responsibilities for properties in Federal ownership or control; and by State and local officials in the review of both Federal and nonfederal rehabilitation proposals. They have also been adopted by a number of historic district and planning commissions across the country.

The Standards for Rehabilitation (36 CFR 67) comprise that section of the overall historic preservation project standards addressing the most prevalent treatment today: Rehabilitation. "Rehabilitation" is defined as the process of returning a property to a state of utility, through repair or alteration, which makes possible an efficient contemporary use while preserving those portions and features of the property which are significant to its historic, architectural, and cultural values.

The Standards for Rehabilitation are as follows:

### **SECRETARY OF THE INTERIOR'S NEW STANDARDS FOR REHABILITATION**

- (1) A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
- (2) The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall not be avoided.
- (3) Each property shall be recognized as a physical record of its time, place and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.
- (4) Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.
- (5) Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.

(6) Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and where possible materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.

(7) Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.

(8) Significant archeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.

(9) New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.

(10) New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.