

**City of Milaca Small Cities Development Program 2014-2016
Commercial Rehabilitation "Intent to Participate" Form**

This letter is intended to show my intent to participate, or apply to the Milaca Small Cities Development Program (SCDP) to rehabilitate my commercial property/properties, as outlined below/discussed at informational meetings/indicated in informational mailings.

I understand that:

- ✓ This assistance is offered to property owners in the form of a 0% interest, 10-year loan.
- ✓ As security for repayment of the loan, a lien will be placed against my property for 10 years. If:
 - After the 10 years I still own the property, the loan will be forgiven and considered a grant.
 - During the 10 years I sell, transfer or convey the property to someone else, a portion of the loan must be repaid to the City for use on rehabilitating other commercial properties.
- ✓ In order to receive the loan, an outside match of funds, a minimum of 50% of the total project cost, must be secured as a cashier's check before the work starts on my property.
- ✓ The maximum loan amount through this program is \$23,000; and in order to receive this amount my total project cost would be \$46,000 (or greater), of which, \$23,000 must come from an outside source.
- ✓ Not all applicants may receive funding. Applications will be processed on first-come first serve basis.
- ✓ These funds are targeted to a **specific** target area within the city.
- ✓ The building to be rehabilitated must be the location of an active and bona fide business.
- ✓ The Federal Labor Standards apply to the rehabilitation projects on commercial buildings involving SCDP funds. This means that prevailing wage rates, as determined by the Dept. of Labor & Industry for Mille Lacs County will be enforced for all trades performing work funded by the SCDP loan.
- ✓ Remodeling is NOT allowed and Lakes & Pines CAC, Inc. will be working with me to prepare a scope of work following these priorities:
 1. Exterior repairs/improvements (windows, doors, signage, awnings, roofs)
 2. Code violation corrections (handrails, exit signs, health & safety issues)
 3. Ramps and bathroom accessibility conversions
 4. Energy improvements (heating system upgrades, insulation)
- ✓ All rehabilitation will be coordinated through Lakes & Pines CAC, Inc., and competitive bids will be required. Any work done before coordinating with Lakes & Pines CAC, Inc. will not be eligible for funding.

After reviewing the above information and the program fact sheet, I am interested in participating in this program, should it receive funding. I also understand that by submitting this form, I am not required to participate, however I will be contacted by Lakes & Pines CAC, Inc. if the program is funded.

Property Owner Name: _____

Phone Number: _____

Mailing Address: _____

Email Address: _____

Number of units in building(s): _____ Number of building(s): _____

Building Address: _____ Age _____ Vacant? _____ Brief description of work needed: _____

Building Address	Age	Vacant?	Brief description of work needed

Signature _____ Date _____

Signature _____ Date _____

Request/ Return forms / Inquire:

Lakes & Pines Community Action Council, Inc.

1700 Maple Ave E, Mora, MN 55051

Phone & TDD: 320-679-1800 or 1-800-832-6082 Fax: 320-679-4139 Web: www.lakesandpines.org

Special accommodations for people with disabilities upon request - An Equal Opportunity Employer/Contractor

Serving the counties of Aitkin, Carlton, Chisago, Isanti, Kanabec, Mille Lacs and Pine

Lakes & Pines CAC Mission: To build prosperous communities by serving local families and individuals in their pursuit of self-reliance.

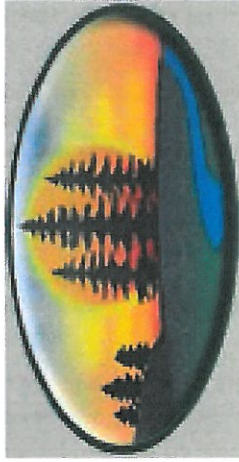


Serving the Counties of: Aitkin, Carlton, Chisago, Isanti, Kanabec, Mille Lacs & Pine

What to expect:

The proposal is being submitted to DEED on behalf of the City in the fall of 2013. If the proposal is accepted, the application is due in the early spring of 2014; notification will be received on whether the application is approved. If the application is approved, interested property owners and local media will be informed. Individual applications from property owners will be collected during the summer months (2014) and the earliest the first rehabilitation project may begin is during the fall of 2014. The program does run for a total of 30 months, usually starting June 1, 2014 through December 31, 2016.

Given our limited resources, consider volunteering. Volunteers help us reach more people. Visit our website: www.lakesandpines.org or call 800.832.6082 to become a volunteer.



City of Milaca Small Cities Development Program

Commercial Rehabilitation



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Mora, MN 55051
320.679.1800 or 800.832.6082
Fax: 320.679.4139
www.lakesandpines.org



Grant preparation, submission and administration by Lakes & Pines CAC, Inc on behalf of the City of Princeton.

City of Milaca Small Cities Development Program 2014 - 2016

Commercial Rehabilitation Fact Sheet

The City of Milaca is seeking grant funds for owners interested in improving their commercial buildings from the Minnesota Department of Employment & Economic Development's (DEED's) Small Cities Development Program (SCDP) which is funded by the United States Department of Housing & Urban Development (HUD).

- The city would provide assistance to owners in the form of a **0% interest, 10-year loan**, with a requirement that the owner match the loan.
 - The **match** must be **50%** of the total cost of improvements, or at least equal to the amount of the SCDP loan.
 - The SCDP loan will only pay for 50% of the total cost of improvements.
- The maximum SCDP loan available for commercial rehabilitation is **\$23,000** per property.
- The SCDP loan is only repaid if the property is sold; title is transferred, or conveyed within the 10 years term of the loan.
 - The obligation to repay the loan is reduced by one-tenth of the original loan amount each year.
 - After 10 years, if the property is still owned by the borrower, or the building is occupied by the same business, the loan is completely forgiven and is considered a **grant**.

To qualify:

- The building must be in the City of Milaca. *The area of the city showing the most interest will be the selected target area. Interested owners should contact neighboring businesses to ensure that their area is the most interested.* The building must be the site of an existing business; buildings with businesses located within in them will have a higher priority of receiving grant funds than vacant buildings. Generally vacant buildings are not rehabilitated unless a business will be occupying the building within 6 months of the rehabilitation work being completed.
 - The applicant must be an owner/occupant or an owner with a rental occupant of a building used for commercial purposes, either free of debt, through a mortgage or a recorded Contract for Deed. Taxes must be current and proof of property insurance is required. *For Contract for Deed situations, the holder of the contract must sign off on the loan as well as the principal borrower*

The Federal Labor Standards apply to all work completed with SCDP funds on commercial buildings. This means that the prevailing wage rates as determined by the Department of Labor and Industry for Mille Lacs County will be enforced for all trades performing work funded by the SCDP loan.

Remodeling is not allowed!

Eligible properties will be inspected during the individual application process to determine what improvements can be made.

The following improvements do qualify under the SCDP and are prioritized in this order:

1. Exterior repairs/improvements (windows, doors, signage, awnings, roofs)
2. Code violation corrections (handrails, exit signs, health & safety issues)
3. Ramps and bathroom accessibility conversions
4. Energy improvements (heating system upgrades, insulation)

Licensed, insured contractors will be required to perform the rehabilitation work. Work completed prior to approval of an applicant or property will not be reimbursed. If the program is funded, approved applicants will have an inspection conducted of their property to determine what repairs are needed and qualify under this program.

What to do now:

Express interest! To receive funding, the city **MUST** show that there are property owners interested in participating in the program. Interested property owners should **fill out and return the green "Intent to Participate" form by September 30, 2013 (to Lakes & Pines)** to prove that there is interest in this program. Property owners from the chosen target area that complete this form will be contacted directly if the program is funded to obtain an individual application for their property.