

EXHIBIT A

Jeffersonville Restaurant Forgivable Loan Program Guidelines

About the Grant Program

The purpose of the Jeffersonville Restaurant Forgivable Loan Program (hereinafter the “Program”) is to increase the economic viability of Jeffersonville eligible TIF Districts by encouraging more restaurants. The Program will offer a forgivable loan for up to 50% of the costs associated with the renovation or development properties for use as a full-service restaurant. (hereinafter the “Forgivable Loan”). This program is intended to compliment desirable uses by creating more activity in commercial corridors and bring more traffic for other businesses. The intention of the Program is to create a more viable and attractive area through private/public partnership.

To apply, you will first need to have a preliminary meeting with the Office of Redevelopment Department. For more information, please consult the [Restaurant Forgivable Loan Program Application Form](#).

Eligible TIF Districts

The Program will only be offered to businesses located within the TIF Boundaries. An existing business in Jeffersonville that is outside of the TIF boundaries would not be eligible for funds unless it opens an additional location within the boundaries of a TIF district.

Program Eligibility

Eligibility requirements to receive a Forgivable Loan for the renovation of storefront or office space for use as restaurants or existing expansion/improvements (the “Project”) are as follows:

1. Improvements. Eligible improvements include code required improvements; life/safety improvements; repair work to floors, walls, and ceilings; upgrading/retrofitting mechanical systems; demolition; space reconfiguration; installation cost of permanent fixtures; finishing work (i.e. painting, coverings for ceilings, walls and floors), and soft costs (i.e. architectural drawings, space/floor plans). The Program does not cover costs associated with trade fixtures or equipment specific to the business (e.g. brewery equipment) or permitting fees.

2. Amount. The cost of the Project must be no less than ten thousand dollars (\$10,000) in order to be considered eligible for the Program. Approved applicants under the Program are eligible to receive a forgivable loan for up to 50 % of the cost for eligible improvements. Loans for up to ten thousand dollars (\$10,000) can be approved by the Restaurant Forgivable Loan Review Committee (the Revolving Loan Committee and the Director of Redevelopment). All Forgivable Loans above ten thousand dollars (\$10,000) must be approved by the Redevelopment Commission, upon

recommendation by Review Committee. The maximum forgivable loan amount is fifty thousand dollars (\$50,000). The loan amount for a project located within a TIF District shall be paid from that respective TIF account.

3. Ownership. Eligible applicants include the owners or tenants of commercial, office or mixed-use buildings or properties who have obtained the owner's written consent relative to the Project application provided that the building is located within an eligible TIF District

4. Businesses. An eligible business must earn at least sixty-five percent (65%) of its gross income from food and beverage sales. Eligible businesses also must provide sit-down food service. Businesses offering exclusively carry-out and/or delivery services are not eligible. Existing restaurants may apply for a Forgivable Loan if they upgrade or expand their facilities pursuant to the Program parameters.

5. Fees. Professional, architectural, engineering, and survey fees may be included in the total improvement costs. The Program will fund up to twenty-five percent (25%) or one thousand five hundred dollars (\$1500), whichever is less, of architectural rendering fees prior to Project approval of the improvements. All requests for architectural rendering fees prior to approval must have proper documentation and invoices. There is a \$100 non-refundable application fee, payable with submission of the application to the Jeffersonville Redevelopment Commission. If an applicant owes money to the City or outstanding tax and/or sewer bills, all accounts must be brought current before any portion of the Forgivable Loan is disbursed.

6. Franchise store. Special approval by the Review Committee is required for all freestanding franchise stores. Franchise stores, which follow a company design policy, may apply on a case-by-case basis.

7. Conformance. All improvements must conform to current building and zoning codes of the City of Jeffersonville. The business owner must maintain the property in compliance with all federal and local laws, ordinances, and regulations.

8. Administration. The Director of Redevelopment will administer the Program. The applicant must submit an application to the Office of Redevelopment Department. A separate request for a building permit, an electrical permit and/or other permits and licenses shall be submitted to the Building Commissioner. The Director of Redevelopment shall present the application to the Restaurant Review Committee, for a determination as to whether a Forgivable Loan should be approved. If the amount of the Forgivable Loan is less than ten thousand dollars (\$10,000) or less, the Committee has the authority to approve the forgivable loan. If the amount of the forgivable loan is

greater than ten thousand dollars (\$10,000), the Committee will forward a recommendation to the Redevelopment Commission or JUEA, who will then determine whether the Forgivable Loan should be approved.

9. Appeals. If the application is rejected by the Restaurant Review Committee, the applicant may resubmit the application after addressing the application deficiencies, or appeal the decision. If the applicant chooses to appeal the decision, a letter of appeal and supporting documentation must be sent to the Director of Redevelopment within ten (10) days of the rejection with said letter stating the reason for the appeal. The letter of appeal and supporting documents will then be forwarded to the Restaurant Review Committee. The Committee will address the appeal at a Redevelopment Commission meeting and allow them to make a final determination relative to the application. The denial of the appeal by the Commission shall not preclude an applicant from submitting a new application for a Forgivable Loan.

10. Procedural Requirements. Participants in the Restaurant Forgivable Loan Program must accomplish the following steps:

- A. An applicant must have a preliminary meeting with representatives from the Office of Redevelopment to determine eligibility for this Program and for advice and technical assistance.
- B. The owner and/or applicant shall submit the following documents to the Director of Redevelopment or a designated representative:
 - (i) Application
 - (ii) Preliminary plans and preliminary cost estimates;
 - (iii) Business plan;
 - (iv) Details of signage and/or awning design; Renderings
 - (v) Proof of ownership, lease, and/or owners approval;
 - (vi) Three years of historical financial statements, if available
 - (vii) Three years of signed federal tax returns
 - (viii) Most current interim financial statements (not more than 90 days old)
 - (ix) Narrative history of existing business
 - (x) Three years projected financial statements
 - (xi) Personal financial statements for all owners dated within 6 months
 - (xii) Project description and projected budget of projects
 - (xiii) Resumes of officers and key management personnel
 - (xiv) Letter of commitment from participating bank, if applicable
 - (xv) Copy of marketing budget and 2 year marketing plan/strategy
 - (xvi) Narrative of community need and impact on other business(es)
 - (xvii) Any other information that may assist in the review of the project
 - (xviii) \$100 application fee

- C. After review by the Restaurant Review Committee, and approval of the Forgivable Loan by Redevelopment Commission, depending upon the amount of the Forgivable Loan, a “Letter of Eligibility” will be forwarded to the owner/applicant.
- D. Upon receipt of the “Letter of Eligibility”, the owner and/or applicant shall proceed as follows:
 - (i) Submit final plans and cost estimates to the Building Commissioner or Planning Department and apply for proper building permits; and
 - (ii) Submit two (2) contractor bids for the work outlined in the Restaurant Forgivable Loan application. Local contractor is preferred and encouraged;
 - (iii) Submit a fully executed Forgivable Loan Agreement and other documents as
- E. Upon receipt of the items set forth in D above, a “Notice to Proceed” shall be forwarded to the owner/applicant by a representative of the Office of Redevelopment
- F. Upon issuance of the Notice to Proceed, improvements and renovations may start after the required building permits have been issued. All necessary inspections should be coordinated through the City’s Building Commissioner.
- G. Upon completion of the Project and after all final inspections by the Building Commissioner have passed, the building will be inspected by a representative of the Office of Redevelopment for conformance with the application.
- H. Upon determination of conformance and receipt of certificate of occupancy -- the City will process and disburse the remaining amount of the loan.
- I. The Forgivable Loan recipient must submit an affidavit containing his or her sworn statement that he or she has paid at least fifty percent (50%) of the approved cost of the Project. Copies of paid receipts from contracts amounting to at least fifty percent (50%) of the approved Project cost must be attached to the affidavit. Upon verification of the affidavit and receipts, the City will release fifty percent (50%) of the Forgivable Loan funds to the applicant.
- J. The City will record a lien on the property on which the Project has occurred as a guarantee for the Forgivable Loan.

11. Ten percent (10%) of the Forgivable Loan amount shall be forgiven for each full year for the first five years after the recording of the lien that a restaurant is operated at the Project location. Release of the lien will be recorded by the City five (5) years after the recording of the lien, or earlier if repayment of the Forgivable Loan (or applicable portion thereof) is made to the City from the date the agreement was executed provided that no business other than a restaurant has operated at the premises. The remaining 50% of the loan will be forgiven at the time of the lien release. Anytime a business other than a restaurant operates at the Project location, the lien

balance shall become permanent (no more amortized “forgiveness”) and the City will record a document to this effect. In the event that any business other than a restaurant operates at the location of the Project, the balance of the loan shall be immediately due and payable from the property owner and/or the recipient of the Forgivable Loan.

For further information contact:

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