

Infrastructure/Environmental Loan Program



Office of Economic Development
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**Sponsored by the
Ashland Economic Development Authority (EDA)**

Policy Number: EDA-102

Date adopted: August 28, 2008

Policy Title: Infrastructure/Environmental
Loan Program

Revised Date: January 27, 2022

I. General Goal

To support, with EDA funds, projects undertaken by owners of commercial properties to enhance or upgrade properties, through a forgivable loan program. This program will encourage redevelopment, enhance the quality of commercial areas, and provide an economic stimulus so that an underused property's use may be maximized.

II. Purpose

The Infrastructure/Environmental Loan Program seeks to provide financial assistance for owners of commercial properties who are seeking to develop or re-develop a property that requires environmental cleanup, accessibility to water, sewer, electrical, gas, broadband, stormwater drainage, or other infrastructure improvement, or internal repairs to bring the property or building into compliance with building code regulations.

III. Specifications

Eligibility:

- Property must be located within the Town of Ashland corporate limits.
- Eligible applicants must be a business or property owner within the Town of Ashland Boundaries. Prospective property owners may apply if they present a signed letter of intent, with the application or pending sales contract or signed contract. Application may be submitted within 90 days of closing.
- Tenants or lessees may apply to this program with a letter of support from their Landlord as well as a signature from their Landlord on all plans submitted
- Applicants must prove the ability to obtain financing and to procure any and all applicable permits to carry the project through to completion, as well as compliance with all applicable laws, further, no taxes owed to the Town shall

be delinquent and applicant must have been in good standing for at least six months.

- Loans shall not be awarded retroactively for projects completed prior to application.
- The project must accomplish environmental cleanup, improved accessibility to water, sewer, electrical, gas, broadband, stormwater drainage, or other infrastructure improvement, or internal repairs to bring the property or building into compliance with building code regulations. Standard water and sewer connection or capacity fees charged by Hanover County are not eligible for this program.

Maximum Amount: \$20,000.00

Amount of funds available annually:

Each fiscal year, the EDA will set a target amount of funding available for the program.

Terms:

- Terms are to be negotiated with the Economic Development Authority on a case-by-case basis. Standard terms are as follow:
- The loan is a forgivable loan, on which the recipient pays prime rate of interest only for a fixed term, with a balloon payment at the end of the period.
- The balloon payment may be forgiven, pending that the program goals have been met.
- The property must be kept in compliance with all Town, State, or Federal ordinances and statutes. All Town taxes and fees must be paid on-time by the due date. Violations committed by the recipient may cause the note to become payable on demand.
- If the applicant fails to make any payment as required (loan or Town taxes and fees), the amount due to the EDA shall constitute a lien against the property. A lien on the property noting the Ashland EDA as beneficiary will be placed on the property for a period of 24 months.
- Funded improvements and business operations must be maintained for a minimum of 18 months from the date of the loan. Applicant agrees to repay the EDA on demand if applicant is in violation of this agreement.

Goals:

Goals will be determined on a case-by-case basis, however the following initial goals must be included:

- The assessed value of property must increase by greater than 10%.
- The property is altered so that a viable business has the ability to produce income.
- The property is improved in a manner that is consistent and compatible with the immediate surrounding area, and consistent with the Comprehensive Plan and its supporting documents.

VI. Review and Approval

- Applicants are encouraged to contact the Department of Economic Development. Inquiries should be directed to Bobbie Carey at bcarey@ashlandva.gov or by phone at 804.798.1073.
- Applications will be submitted to the Department of Economic Development for review. Applications for funding may be accepted throughout the year.
- The application will be initially screened and scored by a minimum of two EDA members and one Town staff member. This initial screening will determine whether the application should be forwarded to the EDA for action or if it should be declined. This initial screening shall be complete within thirty days receipt of the application.
- Application, and a recommendation from the initial screening committee shall be forwarded to EDA members for review at the next available meeting date.
- The EDA will review each application to ensure that the proposal is consistent with this policy.

APPLICATION FORM

**ASHLAND ECONOMIC DEVELOPMENT AUTHORITY
Infrastructure/Environmental Loan Program**

Ashland Town Hall
Attn: Bobbie Carey
121 Thompson Street, P.O. Box 1600
Ashland, VA 23005
804.798.1073

Date: _____

I. Applicant Contact Information

Applicant's Name _____

Address _____

Phone _____

Email _____

II. Property

Property Address _____

Real Estate Tax Parcel Number _____

III. Title

Fee Simple Title is held by

Individual

Corporation

Limited Liability Corporation

General or Limited Partnership

Trust

Other entity

IV. The Property is subject to the following liens:

The property is subject to deed(s) of trust.

The property is not subject to any deed of trust.

Deeds of trust are as follows:

Loan Number _____

Approximate Balance _____

Name of Payee _____

Payee's Address _____

Payee's Phone Number _____

Recorded at Deed Book Number _____ Page _____ or Instrument Number _____.

V. This Property is subject to the following leases and possessory interests:

The Property is occupied

The Property is not occupied

If the property is occupied, describe the type of occupancy and provide the following information regarding each occupant.

Occupant's Name _____

Mailing Address _____

Phone Number _____

Occupancy is

Residential

Commercial

Is occupancy under a written lease?

Yes

No

If yes, attach a copy of the lease. Attach additional sheets containing same information for each additional occupant.

Loan Program Guidelines Agreement:

I, the undersigned, agree that, should this application be approved, I will adhere to the Loan Program Guidelines and meet all requirements set forth by the Ashland EDA.

Name & Title _____ Date _____

Please submit to:

Town of Ashland

Economic Development

P.O. Box 1600

Ashland, Virginia 23005

For more information, please contact Bobbie Carey, Business Development Manager, 804.798.1073 or bcarey@ashlandva.gov.