



Restaurant Capital Assistance Program

Zero Interest Loans to Support New Restaurant Investment!

The Redmond Urban Renewal Agency wants to be a partner in helping make your project successful! Restaurants are a critical component of a vibrant downtown and one of the uses that draws residents and out-of-town visitors downtown. The Restaurant Capital Assistance Program supports the development and expansion of restaurants downtown (see map) through 10-year, zero interest loans of up to \$50,000.

Eligible work includes: Electrical, venting, and/or gas system upgrades, HVAC installation or replacement, floor drains, gas grease trap interceptors, built-in restaurant refrigeration systems, restroom fixtures, commercial kitchen sinks and fixed counters.

Ineligible work includes: Costs related to: tables, chairs, and booths, lighting fixtures, moveable kitchen equipment (such as stoves, refrigerators, mixers, and other small equipment), cash registers, computers, and other moveable equipment (such as glassware, flatware, and napkins), interior painting and wallpapering, decorations, and printed material.

How much funding is available for my project?

The more funding you invest in your project, the larger the possible loan. If you are investing \$50,000 in your project, 20% or \$10,000 loan funding is available. The next \$80,000 you invest in your project; 50% or \$40,000 loan funding is available. Projects are eligible for up to \$50,000 of loan funding.

IMPORTANT: Complete and return pages 1-4 of this application plus referenced items on page 4. Work included in the application project scope that the Agency will reimburse may **ONLY** begin once a loan agreement with the Agency is approved and signed.

APPLICANT INFORMATION:

Applicant's Name: _____

Sole Proprietorship Partnership Corporation Profit Non-Profit

Social Security Number/Tax ID Number: _____

Property Address: _____ Tax Lot #: _____

Mailing Address: _____

Telephone Number: _____ Email: _____

PROJECT SCOPE:



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PROJECT FINANCING:

Summary of Project Funding

	Estimated Funding
Restaurant Capital Assistance Loan (up to \$50,000)	
Owner Equity (project cash, not including acquisition)	
Conventional Loan (bank or credit union)	
Other Loans	
Total Funding	

Summary of Eligible Project Costs

	Estimated Cost
Demolition	
Environmental Remediation	
Hard Construction (labor and materials)	
Soft Construction (design)	
Fixtures (eligible equipment)	
Financing Fees (application fees, interest)	
Other	
Total Eligible Costs	

Primary Lender

Bank: _____ Primary Contact: _____

Phone: _____ Email: _____

Secondary Lender (if applicable)

Bank: _____ Primary Contact: _____

Phone: _____ Email: _____



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PROJECT TEAM:

General Contractor (if selected)

Firm: _____ Primary Contact: _____

Address: _____

Phone: _____ Cell Phone: _____ Email: _____

Sole Proprietorship Partnership Corporation Profit Non-Profit

Tax ID Number: _____ CCB# _____

Restaurant Operator

Name: _____ Primary Contact: _____

Address: _____

Phone: _____ Cell Phone: _____ Email: _____

Sole Proprietorship Partnership Corporation Profit Non-Profit

Tax ID Number: _____

CERTIFICATION BY APPLICANT

The applicant certifies that all information provided is true and complete to the best of their knowledge and belief.

Applicant Signature: _____ Date: _____



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Checklist Items Required for Approval

Please fill out and return this checklist with your application.

Prior to committing Urban Renewal Funds to a project, the Agency will determine if the project adequately supports urban renewal goals, is feasible, poses an acceptable risk to the Agency, and is in the best interest of the Agency. To make this determination, the Agency will require the items below:

- **Completed Application.**
- **Evidence of site control.** Acceptable evidence could include a copy of the Title or a Purchase and Sale Agreement or Deschutes County Property Info (D.I.A.L. - <https://dial.deschutes.org/> - enter taxlot number, click on 'view account information for this taxlot', click on 'view/print report', click on 'full report')
- **Environmental Analysis.** Phase I ESA meeting current ASTM standards completed in past 180 days and reflecting current site conditions. The cost of mitigating any identified environmental risks must be specifically addressed in the financial analysis and construction contract.
- **Form of Lease Agreement.** Lease agreement between Applicant and restaurant owner. Lease must specify hours of operation and table service requirements (restaurant must provide table service and be open a minimum of five days a week for two meal services per day).
- **Development Team Financial Capacity:** Equity source must provide certified financial statement, schedule of real estate owned, and verification of account balances to demonstrate capacity to fund required equity contribution as well as potential cost overruns.
- **Financing Commitments:** Executed commitments from other lenders indicating the amount, interest rate (or interest rate index), term and special conditions are required.
- **Restaurant Business Plan:** A business plan describing the target consumer of the restaurant, the proposed menu, marketing strategy and pricing strategy.
- **Restaurant Operator Experience History:** Proposed restaurateur must have successful track record of operating similar facilities. Please provide a narrative history of previous restaurants managed including location, number of tables, and price points/menu.
- **I.R.S. Form W-9.**
- **Construction Bid.** Include draft construction contract and detailed scope of work.
- **Construction Plans.** Copy of plans submitted for building department approval.
- **General Contractor Experience History.** The general contractor must demonstrate a track record of successfully completing similar projects and the capacity to complete the proposed project. The contractor shall provide a history of completed projects from the last 5 years with references and a financial statement indicating sufficient capitalization to complete the project. In cases where there is a related party interest between the General Contractor and the Applicant, the Agency will require a separate third-party construction cost review.



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Important Conditions and Considerations – Please read prior to submitting application

1. **Application Review:**
 - a. **Work included in the project scope the Agency will reimburse may ONLY begin once a loan agreement is approved and signed.**
 - b. The Agency will have sole discretion in determining the eligibility of proposed costs.
 - c. All projects shall comply with the City of Redmond Development and Building Code.
 - d. The Agency reserves the right to engage its own reports or analyses to verify or clarify information provided by Applicant or consultants engaged by the applicant.
 - e. The Agency may request a title report on the property, which will be subject to attorney review at the discretion of the City Manager. Applicant shall pay for costs of a title report. The Agency may deny of any loan based on the title report or the number of liens upon the property.
2. **Approval:** All loans are subject to approval by the Downtown Urban Renewal Advisory Committee (DURAC). All projects must be found to meet the program criteria **and** be in the best interests of the Agency.
3. **Loan Closing:** All projects must provide the following to finalize or close the loan before funds are accessed.
 - a. **Executed Construction Contract and General Conditions:** An executed fixed price contract and general conditions in a form acceptable to the Urban Renewal Agency (preferably AIA Form 101-1997) with construction schedule consistent with financial projections.
 - b. **Executed Lease Agreement**
 - c. **Final Construction Drawings approved by Building Department**
 - d. **Building Permit**
 - e. **Executed loan documents and financing agreements from all sources. (Drafts should be provided at least 4-weeks prior to desired closing date to allow for timely review.)**
 - f. **Applicant personal guaranty to repay loan.**
 - g. **Executed Restaurant Capital Assistance Loan Agreement and related documents.**
4. **Loan Funding:** The Applicant may submit paid invoices for reimbursement of work performed after the loan agreement is signed. Draw requests will be approved upon confirmation that work being paid for is complete and built as per approved plans and subcontractors have been paid.
5. **Loan Terms:**
 - a. Rate and Term: 0% interest loan up to 10 years but not to exceed term of lease with restaurant operator.
 - b. Maximum loan size: up to 20% of the first \$50,000 of eligible project costs and up to 50% of the next \$80,000 of eligible project costs up to a maximum loan amount of \$50,000.
 - c. Loans will be made to building owners and collateralized with the real estate in which the investment is to occur.
 - d. Borrowers shall provide a personal guaranty to repay debt.
 - e. City may, at its sole discretion, consider real estate other than that being improved as collateral.
6. **Property Lien:** The City of Redmond will lien the property for the loan amount. Once the loan is fully repaid, the lien will be released.
7. **Loan Default:** The loan is in default if any of the following conditions occur including, but not limited to: failure to diligently pursue project, timely project completion, and other conditions that will be outlined in the loan agreement. Defaulted loan balances must be repaid with interest.

