

Historic Fund- FAQ's

What is the purpose of this loan program?

The primary purpose of the Historic Fund is to support and encourage the vitality of and reinvestment in the Duluth Commercial Historic District through preservation, improvement, restoration, and rehabilitation. Projects eligible for financial assistance include hard costs that improve the general appearance of a building's exterior and interior commercial upgrades.

How are the funds structured?

This is a loan program, with a 17-year term at 0%-3% interest, applications for buildings located on East First Street may be eligible for partial loan forgiveness. Loans will range between \$75,000.00 and \$100,000.00 depending on the building's physical location within the Commercial Historic District.

What is the Duluth 1200 Fund?

The 1200 Fund, Inc. is a private non-profit organization dedicated to economic development and job growth in the City of Duluth. The 1200 Fund was originally established in 1985's with a mission "to create 1,200 new jobs in Duluth."

Who can apply?

Eligible application locations must be within the Downtown Commercial Historic District and be a contributing structure of the district to be eligible for funding. See **Exhibit A** below for a map of the district.

How do I obtain a Deed for my property?

Reach out to the St. Louis County recorder Wendy Levitt, at levittw@stlouiscountymn.gov or by phone at 218-726-2077. She can provide direction or access to certificate of title and deed documents. You can request a copy of certificate of title for \$3, just provide your legal description or a way for them to look up the property such as your Parcel ID number.

What qualifies as the 10%, is that the owners match?

Soft costs related to the preparation of the improvements qualifies, this includes, permit fees, architect or consultant costs. The 10% is not included in the amount of funding being requested.

What's a personal finance statement?

Banks and the SBA usually ask for personal financial statements to give reassurance that the owners have enough personal property to cover the loan if the project does not cash-flow as expected - basically getting at the personal collateral if there is a collateral shortfall with the project.

How are the loans being selected?

All applications for the Historic Fund will be reviewed by a dedicated panel chosen by the Duluth 1200 Fund for review. A predetermined scoring metric has been established to ensure a uniform and fair review process.

How much will this cost me?

All loans will be subject to a 0-3% fixed interest rate for fixed assets that will be applied monthly over the life of the loan. A one-time fee for closing will be required to be paid at loan closing, closing fees for 1200 Fund services will be 2% of the loan value being requested. Fees from closing agent will also be due at the time of loan closing, total closing fees are anticipated to cost over \$4,000. All soft costs, including the fees for permit applications, are not applicable for financing under the Historic Fund loan program. Applicants may utilize their 10% match in the form of services or renderings provided by a licensed architect for the project.

How much funding will be available?

Applicants with historically contributing buildings located on East 1st Street may request up to \$100,000 in funding, all other historically contributing buildings within the district can request up to \$75,000.00 in funding.

Will there be future rounds of funding?

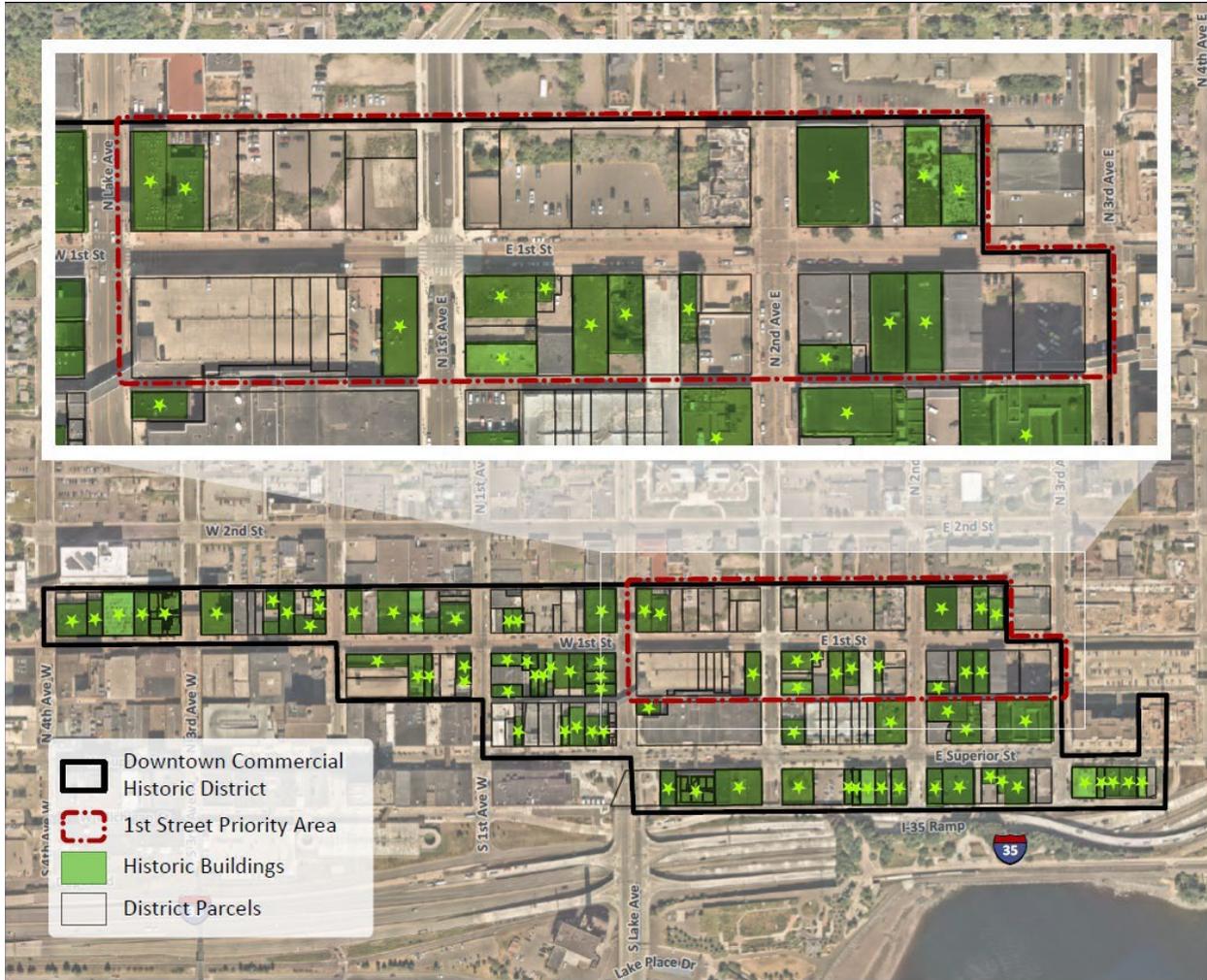
Yes, the Duluth 1200 Fund will be accepting applications each year, until all funding has been utilized.

If I'm unable to attach all the required materials, will that disqualify my application?

This is a highly anticipated program; applicants are required to include all eligibility items in their application at the time of submission. If required information is not provided within the application, the application may be rejected.

Inquiries for application assistance and additional questions should call the City's Planning and Economic Development Department at 218-730-5580 or email planning@DuluthMN.gov.

Exhibit A



OUR MISSION IS TO FOSTER THE LONG-TERM VITALITY AND DIVERSITY OF DULUTH'S ECONOMY BY PROVIDING SUSTAINABLE AND RESPONSIVE GAP FINANCING AND FUNDING OPTIONS THAT EMPOWER LOCAL BUSINESSES TO START, GROW, AND THRIVE