



COMMERCIAL PROPERTY DEMOLITION LOAN PROGRAM

The County's commercial areas are visible indicators of the social and economic health of the community. While most commercial districts of the County are economically viable and physically attractive, there are a few commercial areas that have underused commercial properties with redevelopment potential. These areas include:

- Route 17
- Rt. 143, Merrimac Trail
- Bypass Rd.
- Lightfoot Rd.
- Rochambeau Rd.
- Mooretown Rd.
- Historic Yorktown

PURPOSE

The purpose of the York County Economic Development Authority (EDA) Demolition Loan Program is to provide a tool to encourage enhancements in commercial areas of the county. The program will encourage redevelopment of underused commercial properties in order to improve the economic vitality of commercial areas from functional and aesthetic perspectives.

DEMOLITION PROGRAM DETAILS

The Demolition Program will be administered by the York County EDA. The Demolition Program will provide loans for reimbursement of costs of the demolition of qualified, underused commercial properties in order to help move these properties to the redevelopment market.

LOAN DETAILS

A 0% interest, forgivable loan is available for the demolition of underused commercial properties. The maximum amount of any loan will not exceed \$20,000.00 or the lowest of three (3) separate competitive arms-length bids or estimates obtained by the applicant, whichever is less. However, for good cause shown the EDA may waive the requirement of three (3) arms-length bids or estimates or may agree to lend an amount in excess of the lowest bid or estimate. In no case, however, shall the loan amount exceed \$20,000.00. The funds will be disbursed as a 0% interest loan, to be forgiven or reduced by the amount equal to the post-redevelopment increase in real property taxes that are paid on new improvements (if any) constructed on the property during the 60 consecutive months, subsequent to demolition, not including the value of the land. The 60-month period will start the first day of the calendar month immediately following completion of demolition. Any remaining balance not forgiven by the amount of the post-redevelopment increase in real property taxes must be repaid to the EDA at the end of the 60-month period. The loan will be evidenced by a non-interest-bearing promissory note secured by either a deed of trust lien on the property or, with the approval of the EDA, a letter of credit issued by a bank with an office on the Virginia

Peninsula or, presentable at a location within 60 miles of Yorktown, VA. If a letter of credit, it shall be in a form and content acceptable to the EDA and having a value equal to the entire amount of funds being borrowed pursuant to the program, and which shall remain in effect during the entire life of the promissory note. The note shall be personally endorsed by all fee simple owners of the property unless the EDA specifically waives the personal endorsement requirement, in writing. In the case of property owned in whole or in part by a corporation, the president of the corporation, or other person authorized by a resolution of the corporate board, shall sign; if a limited liability company (LLC), all members of the LLC shall endorse unless the LLC is manager-led in which event all managers shall sign; if a general partnership, all partners shall endorse; if a joint venture, all ventures shall endorse; and in the case of a limited partnership, all general partners shall endorse the note. The note may be assumed by future owners of the property. Additionally, the EDA may agree to subordinate the loan in order to facilitate the development of the property.

ELIGIBILITY AND PROCEDURAL GUIDELINES

1. All fee simple owners of the property must sign the application.
2. Awarded funds will be disbursed to the applicant upon satisfactory completion of the demolition and submission of all receipts for the work performed.
3. Completion of the demolition must occur within six months of the EDA approval.
4. Awards are not retroactive. **The demolition loan must be approved before any demolition activity begins.**
5. All applicable County regulations and approvals must be obtained before the demolition commences.
6. Real Property Tax Assessments values for the forgivable loan are determined by the York County Tax Assessor.
7. Demolition projects involving more than one tax parcel **may** be considered as separate projects for purposes of loan applications and awards in the EDA's discretion, notwithstanding common ownership

APPLICATION PROCESS

Applications will be accepted by the EDA starting July 1 of each program year. After June 30 of each year, any nonfunded or unapproved applications must be resubmitted before they can be considered for funding under the next year's program.

SELECTION CRITERIA

The approval of applications will be at the EDA's sole and unreviewable discretion, using the following criteria:

1. Preference will be given to properties located in one of the above listed redevelopment areas.
2. The potential impact on the attractiveness of the County's commercial areas.
3. The condition and use of the existing structure(s) on the property.
4. The property's potential for improved economic vitality, functionality, and aesthetics.

PUBLICITY AND ACKNOWLEDGEMENT

Applicants will receive public recognition for participating in the program. If appropriate, a sign will be placed on the property identifying the project as being affiliated with the York County EDA Demolition Loan Program.

FUNDING

On June 30 of each year, any uncommitted funds shall be designated for the program in the following fiscal year. The program funding is subject to annual appropriation by the York County EDA.

APPLICATION INFORMATION

Contact the York County Economic Development Office at (757) 890-3317 or via email at econdev@yorkcounty.gov for more information.

Example Demolition Award Scenario

- Qualified Property costs \$30,000 to demolish.
- Forgivable Loan can equal 100% of the cost (\$30,000), or \$20,000, whichever is less.
- In this case \$20,000 is less than \$30,000, so the program awards \$20,000.
- The \$20,000 award is a 0% interest loan, forgivable by the amount of increased real property tax paid on the improvements on the property for the next 5 years. Any remaining balance must be repaid to the EDA after 5 years.
- Five Year Real Property Tax Assessment Scenario:

Current Real Property Tax Assessment on Improvements = \$500,000 (Pre-Demolition Base Value)

Year One Real Property Tax Assessment on Improvements (after improvements demolished) = \$0

Year Two Real Property Tax Assessment on Improvements (after redevelopment) = \$1,500,000

Year Three Real Property Tax Assessment on Improvements (after redevelopment) = \$1,500,000

Year Four Real Property Tax Assessment on Improvements (after redevelopment) = \$1,500,000

YEAR	Base Real Property Tax Payment Value on Improvements at \$0.7515/\$100	Current Real Property Tax Assessment on Improvements	Current Real Property Tax Payment on Improvements at \$0.7515/\$100	Current Real Property Tax Payment on Improvements - Base Real Property Tax Payment Value	Loan Balance
BASE	\$3,757	\$500,000	\$3,757	\$0	\$20,000
ONE	\$3,757	\$0	\$0	\$0	\$20,000
TWO	\$3,757	\$1,500,000	\$11,272	\$7,515	\$12,485
THREE	\$3,757	\$1,500,000	\$11,272	\$7,515	\$4,970
FOUR	\$3,757	\$1,500,000	\$11,272	\$7,515	\$2,545*

*Loan Forgiven at the end of Year Four

YORK COUNTY COMMERCIAL PROPERTY DEMOLITION LOAN PROGRAM SPONSORED BY THE YORK COUNTY EDA

The undersigned owner of the real property described below submits this application to the York County Economic Development Authority to obtain a forgivable demolition loan under the Authority's Demolition Loan Program.

I. Applicant Contact Information

- Applicant Name: _____
- Applicant Address: _____

- Applicant Telephone Number: _____
- Applicant Fax Number: _____
- Applicant email address: _____

II. PROPERTY [Attach Plat if Available].

- Property Address: _____
- Real Estate Tax Parcel No. _____
- Description of Structures to Be Demolished: _____

- Will all structures be demolished? Yes
 No

[If answer is No, describe structures that will not be demolished and attach plat or sketch showing structures that will and will not be demolished].

Description of structures that will not be demolished _____

I. TITLE:

A. Fee Simple Title is held by

- Individual. Complete Appendix A
- Corporation. Complete Appendix B
- Limited Liability Company. Complete Appendix C
- General or Limited Partnership. Complete Appendix D
- Trust. Complete Appendix E
- Other entity. Complete Appendix F

B. The Property is subject to the following lien(s), exclusive of liens for York County real property taxes.

Deeds of Trust.

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

is not subject to any deed of trust.

Deeds of trust are as follows:

Loan #1

Loan Number: _____

Approximate Balance: _____

Name of Payee: _____

Payee's Address: _____

Payee's Telephone No. () _____

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

* PROPERTIES ON WHICH MORE THAN ONE LIEN OF ANY KIND IS PENDING, EXCEPT FOR PROPERTY TAXES THAT ARE ASSESSED BUT NOT YET DUE, ARE NOT ELIGIBLE FOR THE DEMOLITION GRANT PROGRAM UNTIL ALL SECOND OR SUBSEQUENT OUTSTANDING LIENS OF ANY KIND HAVE BEEN SATISFIED AND RELEASED.

C. The Property is subject to the following leases and possessory interests.

The Property is

is not occupied.

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

Occupant's Name: _____

Occupant's Mailing Address: _____

Occupant's Telephone No. () _____

Occupancy is: residential

non-residential

Is occupancy under a written lease? yes

no

[If answer is yes, attach a copy of lease]

[Attach separate sheet containing same information for each additional occupant].

II. DEMOLITION.

A. Probable Cost.

The Applicant has obtained a proposal from a qualified demolition company to perform the proposed demolition that is acceptable to the Applicant. [Attach a copy of the proposal]. Three proposals/bids must be obtained to determine the final loan amount, if the application is approved.

The Applicant has not obtained a demolition proposal, but believes that the cost of demolition will be approximately \$_____. [Attach copies of any estimates upon which this opinion is based].

B. Additional Funds.

Applicant has arranged

has not yet arranged to obtain the additional funds necessary for the demolition.

IV. DEMOLITION PROGRAM GUIDELINES AGREEMENT:

I/we agree to adhere to the demolition program guidelines as established by the York County EDA, a copy of which is attached hereto. In addition, should this application be approved, the undersigned understand that the following additional requirements will apply:

1. The deed of trust and promissory note will be prepared by the Authority's legal counsel acting solely for the Authority. If use of an irrevocable letter of credit is approved by the Authority's Directors, the letter of credit shall be obtained by the applicant and submitted the Authority's legal counsel for approval. You are encouraged to have the documents reviewed on your behalf by an attorney of your choice.
2. Upon being advised in writing of approval of your application, and as a condition of receipt of the grant, you must provide the Authority with a current certification prepared by a duly licensed attorney at law, or by a title insurer in form satisfactory to the Authority's legal counsel, certifying that you are vested with fee simple title to the property and identifying all applicable exceptions, including, but not limited to all liens and encumbrances. The certification must be based upon an examination of the land records in the Clerk's Office for the Circuit Court of the City of Poquoson and County of York, Virginia performed up to or beyond the date of the Authority's notification of grant approval. The grant will be subject to the approval by the Authority's legal counsel of the state of record title as reflected in the title certification. If title is not satisfactory, then the Authority's legal counsel will advise you and the Authority in writing of what will be required to resolve identified title objections. IN ALL CASES WHERE A DEED OF TRUST IS USED TO SECURE THE LOAN, THE DEED OF TRUST SECURING THE LOAN FROM THE AUTHORITY MUST CONSTITUTE EITHER A FIRST OR SECOND LIEN ON THE PROPERTY. The only other allowable lien is a lien for current real property taxes that are not yet due and payable. The Authority's legal counsel will record the deed of trust and will update the title to date of recordation to assure that no unacceptable changes in title have occurred. IF THE DEED OF TRUST GIVEN TO THE AUTHORITY IS A SECOND LIEN DEED OF TRUST, THE NOTE HOLDER SECURED BY THE FIRST DEED OF TRUST MUST CONSENT IN WRITING TO THE DEMOLITION.

(All fee simple owners of the Property must sign this application.)

Please submit the application to the York County Economic Development Office.

224 Ballard St., Yorktown, VA 23690

Fax (757) 890-4011

econdev@yorkcounty.gov

For more information, please contact:

James W. Noel, Jr.

Economic Development Director

(757) 890-3318; 890-4010 (fax)

jnoel@yorkcounty.gov

For details about demolition permits, please contact:

York County Building Regulations Office

(757) 890-3522

harrism@yorkcounty.gov

INDIVIDUAL OWNERS' SIGNATURES

Date: _____, 20__

Print Name _____

CORPORATION

Insert full name of Corporation Above

Date: _____, 20__

By _____

President

Print Name _____

LIMITED LIABILITY COMPANY

Insert full name of LLC Above

Date: _____, 20__

By _____

Member Manager

Print Name _____

Date: _____, 20__

By _____

Member Manager

Print Name _____

Date: _____, 20__

By _____

Member Manager

Print Name _____

Date: _____, 20__

By _____

Member Manager

Print Name _____

GENERAL PARTNERSHIP

Insert full name of General Partnership Above

Date: _____, 20__

By _____

General Partner

Print Name _____

Date: _____, 20__

By _____

General Partner

Print Name _____

Date: _____, 20__

By _____

General Partner

Print Name _____

Date: _____, 20__

By _____

General Partner

Print Name _____

LIMITED PARTNERSHIP

Insert full name of Limited Partnership Above

Insert full name of General Partner

Date: _____, 20__

By _____

Insert title:

Print Name _____

TRUST

Date: _____, 20__

Trustee of the _____

Trust Dated _____

Print Name _____

Date: _____, 20__

Trustee of the _____

Date: _____, 20__

Trustee of the _____

Trust Dated _____

Print Name _____

Trust Dated _____

Print Name _____

YORK COUNTY COMMERCIAL PROPERTY DEMOLITION LOAN PROGRAM SPONSORED BY THE YORK COUNTY EDA

The undersigned owner of the real property described below submits this application to the York County Economic Development Authority to obtain a forgivable demolition loan under the Authority's Demolition Loan Program.

I. Applicant Contact Information

- Applicant Name: _____
- Applicant Address: _____

- Applicant Telephone Number: _____
- Applicant Fax Number: _____
- Applicant email address: _____

II. PROPERTY [Attach Plat if Available].

- Property Address: _____
- Real Estate Tax Parcel No. _____
- Description of Structures to Be Demolished: _____

- Will all structures be demolished? Yes
 No

[If answer is No, describe structures that will not be demolished and attach plat or sketch showing structures that will and will not be demolished].

Description of structures that will not be demolished _____

I. TITLE:

A. Fee Simple Title is held by

- Individual. Complete Appendix A
- Corporation. Complete Appendix B
- Limited Liability Company. Complete Appendix C
- General or Limited Partnership. Complete Appendix D
- Trust. Complete Appendix E
- Other entity. Complete Appendix F

B. The Property is subject to the following lien(s), exclusive of liens for York County real property taxes.

Deeds of Trust.

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

is not subject to any deed of trust.

Deeds of trust are as follows:

Loan #1

Loan Number: _____

Approximate Balance: _____

Name of Payee: _____

Payee's Address: _____

Payee's Telephone No. () _____

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

* PROPERTIES ON WHICH MORE THAN ONE LIEN OF ANY KIND IS PENDING, EXCEPT FOR PROPERTY TAXES THAT ARE ASSESSED BUT NOT YET DUE, ARE NOT ELIGIBLE FOR THE DEMOLITION GRANT PROGRAM UNTIL ALL SECOND OR SUBSEQUENT OUTSTANDING LIENS OF ANY KIND HAVE BEEN SATISFIED AND RELEASED.

C. The Property is subject to the following leases and possessory Interests.

The Property is

is not occupied.

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

Occupant's Name: _____

Occupant's Mailing Address: _____

Occupant's Telephone No. () _____

Occupancy is: residential

non-residential

Is occupancy under a written lease? yes

no

[If answer is yes, attach a copy of lease]

[Attach separate sheet containing same information for each additional occupant].

II. DEMOLITION.

A. Probable Cost.

The Applicant has obtained a proposal from a qualified demolition company to perform the proposed demolition that is acceptable to the Applicant. *[Attach a copy of the proposal]*. Three proposals/bids must be obtained to determine the final loan amount, if the application is approved.

The Applicant has not obtained a demolition proposal, but believes that the cost of demolition will be approximately \$_____. *[Attach copies of any estimates upon which this opinion is based]*.

B. Additional Funds.

Applicant has arranged []

[] has not yet arranged to obtain the additional funds necessary for the demolition.

IV. DEMOLITION PROGRAM GUIDELINES AGREEMENT:

I/we agree to adhere to the demolition program guidelines as established by the York County EDA, a copy of which is attached hereto. In addition, should this application be approved, the undersigned understand that the following additional requirements will apply:

1. The deed of trust and promissory note will be prepared by the Authority's legal counsel acting solely for the Authority. If use of an irrevocable letter of credit is approved by the Authority's Directors, the letter of credit shall be obtained by the applicant and submitted the Authority's legal counsel for approval. You are encouraged to have the documents reviewed on your behalf by an attorney of your choice.
2. Upon being advised in writing of approval of your application, and as a condition of receipt of the grant, you must provide the Authority with a current certification prepared by a duly licensed attorney at law, or by a title insurer in form satisfactory to the Authority's legal counsel, certifying that you are vested with fee simple title to the property and identifying all applicable exceptions, including, but not limited to all liens and encumbrances. The certification must be based upon an examination of the land records in the Clerk's Office for the Circuit Court of the City of Poquoson and County of York, Virginia performed up to or beyond the date of the Authority's notification of grant approval. The grant will be subject to the approval by the Authority's legal counsel of the state of record title as reflected in the title certification. If title is not satisfactory, then the Authority's legal counsel will advise you and the Authority in writing of what will be required to resolve identified title objections. IN ALL CASES WHERE A DEED OF TRUST IS USED TO SECURE THE LOAN, THE DEED OF TRUST SECURING THE LOAN FROM THE AUTHORITY MUST CONSTITUTE EITHER A FIRST OR SECOND LIEN ON THE PROPERTY. The only other allowable lien is a lien for current real property taxes that are not yet due and payable. The Authority's legal counsel will record the deed of trust and will update the title to date of recordation to assure that no unacceptable changes in title have occurred. IF THE DEED OF TRUST GIVEN TO THE AUTHORITY IS A SECOND LIEN DEED OF TRUST, THE NOTE HOLDER SECURED BY THE FIRST DEED OF TRUST MUST CONSENT IN WRITING TO THE DEMOLITION.

(All fee simple owners of the Property must sign this application.)

Please submit the application to the York County Economic Development Office.

224 Ballard St., Yorktown, VA 23690

Fax (757) 890-4011

econdev@yorkcounty.gov

For more information, please contact:

James W. Noel, Jr.

Economic Development Director

(757) 890-3318; 890-4010 (fax)

jnoel@yorkcounty.gov

For details about demolition permits, please contact:

York County Building Regulations Office

(757) 890-3522

harrism@yorkcounty.gov

CORPORATION

Insert full name of Corporation Above

Date: _____, 20__

By _____
President

Print Name _____