

(2) "Project costs" may include planning and engineering studies, land acquisition, site preparation, and all construction costs.

(3) "Shell building" means a basic structure of flexible design or a rehabilitated building, erected on land owned or controlled by the political subdivision, for eventual sale or lease to a purchaser or tenant requiring facilities for manufacturing, assembling, fabricating, processing, warehousing, research and development, or office use.

(b) Any political subdivision may apply to the Secretary for a loan to finance project costs of a shell building project. The application shall describe the project in the manner and detail required by the Secretary and shall include the information set forth in [§ 5-404(a)] § 5-704(A) of this subtitle as it relates to the shell building project, and a complete breakdown of the anticipated cost of the project.

(c) In determining whether or not to approve a loan and the amount of the loan, the Secretary shall consider those factors set forth in [§ 5-404(b)] § 5-704(B) of this subtitle as they relate to the shell building project. After the investigation he considers necessary, the Secretary may approve a loan of all or any part of the project costs, not to exceed \$2,000,000.

(d) On approval of a loan, the Secretary shall enter into a loan agreement with the borrowing political subdivision providing for payment of interest only, at a rate determined by the Secretary in accordance with [§ 5-404(c)(2)(iii)] § 5-704(C)(2)(III) of this subtitle, beginning on the date of the loan and continuing for a period not to exceed two years after that date. On sale of the shell building, the political subdivision shall repay the entire amount of the loan. Subject to the required repayment in the event of a sale, the principal balance of the loan remaining at the end of the interest only payment period shall be amortized over a period not exceeding 25 years in accordance with an amortization schedule approved by the Secretary. The borrowing subdivision shall give to the Secretary at least 30 days advance notice and obtain his written approval of any sale or lease. The loan agreement may contain regulatory and security provisions.

(e) (1) The loan agreement shall be recorded among the land records of the political subdivision in which the project is located and shall constitute a lien on the land and the improvements.

(2) Paragraph (1) of this subsection does not apply if a federally funded contract, grant, loan, project, or reimbursement prohibits the placement of a lien on the land or improvements that a political subdivision includes in a loan agreement made under this section.

[5-406.1] 5-707.

(a) (1) In this section, the following words have the meanings indicated.

(2) "Incubator" means any building of flexible design, owned or controlled by a political subdivision, for eventual lease to multiple new businesses which share support services and facilities.

(3) "New businesses" are businesses which have been in existence for no longer than 3 years.