Lake Park Development Corporation
Business Incentive Application

SUMMARY

Mission Statement: To encourage and promote the establishment, development and growth of industry and businesses in or near the City of Lake Park, Dickinson County, Iowa. To increase or promote in construction of buildings, acquirement of property for industrial or business organizations of and every kind and façade improvement in and about the said City of Lake Park, Iowa

Purpose and Objectives: To facilitate growth, development or attraction of businesses that meet retail needs and/or diversify the economy and provide job opportunities in the City of Lake Park. Specifically, this program will:

1. Facilitate significant and comprehensive investment in retail businesses.
2. Diversify the economy.
3. Encourage revitalization efforts.
4. Create/retain employment opportunities.

Program Incentives:
Forgivable Loan: Qualifying businesses may be awarded a forgivable loan up to $10,000. Loan forgiveness parameters will be determined based on total cost of project. For example, if a $10,000 forgivable loan is awarded, the qualifying business would need to operate for a minimum of 5 years to have the balance of the loan forgiven. The amount of the forgivable loan will be prorated over a 5-year period monthly. A business sale will be constituted by any form of deed or contract. Forgivable loan awards shall not exceed 15% of project costs or $10,000, whichever is less.

Revolving Loan: Qualifying businesses may be awarded a revolving loan up to $15,000. This may be combined with a Forgivable Loan award. Loans will be provided at 2% interest amortized up to seven (7) years on a monthly payment. The loan amount will be based upon project costs and needs, and a one-year deferral of repayment may be given. Revolving loan awards shall not exceed 15% of the project costs or $15,000, whichever is less. The combined forgivable and revolving loans will not exceed 25% of project cost or $25,000, whichever is less. The balance of this loan will be paid in full if the business is sold, whether by any form of a deed or contract.

Façade Program: Qualifying businesses may be awarded a grant of 33% of the project cost up to $10,000 along with a loan of 33% of the total project cost. Loans will be provided at 2% interest, amortized over 7 years on a monthly payment. The grant amount will be treated as a forgivable loan prorated over a 5-year period monthly.

- The façade program is for the area located in the boundaries of the "Downtown Urban Revitalization Plan".
- All applications will be completed and approved by the Development Board before any construction/work is started.
- The Development Board reserves the right to change the plans prior to any awards for the appearance of Mainstreet and neighboring businesses (window/glass area and brick).

Qualifying Businesses:

1. New or expanding businesses that are retail in nature and can meet the following criteria.
    a. Mitigate sales 'leakage' to other markets and retain significant sales in Lake Park.

b. Provide niche product markets not otherwise available and represent significant sales in Lake Park.

1. New or expanding businesses that meet a minimum of one of the following in significant amounts as determined by the Lake Park Development Corporation.
    a. Diversify the economic base.
    b. Diversify the occupational mix.

Application Procedure:
The Development Coordinator serves as loan officer. Applicants will complete the accompanying application and submit it to the loan officer. Upon confirming that the application is thorough and complete, the loan officer will provide the application to the Development Board for review and potential loan award. Incomplete applications will be returned to the applying business with explanation of necessary additions. The Development Board may review the application in private or meet in person with the applicant before making a loan determination. Program Incentives above are the recommended guide. The Board does reserve the right to adjust the incentives based on the magnitude of the business' needs, impact on employment, and economic growth for the City.

Required Application Content:
Retail

- The application will be evaluated upon the extent to which the project:
    - Fills an unmet consumer demand.
    - Reduces retail leakage.
    - Produces significant taxable sales.
- Plans and itemized cost.

Non-retail businesses

- The application will be evaluated upon the extent to which the project:
    - Results in a significant level of capital investment.
        - Diversify the economic base.
        - Diversify the occupational mix.
    - Plans and itemized cost.

Additional Information:

- All finance sources will be collateralized by a second mortgage and personal guarantees.
- Existing businesses shall provide historical income statements for 2 years.
- Cash flow projections that indicate intent and ability to repay the loan.
- Funds will be dispersed upon completion of work.

Other Programs:

- Tax abatement provided through the City.
- Utility incentive provided by Lake Park Municipal Utilities

APPLICATION FORMS (SEE FOLLOWING PAGES)

Lake Park Development Board
Business Incentive Application

Name and Address of Business

_____

_____

_____

_____

_____

Phone Number

_____

Email Address

_____

Business Internet Address

_____

Federal Tax ID# _____

Structure of Business (place "X" the appropriate business structure that applies)

____ Proprietorship Corporation (____ S Corp OR ____ C Corp) ____ Partnership

Business Owners Names and Addresses

1. _____ Title _____

   _____ Percent of Ownership_____

   _____

   _____

2. _____ Title _____

   _____ Percent of Ownership_____

   _____

   _____

** Please attach a separate list of the above information if there are more than two owners.*

Primary Lender Name, Address, Phone #, and Name of Loan Officer

_____

_____

Applicant(s) Signature, Full Name, Date

_____

_____

Brief narrative describing business and project.

Market assessment. For retail businesses, describe how project will mitigate retail sales leakage by fulfilling an unmet need in Lake Park or providing a niche product or experience. For non-retail businesses, describe how project will diversify the economic base and the job mix in Lake Park.

Details of loan requested:

Forgivable Loan Amount $ _____

Revolving Loan Amount _____

Collateral Available & Market Value _____

Special Terms or Conditions (e.g. deferral) _____

Are the owners of the company willing to disclose their personal financial condition? ____ Yes ____ No

Are the owners of the company willing to sign personal guarantees? ____ Yes ____ No

Job Impact	Current	New	Wages
Full time positions	_____	_____	_____
Part time positions	_____	_____	_____
Average full time hourly wages	_____	_____	_____
Average part time hourly wages	_____	_____	_____

Project Financing Summary – Source & Use of Funds

Use	Amount	Source
_____	$_____	_____
_____	$_____	_____
_____	$_____	_____
_____	$_____	_____
_____	$_____	_____
_____	$_____	_____
_____	$_____	_____
_____	$_____	_____
_____	$_____	_____
_____	$_____	_____
_____	$_____	_____

TOTAL $_____ _____

Project Financing Summary – Proposed Financing Terms

	Equity	Bank	Other	Other
Loan Amount	_____	_____	_____	_____
% Project Cost	_____	_____	_____	_____
Term of Loan	_____	_____	_____	_____
Interest Rate	_____	_____	_____	_____
Annual Pymt.	_____	_____	_____	_____
Collateral	_____	_____	_____	_____
Lien Position	_____	_____	_____	_____
Guarantees	_____	_____	_____	_____
Approved Y/N	_____	_____	_____	_____