

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. 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 and repayment 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.

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. 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.

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

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