

POLICIES AND PROCEDURES

General Guidelines to the Development Corporation of Greater Fort Dodge

The Development Corporation of Greater Fort Dodge is a private, non-profit corporation organized to strengthen the economic viability of the Fort Dodge Downtown Urban Revitalization Area and the immediate surrounding area by assisting business development and expansion by providing low-interest financing in cooperation with local lenders.

Financing Available:

General Business Loans are available for business creation, expansion or relocation into the downtown area. Funds can be used for the following:

- Purchase of real estate for establishment of a business.
- Exterior renovations of buildings consistent with the *Fort Dodge Downtown Design Guidelines* or the US Department of Interior's *Standards for Rehabilitation*.
- Rehabilitation or modification of buildings for business establishment or expansion for owner-occupants.
- Leasehold improvements for business establishment or expansion.
- Purchase of equipment and fixtures.
- Working capital necessary to support expanding or new operations.
- Other uses as deemed appropriate by the Development Corporation for business establishment, expansion or retention.

Refinancing of existing debt, speculative activities and financing of current operations are not allowable uses of funds.

Loans are made for a maximum of 50% of the allowable project costs, not to exceed \$150,000. The remaining costs will be financed by a participating conventional lender or the borrower's cash reserves. Cash reserves must be verified with paid receipts. Applicants are expected to have cash or equity in the project equal to at least 10% of the total project costs. The initial interest rate will be set at 2% below New York Prime Rate with a floor of 3%. The interest rate will be adjusted annually on the loan's anniversary date and be set at 2% below New York Prime Rate with a floor of 3%. Extended amortizations are available but shall not exceed 30 years.

Loans are targeted to those businesses unable to get all necessary funding through conventional financing, those who need reduced interest or extended term loans to make the business cash flow and to provide an incentive to complete a project consistent with the *Fort Dodge Downtown Design Guidelines* or the *Fort Dodge Downtown Design Guidelines*.

Façade Renovation Loans are to assist business and property owners in restoring and preserving building facades in a manner consistent with the general historical character of the structure, utilizing the US Department of Interior's *Standards for Rehabilitation* or the *Fort Dodge Downtown Design Guidelines*. These loans have an interest rate of 3% (fixed) with an amortization period of up to 15 years. The maximum loan amount is 50% of allowable project

costs, not to exceed \$30,000.00. Costs considered under the Façade Renovation Loan include, but are not limited to the following:

- Masonry work
- Tuckpointing
- Ornamental design repair or replacement
- Awnings
- Window repair or replacement
- Foundation repair
- Cleaning of exterior brickwork
- Painting
- Insulation and other energy conservation measures
- Incipient violations
- Architectural and Design services

Façade renovation funds may not be used for general property improvements, refinancing of any existing debt or projects inconsistent with the *Fort Dodge Downtown Design Guidelines*, when located within the boundaries of said document's applicability.

Loan Guidelines

Maximum number of loans to one Borrowing Entity is limited to three general loans and three façade loans. Borrowing Entity is defined by tax identification or EIN number. The maximum amount to be loaned per legal description is \$180,000

Other Uses of Loan Funds include providing financing for projects that contribute to the improvement of the Downtown, particularly if consistent with the *2008 Fort Dodge, IA Downtown Plan* or the *Fort Dodge Downtown Design Guidelines*.

Application Procedures

The application packet will be assembled by the lender's loan officer, using forms typically required for consideration of a bank loan. Presentation of the loan will be made by the loan officer from the participating financial institution or other financial representative to the Development Corporation. Exhibits generally required include:

- Borrower's personal and corporation financial statements
- Current and projected balance sheets
- Purposed use of funds
- Business Plan
- Borrower's business experience and past history
- List of collateral available
- Copy of lease, contract or deed