

Retail Interior Renovation Loan Program

Who is eligible?

Only those retail businesses that stock new items for sale on racks, shelving, or a floor display are considered eligible for this program.

What are the qualifications?

- May be a new retail business or a new owner of an existing retail business in Sheldon that is either leasing new or existing space or is constructing new space.
- May be an existing retail business in Sheldon that is expanding at its existing or at a new location. Only the extra square footage that is added to their existing sales space will be considered eligible.
- Must be open a minimum of 40 hours per week.
- Must be a member of the Sheldon Chamber and Development Corporation for the duration of the loan.
- Loan application must be submitted prior to public opening.
- Only one business under an LLC Umbrella Qualifies for a loan or combination of loans at any single time.

Loan details

- The loan would be based on a \$1 for \$1 match of building improvements and/or product shelving that pertain to the enlarged or retail area. The loan amount will not exceed \$5.70 per square foot; maximum \$15,000 and a minimum of \$500.
- Loan terms are zero percent interest for a (5) year period and the applicant must meet and maintain all 5 of the loan qualifications listed above during the duration of the loan period.
- Storage, Office, restrooms are not eligible as retail square footage available for this incentive.
- The Retail Review Board will meet with each applicant to review the application, floor plans, building improvements and/or project shelving purchases.

Distributions of Funds:

The applicant must provide paid invoices for all construction costs, building improvements and product shelving purchases. The Retail Review Board will also confirm floor plans, square footage measurements and project completion prior to distribution of funds. Loan funds are distributed only to the retail businesses. Building owners or landlords are not eligible applicants or recipients. A Business owner can only be approved for one project at a time and can't be reconsidered for future projects until current projects are paid off. Should the owner default on the conditions of the loan, the remaining principle amount must be repaid immediately or incur an interest rate at the current Wall Street Prime Rate for the duration of the amortization schedule. All projects over \$5,000 will be held by collateral to secure the loan.



Sheldon

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2 GREAT OPPORTUNITIES TO

GROW YOUR BUSINESS

INSIDE & OUT!



1

Retail Interior Renovation Loan Program

2

Storefront Program

(Redevelopment Incentive Fund RIF)

BROUGHT TO YOU BY THE SCDC, CITY OF SHELDON,
AND LOCAL FINANCIAL INSTITUTIONS.

Storefront Program (Redevelopment Incentive Fund RIF)

The Redevelopment Incentive Fund (RIF) is a program established by the Sheldon Chamber and Development Corporation (SCDC) in conjunction with the City of Sheldon for the purpose of promoting the continued expansion of the community's commercial base.

This goal is pursued via targeting the private infrastructure that supports this economic sector. The physical strength, consumer attraction, and the efficient operating costs of commercial buildings are vital to the ongoing activity of commercial enterprise.

The RIF is designed to aid in the refurbishing and repair of building facades or what is typically referred to as the building's storefront.

The emphasis of the program is to focus on the preservation of the building's architectural character and design.



What are the qualifications?

- Commercial buildings must be located in Sheldon Renewal District.
- Commercial buildings that offer the greatest opportunity for improvement in the downtown district will be given the highest priority.
- Preference given to projects that will help with the elimination of building vacancies.
- Buildings must be dedicated to retail establishments.

Eligible uses

...and loan principle deduction schedule

- Awning Treatments - 5 years
- Replacement of signage or siding - 5 years
- Window and Door upgrades - 10 years
- Masonry Repair - 15 years
- Cornice Repair - 15 years
- New Paint - 3 years

Ineligible uses

- Concrete Sidewalks
- Un-attached benches, flower boxes, signs, etc.
- Any building interior improvements.

RIF Partners:

(Local Financial Institutions)

Citizens State Bank, Iowa State Bank, Northwestern Bank and Peoples Bank

- Loans shall be offered "at cost" to qualified applicants, in that the interest rate for these loans shall be equal to a Treasury Bill Index consistent with the term of the loan.
- There will be no loan fees charged by financial institutions.



"Economic Revitalization Through Re-Investment"

Terms:

Forgivable loans may be offered on the following basis.

- Proposed renovation must impact at least 70% of the store front or side to claim total building length.

EXAMPLE: A BUILDING OWNER PROPOSES TO REPLACE A 15' LONG SIGN AND A 4' DOORWAY. THE STOREFRONT IS 25' LONG. THE 70% RENOVATION IMPACT GUIDELINES IS SURPASSED THEREFORE, THE ENTIRE 25' AT \$100/ FOOT, OR RIF FUNDS MAY BE AVAILABLE FOR THE PROJECT.

- RIF Loan Amount/Storefront Width (main level) = \$100/ running foot.(second level) \$50.00/running foot.
- RIF Loan Amount/Building Side (corner buildings on street intersections only) = \$50.00/running foot.
- Maximum amount of RIF funds=project 40% of project. Must be

matched with private funds.

EXAMPLE: THE MAXIMUM AMOUNT OF FUNDS A BUILDING OWNER OF A 25' STOREFRONT MAY QUALIFY FOR IS \$2,500 IF THE TOTAL PROJECT COSTS EQUAL \$6,250.00. IF THE TOTAL PROJECT COSTS ONLY \$5,000, THE AMOUNT OF RIF FUNDS AVAILABLE WOULD BE THE 40% OR \$2,000.

- A building owner may undertake multiple renovation projects of the same storefront or store width. However, the maximum amount RIF funds that would be available are \$100.00 per running foot (storefront) or \$50.00 per running foot (store side) or any combination thereof.
- Building owners or their tenants (with owners approval) may submit a RIF application.
- Final project expense receipts must be submitted when completed.
- All projects will be inspected by the RIF Review Board for approval prior to disbursement of funds.

- Terms of principle forgiveness-The building owner must maintain ownership of the building and the building improvements according to RIF Loan reduction schedule.

EXAMPLE: IF A BUILDING OWNER RECEIVES \$2000 IN RIF FUNDS FOR A NEW SIGNAGE (5YRS) AND AWNING (5YRS) AND SELLS THE BUILDING 2 YEARS LATER, THE OWNER WOULD BE REQUIRED TO REPAY THE OUTSTANDING PRINCIPLE FOR THE REMAINING 3YEARS OR \$1200.

- Should the owner default on the conditions of the loan, the remaining principle amount must be repaid.
- Only the storefront linear footage undergoing renovation may qualify as collateral to secure the loan (ie. building mortgage.)
- Only one business under an LLC Umbrella Qualifies for a loan or combination of loans at any single time.
- Loans over \$5000 will be secured.