

# CITY OF SHELBY

Economic

Development

Program

## Contents

ECONOMIC DEVELOPMENT PROGRAM ..... 1

    POLICY STATEMENT: ..... 1

    ELIGIBLE APPLICANTS: ..... 1

    PROJECT APPLICATION AND REVIEW:..... 2

BENCHMARKS FOR SPECIFIC INCENTIVE ACTIVITIES ..... 2

    NEW CONSTRUCTION GRANT OR REBATE INCENTIVE BENCHMARKS:..... 2

    SMALL BUSINESS START-UP/EXPANSION/RETENTION GRANT BENCHMARKS:3

    IMPROVEMENT AND REHABILITATION OF DOWNTOWN BUILDINGS (PRE-1935)

    ..... 4

        Major Restoration and Improvement Grants..... 4

        Architectural Assistance Grant..... 4

        Minor Restoration and Improvements Grants..... 5

        Ineligible Activities..... 5

OTHER TYPES OF ASSISTANCE AND PROGRAM ACTIVITIES:..... 5

## ECONOMIC DEVELOPMENT PROGRAM

### POLICY STATEMENT:

The City strives to achieve economic growth and a broadened tax base. Like many small towns, the City is faced with the challenges of a lack of growth, a depressed marketplace, and conditions generally requiring urban renewal efforts. Due to these conditions, it will be necessary for the City to provide additional financial support to make it economically feasible to recruit, grow and expand industry and business for the community. The Economic Development Program will utilize the authority granted the City by Chapter 15A of the Code of Iowa to promote businesses, retain and create employment for the community, and to achieve the goals of the Comprehensive Plan and other official development policies.

### ELIGIBLE APPLICANTS:

A qualifying business or industry shall mean any corporation, partnership, or sole proprietorship, principally engaged in any of the following:

- a. Corporate headquarters facilities.
- b. Manufacturing or industrial operations, unless the environmental impact of such is adversarial to the City's quality of life.
- c. Research and development.
- d. Value-added agricultural operations.
- e. Sales and services supporting agricultural.
- f. Processing, storage, transport, or sale of goods or commodities, which are sold or traded in interstate commerce.
- g. Sale of services in interstate commerce.
- h. Cultural, recreational, entertainment and tourism-related activities.
- i. Qualified small-businesses located in any part of the community.
- j. Businesses located in the downtown area and meeting the goals of the downtown development plan.
- k. Any business which creates or retains 10 or more Full Time Equivalent (FTE) positions that pay 100% or more of the average wage for Shelby County.
- l. Any business or industry which would fulfill the goals of the Comprehensive Plan or other development policies.

An ineligible business or industry shall mean any corporation, partnership, or sole proprietorship, principally engaged in any of the following:

- a. Private clubs
- b. Salvage yards
- c. Sanitary landfills
- d. Adult entertainment or sex industry businesses
- e. Telecommunications towers

- f. Any non-profit or tax exempt operations, unless such projects satisfy the job creation criteria.
- g. Public owned facilities
- h. Any project where construction has begun or is completed.

**PROJECT APPLICATION AND REVIEW:**

Each application will be evaluated on a case-by-case basis by the City Council. The City Council may do any of the following:

- a. Approve the project upon positive verification of applicant's information.
- b. Disapprove the project.
- c. Revise and resubmit project for future consideration.

To be considered for direct financial assistance under the Economic Development Program an applicant must provide the following:

- a. A completed Economic Development Program Application for financial assistance
- b. A description of the proposed development/project, including sketches, preliminary plats, and budget as appropriate.
- c. A business plan or development or project pro-forma as appropriate.

Additional information, as necessary to determine the economic viability of all proposed project(s), may be requested by the Council.

The Council will review applications and requests in the order in which they are received. Applications received by the Council will be reviewed based on project feasibility as determined by review of the applicant's plan and other requested information, and the potential future economic benefit to the community.

Projects will be awarded assistance based on the availability of funds.

**BENCHMARKS FOR SPECIFIC INCENTIVE ACTIVITIES**

The incentives and activities of the Economic Development Program cannot be one-size fits all and still be effective.

While the program is designed to be flexible to meet the needs of specific applications, the following benchmarks should be observed to ensure the program is being managed appropriately.

**NEW CONSTRUCTION GRANT OR REBATE INCENTIVE BENCHMARKS:**

New construction projects achieve the goals of broadening the tax base, economic expansion, and vitality.

Eligible projects involving new construction and improvements of property will be eligible for a cash grant or rebate equal to or less than the project value of seven (7) years' worth of the incremental property tax collections generated from the project.

The Council will reserve the right to condition the incentive as a rebate of taxes for a term of years or as a cash grant.

Development agreements will be used to ensure the grantee adheres to the terms of the grant and to ensure the City receives its perceived benefits from offering the incentive. Typical terms of the development agreement will include minimum assessment agreements and minimum development standards.

As a matter of policy, grants for new commercial projects will not leverage T.I.F. beyond the capacity of the incremental value created by a project to fully fund any incentives associated with an application.

**SMALL BUSINESS START-UP/EXPANSION/RETENTION GRANT BENCHMARKS:**

The Small Business Start-Up/Retention Grant will provide up to \$10,000 in matching grant funds to eligible small businesses.

The business must be located in a commercial zoning district. Preference is given to small business locating with the downtown area.

Qualified small business applicants are the following:

- a. Small businesses have gross receipts of less than \$350,000 or employ less than the equivalent of 5 full-time employees or are located within the downtown area.
  - For a small business to qualify as a start-up, a small businesses must be within the the first year of operation; or
  - For a small business applicant to be considered as undergoing an expansion, the applicant must be requesting funds to assist for any of the following: 1) relocation to a larger, more suitable facility, 2) assist with hiring of new personnel, 3) purchase new equipment or software required to expand business, or 4) remodel existing space to facilitate an expansion of business.
  - For a small business to qualify as needing assistance for retention, the applicant for funds must demonstrate the following:
    - i. In cases where financial assistance is being requested to avoid closure, the applicant must demonstrate a viable plan to sustain the

business and that temporary circumstances have created the need for assistance; or

- ii. In cases where financial assistance is being requested to avoid relocation outside of the community, the applicant must demonstrate a legitimate alternative to move the business from the community is being considered and that additional funding will retain the business for at least two years.

The business owner must complete a one on one counseling program with the Small Business Development Center (SBDC).

The program reimburses expenses and does not advance money without documentation supporting the request for reimbursement.

Other reasonable conditions may be created by the Council in their discretion.

### **IMPROVEMENT AND REHABILITATION OF DOWNTOWN BUILDINGS (PRE-1935)**

Recognizing the challenges of the downtown development plan, the City has created an incentive to rehabilitate and restore historical downtown buildings built before 1935. Under the authority of Chapter 15A of the Iowa Code, the City will make direct grants to property owners of up to eighty percent (80%) of conforming project costs.

The program highly encourages the use of a licensed architect on projects.

#### **Major Restoration and Improvement Grants**

Major restoration and improvement grants are the focus of the grant program. Features of major restoration and improvement grants are as follows:

- Projects will be led by a licensed architect.
- The priority of the program is to enhance the building envelope, especially facades. All projects will be required to improve the building façade and to accent historical elements of the building. Any structural or other building envelope deficiencies must also be addressed in a project. All other interior building redevelopment costs will be eligible for grant funding once the façade and envelope requirements have been met.
- Eligible applicants can receive up to \$3,000 per linear feet of building frontage. Grants will not exceed eighty percent (80%) of project costs.

#### **Architectural Assistance Grant**

Applicants may submit grants for up to \$8,500 in assistance toward architectural and professional planning fees for each project.

**Minor Restoration and Improvements Grants**

Minor restoration and improvement grants will also be available. Applicants may apply for up to \$4,000, with a required 50% match for expenses related to enhancement of downtown buildings, such as painting, signage, awnings, and ornamental lighting.

**Ineligible Activities**

Routine exterior maintenance, landscaping, and new construction are not eligible projects for funding. Projects not led by an architect will be ineligible for funding, except for qualifying minor grants for restoration and improvements.

**OTHER TYPES OF ASSISTANCE AND PROGRAM ACTIVITIES:**

This Economic Development Program will provide funding and other assistance to assist development in ways not specifically described elsewhere. These types of assistance and activities shall include:

- a. Grants, rebates, or loans for public works and improvements essential to the location of qualified projects.
- b. Grants, rebates, or loans for job training and for job creation.
- c. Use of eminent domain as allowed by law.
- d. Purchase of real estate, or extension of such options.

The City may establish case-by-case conditions for each application under this area of the program

**ECONOMIC DEVELOPMENT PROGRAM  
GENERAL APPLICATION**

**Applicant Information**

Date of Application	
Name of Applicant	
Current Address	
Current City, State, Zip	
Phone Number	
Email Address	
Address or Parcel # Subject to Request	

**PROGRAM APPLYING FOR (PLACE AN 'X' IN ALL BOXES THAT APPLY):**

New Construction	<input type="checkbox"/>	Small Business Start-up/Expansion/Retention	<input type="checkbox"/>
Downtown Improvement & Rehab	<input type="checkbox"/>	Other Types of Assistance	<input type="checkbox"/>

New Business	<input type="checkbox"/>	Existing Business	<input type="checkbox"/>
--------------	--------------------------	-------------------	--------------------------

**Project Description: Briefly describe your application (include basics on business, employee #'s, services/products, and benefits to community.**

**Project Budget:**

Type	Amount
Construction (New or Rehab)	
Equipment/Software	
New Payroll	
Other (Please indicate	
Total	

**Attach detailed description of development/project, including any preliminary site plans or drawings for the development/project, business plan, and pro-forma or financial projections for project.**

\_\_\_\_\_  
**Applicant Signature/Date**