



# **DOWNTOWN REVITALIZATION FUND**

## **POLICIES AND PROCEDURES MANUAL**

**EFFECTIVE DATE: February 1, 2006**

*Amended: January 2020*

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# **DOWNTOWN REVITALIZATION FUND**

## **POLICIES AND PROCEDURES MANUAL**

### **I. OVERVIEW OF DOWNTOWN REVITALIZATION FUND**

The Council Bluffs community has a long and great history that was not always visibly reflected in its core downtown district. In 2003, The Downtown Council Bluffs Plan (Downtown Plan) was specifically developed to outline projects that would restore the area to a vibrant unified district that would attract investments by both businesses and visitors. The Downtown Revitalization Fund (DRF) is the implementation vehicle to carry out the vision the Downtown Plan establishes.

The Downtown Plan outlines a comprehensive development vision for the Council Bluffs Downtown that includes eight main criteria:

1. Continue Downtown's role as the image center for the entire city.
2. Maintain Downtown's centrality to the lives and experiences of Council Bluffs' residents.
3. Focus on strategic projects that build on previous developments.
4. Link Downtown's subdistricts while maintaining their individual and unique character.
5. Create new development opportunities consistent with current and future market needs.
6. Build on the unique strengths of Downtown such as the historic character and attractions, Bayliss Park, Indian Creek, the district's civic importance and views of the surrounding landscape.
7. Increase the number of people living downtown.
8. Reinforce Downtown's ability to offer services to neighborhoods.

The implementation of the vision as illustrated in the Downtown Plan is attainable through the DRF outlined in this manual. The needs that exist today are:

1. The restoration of the downtown district,
2. Reconstruction of the sense of place that once existed, and
3. Increasing occupancy in order to gain economic viability.

This manual directly corresponds with the Iowa West Foundation's (IWF) Economic Development mission of "creating an attractive environment for business, industry and job creation" as well as Placemaking mission by "improving the quality of life and enhancing the image and/or appearance of the community." Iowa West Foundation is a partner in downtown redevelopment as well as the initial funder for the fund.

The barrier to the downtown district's growth and vitality is that the current rent environment is inadequate to support the renovation needed with the existing historical buildings. This fund will act as a catalyst and leverage capital needed to restore these structures back to their original beauty and complement them with new construction that respects the district's integrity while fulfilling the technological and modern space demands of today's businesses. Higher valued properties along with a healthier rent environment are needed to support ongoing maintenance will attract the quality long-term tenant that downtown districts strive to attract.

712 is unique due to its role as the community's single developer who redevelops underutilized properties in the downtown district. Private developers cannot achieve an adequate rate of return on their investment in the present downtown economy. Through this Fund, 712 has the opportunity to be the driving force to reverse the depressed economic cycle this district is experiencing.

## II. Objectives & Outcomes

The Downtown Plan's objectives align with the objectives of the Downtown Fund. The main objectives are to:

- Increase the existing tax base and district rents to achieve the economic vitality, but to also
- Create a sense of place where businesses and residents want to work, live and play through the physical transformation of the area while preserving the historic character.

Outcomes of the renovation and redevelopment of the targeted downtown areas will:

- Increase retail and service business opportunities,
- Increase housing units in the district, and
- Maintain the character and integrity of the Council Bluffs downtown.

These economic and social effects will be measured by the increase in property assessments, rent levels, new businesses, jobs, and residents living downtown.

## III. Types of Projects

The revitalization opportunities fall into four types of projects described below. The specific projects cited as examples in each category are described in more detail in Addendum C.

- **Developer Driven Revitalization**

This type of assistance is for developers looking to acquire and renovate existing structures. Typically, because rents are low, flexible/below market/non-traditional loans/forgivable loans are needed to complete the permanent financing.

- **Owner Occupied Revitalization**

Some of the businesses located in the downtown own their own buildings. These buildings also require renovation to improve the quality of the building stock in downtown Council Bluffs. These owner-occupants also often require non-traditional financing to renovate their facilities.

- **712 Revitalization**

In some instances, 712 will acquire properties that are difficult or uneconomical for the private sector to acquire. This redevelopment will require initial acquisition financing and potentially permanent assistance to the developer.

- **712 Redevelopment**

Some buildings in the downtown cannot be renovated. For these properties, 712 will acquire the property, and demolish the structures.

Every building and property in the downtown is unique and each requires a unique mix of financing to make the property financially feasible. Each of these types of redevelopment has different financing needs. The financial assistance needed vary from none to almost 50 percent of the total cost of the project.

## IV. Project Guidelines

### Ineligible Projects

The following businesses are ineligible for funding and will be a prohibited use on all associated property for the life of the loan:

- Automobile service stations including auto repair, drive-in fast food, pawn shops, radiator or repair shops, adult bookstores, adult mini motion picture theaters and adult motion picture theaters, massage establishments, modeling studios, blood plasma or platelet centers, automobile painting, second hand stores, payroll advance, auto title establishments, and buildings used for the storage of household goods and wares or living quarters for watchmen or security guards of commercial properties, establishments for custom manufacturing of goods or merchandise for sale or retail, or tire shops.

## **Project Evaluation**

Submitted applications will be measured and evaluated by the Investment Committee. The evaluation is based on the goals of the Downtown Plan as well as DRF objectives and outcomes and, if applicable, the goals of the storefront program. The maximum score is 37 and the minimum score is 18 points. The following is the scoring criteria used:

- 712 Investment: Proximity to past or present 712 investments.
- Building Condition: Proposed project would renovate highly dilapidated property.
- Visibility: Property in visible area of Downtown
- Placing vacant building into service: Proposed project would take current vacant property back into service (new business)
- Taking noncompliant/noncontributing building back to historical integrity
- Comprehensive Renovation or Comprehensive Exterior Renovation: (Windows, brick, cornice, traverse windows, knee wall, door, etc.)
- Deferred Maintenance: Penalty for existing owner deferred maintenance (paint, roof, awnings)
- Increase number of people living downtown
- Preferred uses include those creating an active downtown (activity throughout the day) which include residential, retail, and active uses (those that create or encourage pedestrian traffic)

See Exhibit A-3 for project scoring matrix.

## **Design Review**

All projects must follow 712 Downtown Design Guidelines.

## **Funding Amount Determination**

All applicants are required to fully explore, apply for, and exhaust other funding options including but not limited to bank, city, and state historic tax credits for the proposed project before requesting funding from this fund. This fund is meant to fill the gap – the different between the project cost and what funding has been acquired by the applicant for the project. As the application is evaluated, the final award amount may be altered. Documentation of secured funds as well as denials may be requested as part of the application review.

## **Geographic Area**

All project must lie within the boundary of South Main and downtown areas as outlined in Exhibit A-1.

## **V. Types of Assistance**

Different types of development require there are different types of financing assistance. Some assistance may be in the form of forgivable loans but some must be in the form of loans. The assistance from the Downtown Fund can be categorized as described below.

**1. Loan Program**

Many of the projects cannot be financed fully with conventional debt and equity. Non-traditional loans from a loan fund could support these developments in the downtown area. The terms of the assistance would most likely be interest only, carrying an interest rate of 0-5%. Some of these properties would repay the loans at year 6 when the historic compliance period is over and the property is refinanced.

**2. Forgivable Loan Program**

This program is for projects that cannot support any further debt. Forgivable loans are not guaranteed and are awarded on an as needed basis. Any forgivable loan will be tied with a 712 loan. All other funding options must be exhausted prior to any forgivable loan award.

**3. 712 Acquisition Program**

The Downtown Council Bluffs Master Plan identifies many projects that will require acquisition and demolition of existing blight prior to redevelopment. 712 is the only eligible entity for this program.

Program funding will help to leverage other types of public and private funding that may be insufficient and/or requires local matching dollars to access. Other sources of funding may include:

- Tax Increment Financing
- New Markets Tax Credits
- Rehabilitation Tax Credits
- Low-Income Housing Tax Credits
- City HOME funds
- Community Development Block Grants
- Section 108 Loans
- Revenue from sale of other 712 properties

In addition to requiring other public sources of funds, most projects will require more than one type of financial assistance from 712 as follows:

<i>Type of Project</i>	<i>Programs</i>		
	Loan	Forgivable Loan	712 Acquisition
Developer Driven Revitalization	X	X	
Owner Occupied Revitalization	X	X	
712 Revitalization	X	X	X
712 Redevelopment	X		X

**Loan Program**

**Purpose:**

Subordinated debt on a variety of redevelopment projects, structured to leverage other redevelopment financing tools including, but not limited to projects utilizing historic tax credits, low-income housing tax credits, New Market Tax Credits, Section 108 loans, SBA 504 etc.

**Eligible Project Types:**

- Historic building renovation and re-use.
- Redevelopment of properties identified by 712 to be of interest for economic and/or revitalization.
- Business development.
- Elimination of slum and blight.
- Remediation of environmental concerns prior to redevelopment.

**Ineligible Projects:**

- Identified by 712 policy.
- No financial need.
- Projects that unduly enrich private parties or entities.

**Eligible Uses:**

- Acquisition
- Demolition
- Rehabilitation
- Remediation
- Infrastructure
- Environmental, engineering, architectural, market and other studies
- Addition/creation of place-based amenities that activate or enhance public space (e.g. mural or outdoor patio) when included as part of a larger project

**Eligible Business Use:**

- Commercial
- Residential or
- Mixed-use properties.

**Eligible Applicant:**

- Developers
- Property owners
- Business owners with lease with at least 5-year remaining term
- 712 will have authority to make direct expenditures when they are serving as the developer and/or to solicit/market opportunities to other/private.

**Underwriting Parameters/712 Lending Rates and Terms:**

- Rate - 0-5% Rate will be below market
- Maximum Term – 15 years.
- Loan Amortization – Up to 25 years
- Structuring – Designed to meet project needs including but not limited to interest only, cash flow, amortizing, etc.
- Collateral Requirements - Subordinated position collateralization. Personal guarantees are required. Letters of credit or additional collateral may also be required.
- Maximum Loan Amount - \$1,000,000.
- Minimum Loan Amount - \$50,000
- Debt Coverage Ratio – minimum of 1.1:1
- Project's Internal Rate of Return – market or less.
- Equity required - 10% equity required
- Bank participation

**Community Benefit** – May be measured by increases in tax base, lessening the burden of government, jobs created, businesses attracted or retained, blight eliminated and/or historic property preserved.

**Forgivable Loan Program****Purpose:**

For the acquisition, renovation or preservation of historic or priority revitalization buildings. These projects **must** include new or substantial rehabilitation of existing housing units (substantial meaning improvements valued at 50% or more of the building value prior to renovations). Forgivable or equity-like



loans will be structured to accommodate other redevelopment financing tools including, but not limited to historic tax credits, New Markets Tax Credits, TIF funds, etc. Funding will be structured for repayment when possible or recapture if projects change use or intent.

**Eligible Project Types:**

- Historic building renovation and re-use.
- Redevelopment of properties identified by 712 to be of interest for economic and/or revitalization.
- Development of housing units.
- After 5:00 pm retail use.

**Eligible Uses:**

- Acquisition
- Demolition
- Rehabilitation - permanent façade improvements and code violations for second-story residential
- Remediation
- Infrastructure
- Environmental, engineering, architectural, market and other studies

**Ineligible Projects:**

- Those excluded by 712 policy.
- No financial need.
- Projects that unduly enrich private parties or entities.

**Eligible Business Use:**

- Commercial
- Residential or
- Mixed-use properties.

**Historic Designation:**

- Designated as historic (landmark or within district), or
- On the National Register of Historic Places, or
- Deemed locally significant (because of location, activity, or significant character) by The 712 Initiative

**Eligible Applicant:**

- Developers
- Property owners
- Business owners with lease with at least 5-year remaining term
- 712 will have authority to make direct expenditures when they are serving as the developer and/or to solicit/market opportunities to other/private.

**Underwriting Parameters/712 Lending Rates and Terms:**

- Structuring – Designed to meet project needs
- Maximum Forgivable Loan Amount - \$100,000
- Minimum Forgivable Loan Amount - \$10,000
- Debt Coverage Ratio: 1.1:1
- Project's Internal Rate of Return – market or less.
- Minimum equity required - 10%
- Funding Amount Per Property:

Maximum Assistance		
	Interior Buildings	Corner Buildings or Two Primary Facades
One Story	\$10,000	\$14,000
Two Story	\$18,000	\$28,000
Three or more stories	\$28,000	\$42,000

**Community Benefit:** May be measured by increases in tax base, lessening the burden of government, jobs created, businesses attracted or retained, blight eliminated and/or historic property preserved.

## 712 Acquisition Program

### Purpose:

The provision of forgivable and/or “equity-like” loans for the acquisition, demolition and/or environmental remediation on blighted properties for the purpose of facilitating area economic revitalization. Forgivable or equity-like loans will be structured to accommodate other redevelopment financing tools including, but not limited to historic tax credits, New Markets Tax Credits, TIF funds, etc. Funding will be structured for repayment when possible or recapture if projects change use or intent.

### Eligible Project Types:

- Historic building renovation and re-use.
- Redevelopment of properties identified by 712 to be of interest for economic and/or revitalization.
- Elimination of slum and blight.
- Remediation of environmental concerns prior to redevelopment.

### Eligible Uses:

- Acquisition
- Demolition
- Rehabilitation
- Remediation
- Infrastructure
- Environmental, engineering, architectural, market and other studies.

### Ineligible Projects:

- Those excluded by 712 policy.
- No financial need.
- Projects that unduly enrich private parties or entities.

### Eligible Business Use:

- Commercial
- Residential or
- Mixed-use properties.

### Eligible Applicant:

- 712 will have authority to make direct expenditures when they are serving as the developer and/or to solicit/market opportunities to other/private.

**Financial Feasibility:** Project will be evaluated for feasibility and funding structured to support project success.

**Underwriting Parameters/712 Lending Rates and Terms:**

- Acquisition funding will be structured to meet the needs of each individual project. Full or partial repayment may come from sale of the property. Acquisition funding may roll into permanent financing for the project.
- Rate - 0-5%
- Maximum Term – 15 years
- Loan Amortization – Up to 25 years
- Structuring – Designed to meet project needs including but not limited to forgivable loans, interest only, cash flow, amortizing, etc.
- Collateral Requirements - Subordinated position collateralization
- Maximum Loan Amount - \$2,000,000
- Minimum Loan Amount - \$50,000
- Project's Internal Rate of Return – market or less

**Community Benefit** – May be measured by increases in tax base, lessening the burden of government, jobs created, businesses attracted or retained, blight eliminated and/or historic property preserved.

**VI. Overall Fund Evaluation / Accountability**

712 shall provide funders with annual reports including status of existing projects, lending volume, capital deployment ratios, progress reports on funded projects, and outcome measures of the types noted below. It is important to note that most outcome measures will not be available or evident in the early stages of the program: perhaps not for 5 or more years.

- Leverage – Amount of additional public and private dollars leveraged as a result of each redevelopment project funded.
- Increase in Taxable Property Values – Realized or projected property tax basis increases resulting from redevelopment activities.
- Number and type of buildings preserved.
- Number of housing units created and households assisted by housing activities including residential rehabilitation, home ownership or rental housing.
- Amount of land prepared for redevelopment.
- Square footage and/or dollar value of new construction generated.
- Number of new business attracted or existing businesses preserved.
- Number and type of community services added to or enhanced by redevelopment activities (day care services, human services, recreation facilities, etc.)

712 will also develop funding collaborations on the local, state and federal levels with such programs as New Markets Tax Credits, Rehabilitation Tax Credits, Low-income Housing Tax Credits, City HOME funds, Community Development Block Grants, Section 108 Loans and Tax Increment Financing.

**VII. Cost Sustainability**

The Fund will be used for acquisition, renovation incentives and gap financing. The Fund will be partially replenished from proceeds from the sale of property and repayment of loans. The Fund will continue to require on-going support for acquisition and storefront initiatives. The activities of the fund should improve the economics of downtown properties, reducing the need for funding assistance and incentives for revitalization over time.

Once the fund has established a track record of performance, the corporation will have the ability to secure equity/debt financing from resources like the Community Development Financial Institution Fund of the Department of Treasury.

## **VIII. Acceptable Loan Loss Rates**

Traditionally, commercial banks expect a 1% loss rate on their commercial and real estate loan portfolios annually. From the description of the types of real estate the Fund will finance, it is obvious that the Fund will have somewhat less collateral and somewhat more risk than conventional lenders. The Fund has selected a 10% annual loss rate as a target.

Losses are a function of two factors: credit criteria; and, loan servicing and work out procedures. The Fund has adopted underwriting standards in conjunction with the first mortgage lender and servicing procedures, which will keep loss, rates acceptable. From a credit criteria point of view, the Fund will be making loans to developers and owners who have demonstrated the ability to generate cash flow but have somewhat weaker collateral than conventional borrowers. From a loan servicing standpoint, the Fund will implement an intensive servicing system, which will minimize delinquencies.

## **IX. Fees**

The Loan Fund will charge applicants an origination or application fee - 1% of applicant's award amount – to cover the cost of processing the loan. Payment of fee is required within 30 days of award notification. Borrower is responsible for all costs to the Fund in closing the loan, including legal costs, lien searches, appraisals and credit reports.

## **X. Collateral and Personal Guarantees**

As a general policy, each Loan will be secured by collateral adequate to safeguard the lenders. The Loan Fund will take a first or second position on the assets being financed, depending on the other financing in the project. Liens on outside assets may be required where appropriate and available. The Fund will require an appraisal to be completed on the property.

Finally, personal guarantees will be required in all projects. Hazard insurance will be required on the business being financed.

## **XI. Grantee Reimbursement**

Grantee must submit invoice(s) and proof of payment to receive reimbursement. Proof of payment can be in the form of a canceled check or a bank statement.

## **XII. Confidentiality and Fair Credit Practices**

712 will follow the Fair Credit Practices Act and keep the information provided by the borrower confidential and distributed only as required to reach approval of the DRF Investment Committee.

## **XIII. Administration**

### **Forgivable Loan Program**

712 shall perform all functions related to program administration including but not limited to project identification, prioritization, and development; recruitment and vetting of qualified development partners; underwriting of financial structures; approval of forgivable loan requests within the parameters and

purposes herein described; monitoring and oversight of funded projects, etc. The Investment Committee will carry out these functions under the oversight of the 712 Board of Directors.

For developments where 712 directly carries out certain activities, the 712 Board of Directors will approve the actions and proposed expenditures from any IWF grant.

### **Loan Program**

712 shall perform all functions related to program administration including but not limited to project identification and prioritization, recruitment and vetting of qualified development partners, underwriting of financial structures, approval of loan requests within the parameters and purposes herein described, monitoring and oversight of funded projects, remediation/workout of troubled projects etc. The Investment Committee will carry out these functions under the oversight of the 712 Board of Directors.

### **Investment Committee**

Any time assistance is provided to a private party, either a developer or owner occupant, the assistance will be reviewed by the Investment Committee, under the oversight of the 712 Board of Directors. The Investment Committee shall have 7 members appointed by 712 and each shall serve for a term of 3 years. Terms will commence on January 1<sup>st</sup> and end on December 31<sup>st</sup>, or until his or her replacement is appointed. A minimum of three members shall be lending professionals, a minimum of one representative from city government, and a minimum of two members representing low-income communities or work within an LMI district. The initial terms will be staggered, two for three year terms, two for two year terms, and one for a one year term.

Meetings will be called based on funding requests presented to the Committee. Staff will convene meetings with at least 48 hours prior notice and delivery of loan packages to Committee members at least 48 hours prior to the meetings. Meetings may be held in person or via conference call. Four members constitute a quorum and approvals must receive a recommendation from a majority of the members present at a meeting.

### **Reports**

Reports on the actions of the Investment Committee shall be presented to 712 on a monthly basis outlining requests for assistance and action made by the committee. On an annual basis, reports will be prepared by staff detailing total funds available, total funds advanced, status of projects, status of loan payments, and any other information requested by 712.

## **XIV. Conflict of Interest**

No member of the Investment Committee, or 712 staff shall have any financial interest in businesses or developments receiving loans from the Fund. Immediate family members are also barred from having any financial interest in the development or business. Members of the Investment Committee representing banks may participate in discussions concerning businesses receiving services from their respective banks but will not vote on the loan approval.

## **XV. Commitments**

Upon approval, 712 shall notify each applicant in writing listing the terms and conditions of the approval. Loan/forgivable loan commitments will be issued within 72 hours of Committee approval. 712 Chair will sign loan/forgivable loan commitment letters as long as all conditions, covenants, and terms match the decision of the Investment Committee. Commitments are good for 12 months from the date of the commitment letter.

An award may receive conditional approval based on applicant's ability to secure funding included in the application. The applicant shall have 3 months from the date of award to secure this funding. The investment committee, upon written request from the applicant, can extend this deadline based on unexpected hardships.

## **XVI. Loan Closings and Standardized Documents**

To be a cost-efficient program, all loan closings will utilize standardized documents and closing procedures. Legal counsel will review standardized documents before being utilized. Exceptions will be made as appropriate. 712 Chair will execute loan documents as long as all conditions, covenants, and terms match the decision of the Board of Directors.

## **XVII. Credit and Legal Compliance Files**

Each loan/forgivable loan will have a credit and legal file and tickler system for updating the files as necessary. Files will detail performance on the loan and evaluation criteria like tax benefit, number of housing units, square feet renovated. 712 staff will be responsible for keeping the files adequate and current.

## **XVIII. Servicing Policies and Procedures**

Two factors help keep credit losses low in real estate lending: a prudent set of credit policies; and, a timely, personalized servicing system. 712 may service the loans or they may contract with a financial institution to service the loans. 712 will perform all other servicing. Servicing will be intensive in order to establish a good payment discipline. An early warning system will be established so that 712 knows within one month that a loan payment has been missed. 712 staff will visit all delinquent borrowers within two weeks of notice of the missed payment. Delinquent borrowers will then be visited as often as necessary to reestablish timely payments. The goal of each visit is to bring back a payment. The borrower will be encouraged to make partial payments if the entire payment cannot be made, with additional installments collected on a weekly basis if necessary. The goal of the intensive call program is to prevent a borrower from becoming so delinquent that he/she feels as though it is impossible to catch up.

## **XIX. Workouts**

Problem loans will be referred to the Investment Committee for their guidance and advice in discussion with the first mortgage lender. As part of a workout strategy, partial moratoriums will be permitted, but full moratoriums will be discouraged because full moratoriums lead to bad habits (not making loan payments). To be a serious loan program, problems loans must be dealt with quickly and fairly.

# A-1 Boundary Map

Funding is only for projects located within the eligible geographic area as outlined on the following map:



# Downtown Revitalization Fund Application

## I. GENERAL INFORMATION

Name of Development: \_\_\_\_\_

Developer: \_\_\_\_\_

Federal Tax I.D.: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Date Business Established: \_\_\_\_\_ How Long Owned: \_\_\_\_\_

## II. FUND REQUEST

Loan Amount \_\_\_\_\_ Forgivable Loan Amount \_\_\_\_\_

Historic Designation  
National Register \_\_\_\_\_ Eligible for National Register \_\_\_\_\_ Contributing Building \_\_\_\_\_

## III. OWNERSHIP & MANAGEMENT STRUCTURE

Business Organizational Structure:

Sole Proprietorship \_\_\_\_\_ Corporation \_\_\_\_\_ Partnership \_\_\_\_\_  
LLC \_\_\_\_\_ Limited Partnership \_\_\_\_\_

*List all partners, and/or stockholders with at least 20% ownership in the building:*

Name and Title: \_\_\_\_\_

Address: \_\_\_\_\_

Percent Ownership \_\_\_\_\_ Phone Number \_\_\_\_\_

Name and Title: \_\_\_\_\_

Address: \_\_\_\_\_

Percent Ownership \_\_\_\_\_ Phone Number \_\_\_\_\_



**IV. BANKING RELATIONSHIP DATA**

Name of Bank: \_\_\_\_\_  
Address: \_\_\_\_\_  
Account Type(s): \_\_\_\_\_  
Contact Info: \_\_\_\_\_

**V. PROJECT BUDGET & FINANCIAL INFORMATION**

Scope of Project:	Estimated Project Cost
( ) Real Property Acquisition	\$ _____
( ) Building Renovation	\$ _____
( ) Site Improvements	\$ _____
( ) Leasehold Improvements	\$ _____
( ) Architecture/Engineering Fees	\$ _____
( ) Developer Fees	\$ _____
( ) Construction Financing	\$ _____
( ) Other - Please Specify _____	\$ _____
<b>TOTAL PROJECT COST</b>	<b>\$ _____</b>

Have any cost estimates for this project been obtained? Yes \_\_\_\_\_ No \_\_\_\_\_

If so, for what, and when were they obtained? \_\_\_\_\_

**VI. SOURCE(S) OF PROJECT FUNDS**

Owner Equity:	\$ _____	% of Total Project _____
Bank Loan:	\$ _____	% of Total Project _____
		Interest Rate _____ Term _____ Am. _____
DR Fund	\$ _____	% of Total Project _____
Historic Equity	\$ _____	% of Total Project _____
Other _____	\$ _____	% of Total Project _____
<b>TOTAL PROJECT:</b>	<b>\$ _____</b>	

**VII. COLLATERAL INFORMATION – BUSINESS & PERSONAL**

<u>Type</u>	<u>Existing Lien? (Secured/Unsecured)</u>	<u>Estimated Fair Market Value</u>
( ) Real Estate	\$ _____	\$ _____
( ) Equipment / Fixtures	\$ _____	\$ _____
( ) Real Estate / Personal	\$ _____	\$ _____
( ) Personal Property	\$ _____	\$ _____
( ) Other (Specify)	\$ _____	\$ _____

**Status of the Property Currently:**

Owned \_\_\_\_\_ Option \_\_\_\_\_ Leased \_\_\_\_\_ Leased w/option to buy \_\_\_\_\_

Lease Price and Terms \_\_\_\_\_

If owned, is there an outstanding mortgage? Yes \_\_\_\_\_ No \_\_\_\_\_

If there is/are mortgage(s), provide interest rate, amortization and term for each of the mortgages:

Has an appraisal been prepared? \_\_\_\_\_

**VIII. TENANTS:**

Business	Sq. Ft.	Lease Rate	Gross/Net/CAM	Commitment

**IX. DOCUMENTATION REQUIREMENTS:**

Please submit the following:

- 1) **Detailed Description of Project** and anticipated benefit from loan.
- 2) **Personal Financial Statements.**
- 3) **Last Tax Return.**
- 4) **Developer Resume(s).**
- 5) **Appraisal.** (Building as improved)
- 6) **Development Budget Income Projections** with explanations.
- 7) **Cost Estimates**
- 8) **Project Timeline**
- 9) **Credit Report Authorization form**

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**712 staff are available to answer any questions  
regarding the program or the application process.**

## **Application Submission**

**Submit completed application to:**

**Lynn Dittmer, Director of Redevelopment  
The 712 Initiative  
1228 S. Main St.  
Council Bluffs, IA 51503**

**For questions regarding the application or program guidelines:  
Telephone: 712-396-2471  
[ldittmer@the712initiative.org](mailto:ldittmer@the712initiative.org)**

## Credit Release Authorization

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I / we hereby request and authorize you to release to 712 for verification purposes, personal and corporate credit reports, and information concerning the company/corporation/partnership and/or the officers and individuals listed below. That information may include but is not limited to:

- Employment history dates, title, income, hours worked, etc.
- Banking (checking & savings) accounts of record.
- Mortgage loan rating (opening date, high credit, payment amount, loan balance, and payment)
- Any information deemed necessary in connection with a consumer credit report for my loan application.

**This information is for the confidential use of 712 in compiling a loan credit report.**

A photographic or carbon copy of this authorization (being a photographic or carbon copy of the signature (s) of the undersigned), may be deemed to be the equivalent of the original and may be used as a duplicate original.

712 may impose a \$9 charge for each personal credit report and \$75 for each business credit report ordered.

*(Please print or type.)*

---

**Name of Business:** \_\_\_\_\_

**Telephone:** (    ) \_\_\_\_\_

**Date:** \_\_\_\_\_

Name of Officer/Owner: \_\_\_\_\_

Address for last two years: \_\_\_\_\_

Social Security #: \_\_\_\_\_

Signature \_\_\_\_\_

Name of Officer/Owner: \_\_\_\_\_

Address for last two years: \_\_\_\_\_

Social Security #: \_\_\_\_\_

Signature \_\_\_\_\_

Building Name/Address: \_\_\_\_\_

Date: \_\_\_\_\_

**EVALUATION**

**PCDC Investment: Property is in close (bordering or facing) past or present PCDC Investments (5 pts)**

	No proximity	Poor Proximity	Same Block	Facing	Touching
Proximity	1	2	3	4	5

**Building Condition: Proposed project would renovate highly dilapidated property (5 pts)**

	Excellent Condition	Above Average	Average Condition	Poor Condition	Highly Dilapidated
Condition	1	2	3	4	5

**Visibility: Property in highly visible area of Downtown (5 pts)**

	Limited	Poor	Average	Above Average	Highly Visible
Visibility	1	2	3	4	5

**Placing vacant building into service: Proposed project would take current vacant property back into service (new business) (5 pts)**

	Not Vacant & non-retail tenant	Not Vacant & retail tenant	Partial Vacancy	Vacant & non-retail tenant	Vacant & retail tenant
Placing vacant building into service	1	2	3	4	5

**Comprehensive Interior or Exterior Renovation (windows, brick, cornice, traverse windows, knee wall, door) (5 pts)**

	Minor Improvements	Poor	Average	Above Average	Comprehensive Renovation
Comprehensive Renovation	1	2	3	4	5

**Deferred Maintenance: Penalty for existing owner deferred maintenance (paint, roof, awnings)**

	N/A - New Owner	< 49% of request	50% of request	51% < of request
Deferred Maintenance	0	-1	-2	-3

**EVALUATION (Continued)**

**Taking noncompliant/noncontributing building back to historical integrity (4 pts)**

	Maintaining noncontributing building	Already historical & maintaining historical integrity	Noncontributing building back to partial historical integrity	Noncontributing building back to full historical integrity
Restore Integrity	1	2	3	4

**Increase number of people living downtown: Transforming upper story space into residential units.**

	No residential units	1-2 units	3-6 units	7-9 units	10+ units
Residential Units	0	2	4	6	8

TOTAL SCORE: