

# City of Marquette Economic Development Program 2017



Marquette, Iowa  
“Life on the River”

CITY OF MARQUETTE

## ECONOMIC DEVELOPMENT PROGRAM APPLICATION

These items **plus the submittals required** in the Application Checklist constitute the complete application. Please deliver your application, with cover letter, to:

ECONOMIC DEVELOPMENT PROGRAM  
CITY OF MARQUETTE  
102 North Street  
PO Box 7  
Marquette, Iowa 52158

Thank You!

## PURPOSE:

The City of Marquette's Economic Development Program is established to provide a source of financing, which may not otherwise be available within the city, for expanding or start-up businesses. Used to fill a "financing gap" in a business development project, the EDFP considers various options to complete a financing package. An example of a "gap" occurs when the business lacks the funds to meet the equity requirements of bank financing or needs a lower interest rate. Further, the EDFP seeks to:

- Retain and attract businesses that provide permanent jobs
- Maximize investment within the City
- Redevelop vacant and/or blighted land and buildings
- Promote sales and tax generating projects
- Provide financial assistance to eligible businesses
- Promote Historical Preservation

The Economic Development Program adds another tool to the "tool box" of the city's economic development efforts. The incentives provided to business through this EDFP may be fixed rate, low interest, and/or long-term financing for a business wanting to expand or locate within the city.

The EDFP is not intended to be the primary source of financing for a project. The combination of public funding, private investment and primary lending institutions is intended to enhance opportunities for economic development .

It is the intent of the EDFP to view both existing and start-up business as equal under the criteria, with preference given to those expansions and start-ups that result in retained or new jobs and/or new sources of economic activity within the city. City of Marquette seeks to work with commercial entities that have potential for growth, will provide increased employment in the city, and will help diversify our economy.

For existing business the primary criteria to be considered are the following:

- Dedicated and experienced management
- Past performance
- Current and future economic viability of the business
- Potential for continued profitability
- Potential for growth

The following will also be considered:

- Market strengths such as providing a new service, product development or distribution.
- Business development that complements an existing city business entity. Consistent with City Comprehensive plan.
- Adds property tax base and provides sustained employment opportunities. Convert 1<sup>st</sup> floor/residential (or vacant) to commercial, meeting City C-2 zoning requirements.

## GUIDELINES:

Existing businesses within the city and businesses wishing to relocate to Marquette, or individuals looking to start a new business. Expansions and new business shall result in retention or creation of jobs and/or creation of new sources of economic activity within the city in conjunction with the City's comprehensive plan.

Uses of Economic Development Program :

- Land and building acquisitions
- Site preparation and land development costs
- Building construction
- Building renovation

In the forefront of any economic development funding project the City's investment recovery as well as future city growth must be considered.

## PROCESS

### ADMINISTRATION:

The EDFP is administered by the City of Marquette's EDFP Committee with cooperation and communication from the City of Marquette. The Committee serves as the starting point for individuals or businesses wishing to apply and to receive application guidelines and criteria. The Committee acts as the conduit and liaison between the applicant and the City. The Committee will be a "governmental body" subject to public meeting law.

The EDFP application review is conducted by the City of Marquette's Economic Development committee consisting of representatives from the City Council, a representative from the local business community, mayor and city manager. The committee reviews and recommends approval or denial of an application to the city council for final decision.

### APPLICATION:

Application packages are available through the office of the City Clerk, and on the City's website, [www.cityofmarquette.com](http://www.cityofmarquette.com). Applicants are urged to complete the application with the assistance of the Committee. Following committee review of the application the findings will be submitted to the Council for final action.

## **FUNDING INCENTIVE**

TIF Rebate Agreement – Up to 100% for 10 years

### **Terms:**

Not to exceed 10 years, depending on the use of funds and security provided, to be determined with every funding agreement.

The committee retains the right to adjust individual terms in order to facilitate a successful EDFP project.

Applicant may be required to assist with payment of legal fees for drafting a development agreement.

### **Additional Business Requirements:**

Must not sell or move within a period of the agreement provision without prior committee approval.

The agreement is non-transferable unless approved by the Economic Development Funding Committee and the City Council.

Must show adequate financial ability to facilitate terms of the agreement.

Must carry lines and coverage of insurance appropriate to the business and corporate organization.

In case the case of building destruction or discontinuance of business, the agreement will be null and void.

**APPLICATION FOR FINANCIAL ASSISTANCE**

Business Name: \_\_\_\_\_

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

Contact Person: \_\_\_\_\_

Email: \_\_\_\_\_

—

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Cell: \_\_\_\_\_

Federal ID#: \_\_\_\_\_ Completed by: \_\_\_\_\_

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

**PLEASE READ CAREFULLY BEFORE SIGNING:**

I hereby give permission to the EDFP Committee to research the applicant's history, make credit checks, contact the applicant's financial institution, and perform other related activities necessary for reasonable evaluation of this proposal. I hereby certify that all representations, warranties or statements made or furnished to the committee in connection with this application are true and correct in all material respects. I understand that it is a criminal violation under Iowa law to engage in deception and knowingly make, or cause to be made, directly or indirectly, a false statement in writing for the purpose of procuring economic development assistance from a state agency or political subdivision.

NOTE: Economic Development Funding Committee will not provide assistance in situations where it is determined that any representation, warranty or statement made in connection with this application is incorrect, false, misleading, or erroneous in any material respect. If assistance has already been provided by EDFP prior to discovery of the incorrect, false, or misleading representation, EDFP may initiate legal action to recover funds.

Date Received: \_\_\_\_\_ By: \_\_\_\_\_

## **BUSINESS INFORMATION**

Please feel free to attach additional pages and/or documentation as necessary.

1. DESCRIPTION AND HISTORY OF BUSINESS (Provide a narrative history of the company e.g. type of business structure, product(s) and/or service(s).
2. DESCRIBE IN DETAIL THE PROPOSED BUSINESS PROJECT/EXPANSION; (e.g., company relocation, plant expansion, remodeling, new product line, refinancing). If description is attached, please summarize here.
3. WHAT PERCENTAGE OF THE APPLICANT'S SALES WILL BE OUTSIDE OF MARQUETTE?
4. WHAT PERCENTAGE OF THE COMPANY'S TOTAL OPERATING EXPENDITURES (including wages and salaries) WILL BE SPENT WITHIN MARQUETTE?
5. WHAT IS YOUR ANTICIPATED START-UP DATE?
6. WHAT DATE WILL YOUR PROJECT BE COMPLETED? (Note: Funds are normally not available until approximately two months after the City's actual approval.)
7. HAS ANY PART OF THE PROJECT BEEN STARTED? (If yes, please describe)
8. HOW MANY EMPLOYEES ARE CURRENTLY EMPLOYED BY THE COMPANY?
9. IF AWARDED CITY EDFP FUNDS HOW MANY NEW, FULL-TIME AND PART-TIME EMPLOYEES WILL BE ADDED TO THE COMPANY PAYROLL?

|                         |  |                                       |
|-------------------------|--|---------------------------------------|
| Full-Time:<br>12 months | Full-time:<br>24 months<br>Cumulative                    | Full-time:<br>60 months<br>Cumulative |
| Part-Time:<br>12 months | Part-time:<br>24 months<br>Cumulative<br>(if applicable) | Part-time:<br>60 months<br>Cumulative |

10. WHAT IS THE ESTIMATED ANNUAL PAYROLL FOR THE NEW EMPLOYEES RESULTING FROM THIS PROJECT?  
 YEAR 1: \_\_\_\_\_ YEAR 2: \_\_\_\_\_ YEAR 3: \_\_\_\_\_
11. WHAT IS THE AVERAGE WAGE RATE (not including fringe benefits) PROJECTED TO BE FOR THE NEW EMPLOYEES?
12. WILL ANY OF YOUR CURRENT EMPLOYEES LOSE THEIR JOBS IF THE PROJECT DOES NOT PROCEED?
13. WHAT OTHER LOCAL COMPANIES COULD BE CONSIDERED YOUR COMPETITORS?

14. HOW WILL THIS PROJECT BENEFIT MARQUETTE AND THE COMMUNITY? (ie., new jobs, payroll, economic diversification, capital investment, real estate taxes, sales tax, utilities)
15. WHAT FORM OF INVESTMENT WILL THE BUSINESS CONTRIBUTE TO THE PROJECT? PLEASE EXPLAIN CLEARLY. (i.e., direct cash investment, existing equity, new equipment)
16. IDENTIFY ALL AGENCIES OR INSTITUTIONS INVOLVED IN THE PROJECT AND WHAT THEIR INVOLVEMENT IS:
17. IS THE COMPANY WILLING TO GIVE HIRING PREFERENCE TO FORMER EMPLOYEES OF ANY CLAYTON COUNTY BUSINESS MERGED OR ACQUIRED BY THE COMPANY WITHIN THE LAST THREE YEARS?
18. HAS THE BUSINESS BEEN CITED OR CONVICTED FOR VIOLATIONS OF ANY FEDERAL OR STATE LAWS OR REGULATIONS?
19. WILL THE BUSINESS GENERATE SOLID OR HAZARDOUS WASTE?
20. WILL ANY PART OF THE PROJECT TAKE PLACE IN A 100 YEAR FLOOD PLAIN?
21. APPLICATION CHECK LIST:

THE FOLLOWING ATTACHMENTS **ARE REQUIRED** FOR A COMPLETE APPLICATION. PLEASE USE THIS LIST TO ENSURE THAT ALL ITEMS REQUIRED ARE SUBMITTED. If any item is not submitted attach explanation.

- list of employment positions/classifications and hourly rates for each current job
- description of standard fringe benefits provided to the employees
- copy of the most recent monthly payroll register
- business plan (if new business)
- marketing plan (if new business)
- letter of commitment of funds (from banks, applicant, etc.)
- profit & loss Statements (3-year historical and 2-year projections)
- balance sheets (3 year historical and 2 year projections, including aging)
- accounts receivable schedule, aging accounts payable schedule and a schedule of other debt

#### Economic Development Program

- Copies of Income tax returns (if new business, use personal tax returns of the primary owners of the entity.)
- Certification of good standing from the Iowa Secretary of State or an authorization to conduct business in Iowa.
- Disclose the names of all individuals owning 5% or more of the business or membership units of a limited liability business.
- Corporate signatory authorization naming an officer to execute documents, if approved.
- Cost Estimates of construction, machinery and/or equipment (if construction or equipment upgrades are required)



- Federal Identification Number
- Map indicating location of the project
- All financial records will be kept confidential
- If applicant is successful a possible development agreement would be required which could impose that a certain number of jobs be created within a certain time and at minimum the money be used for this purpose.

## LOAN EVALUATION CRITERIA

Projects are evaluated on the following criteria and compared to other applications that are received. Your application must score 20 or more points to be considered eligible for a loan.

|  |             |
|--|-------------|
| Management Experience in Area of Interest: | Points ____ |
| Extensive Experience (10+ Years):          | 10 Points   |
| Experienced (5-9 Years)                    | 8 Points    |
| Knowledgeable (2-4 Years)                  | 4 Points    |
| Familiar (1+ years)                        | 2 Points    |
| Novice                                     | 0 Points    |

|  |             |
|--|-------------|
| Credit History (Months of no late payments): | Points ____ |
| 24 Months or more:                           | 10 Points   |
| 18-23 Months:                                | 8 Points    |
| 12-17 Months:                                | 4 Points    |
| 6-11 Months:                                 | 2 Points    |
| <6 Months                                    | 0 Points    |

|                           |             |
|---------------------------|-------------|
| Employment Opportunities: | Points ____ |
|---------------------------|-------------|

How many new, permanent jobs will be created and/or how many existing jobs will be retained?

|            |           |
|------------|-----------|
| 3 or more  | 10 Points |
| 1-2 more   | 8 Points  |
| 1          | 4 Points  |
| 1/4 to 1/2 | 2 Points  |
| 0          | 0 Points  |

Points \_\_\_\_

Comprehensive nature of business plan. (Does it address business goals and objectives, an analysis of the market, a comprehensive analysis of the business prospects for success, a complete set of financial data and projections, and a full analysis of management capabilities?)

|                    |           |
|--------------------|-----------|
| Very comprehensive | 10 Points |
| Fairly complete    | 8 Points  |
| Adequate           | 4 Points  |
| Fair               | 2 Points  |
| Poor               | 0 Points  |

|               |             |
|---------------|-------------|
| Improvements: | Points ____ |
|---------------|-------------|

How much money will be invested in the business compared to the rebate amount requested from Marquette's Economic Development Fund Program?

- |                         |           |
|-------------------------|-----------|
| 6 times the loan amount | 10 Points |
| 5 times the loan amount | 8 Points  |
| 4 times the loan amount | 4 Points  |
| 3 times the loan amount | 2 Points  |
| 2 times or less         | 0 Points  |

Points\_\_\_\_\_

Total Points Available = 50

Total Points Evaluated = \_\_\_\_\_

Economic Development Program

**SOURCES AND USES**

**USE OF FUNDS**

|                        | Cost | Source A | Source B | Source C | Source D | Source E | Source F (EDFG) |
|------------------------|------|----------|----------|----------|----------|----------|-----------------|
| Land Acquisition       |      |          |          |          |          |          |                 |
| Site Preparation       |      |          |          |          |          |          |                 |
| Building Acquisition   |      |          |          |          |          |          |                 |
| Building Construction  |      |          |          |          |          |          |                 |
| Building Remodeling    |      |          |          |          |          |          |                 |
| Machinery & Equipment  |      |          |          |          |          |          |                 |
| Furniture and Fixtures |      |          |          |          |          |          |                 |
| Working Capital        |      |          |          |          |          |          |                 |
| Other:                 |      |          |          |          |          |          |                 |
| Other:                 |      |          |          |          |          |          |                 |
| <b>TOTAL</b>           |      |          |          |          |          |          |                 |

**TERMS OF PROPOSED FINANCING**

| Source of funds | Amount | Type | Rate | Term (Months) |
|-----------------|--------|------|------|---------------|
| Source A:       |        |      |      |               |
| Source B:       |        |      |      |               |
| Source C:       |        |      |      |               |
| Source D:       |        |      |      |               |
| Source E:       |        |      |      |               |
| Source F:EDFP   |        |      |      |               |
| Other:          |        |      |      |               |
| Other:          |        |      |      |               |
| <b>TOTAL</b>    |        |      |      |               |