



March 2, 2009
(Council Revision*)

Orange City Retail Encouragement Loan Program

Retail Development:

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

Loan Parameters:

1. May be a new retail business or a new owner of an existing retail business in Orange City that is either leasing new or existing space or is constructing new space.
2. May be an existing retail business in Orange City 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.
3. Must be open for the public a minimum of 40 hours per week.
4. Must be a member of the Orange City Chamber of Commerce
5. Must be served by the OC Municipal Utilities (electric)
6. Loan application must be submitted prior to public opening.

Loan Amount:

1. The loan would be based on a \$1 for \$1 match of fixed assets (building improvements) and/or product shelving that pertain to the enlarged or retail area.
2. The loan amount will not exceed 5.70* per square foot; maximum of \$28,500* and minimum of \$500.
3. Loan terms are zero interest for a (3) year period. At the completion of the 1st, 2nd, and 3rd year period, one third of the principle shall be forgiven contingent upon meeting Loan Parameters 1-6.

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4. Storage, office, restrooms are not eligible as retail square footage.
5. The Retail Development Board will meet with each applicant to review the application, floor plans, building improvements and/or project shelving purchases.
6. The Retail Development Board will forward a recommendation to the City Council for their consideration of the retail loan application. The City Council has final authority to approve or deny the application and reserves the right to make any program adjustments it may deem appropriate.

Distribution of Funds:

1. The applicant must provide paid invoices for all construction cost, building improvements and product shelving purchases.
2. The Retail Development Board will also confirm floor plans and square footage measurements.
3. Loan funds are distributed only to the retail business as building owners or landlords are not eligible applicants or recipients.

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