



**ECONOMIC DEVELOPMENT COMMISSION
POLICIES AND PROCEDURES
STATEMENT
WAHPETON SALES TAX FUND for
ECONOMIC DEVELOPMENT**

AS AMENDED BY THE ECONOMIC DEVELOPMENT COMMISSION
THE ____ DAY OF _____, 2013
AND APPROVED BY THE WAHPETON CITY COUNCIL ON
THE _____ DAY OF _____, 2013

Created August 5, 1991
Amended June, 1995; February, 2001; December 5, 2005;
January 17, 2006; October 6, 2008; and April 15, 2013

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CHAPTER 1 – HISTORY & MISSION

In 1991, the voters of the City of Wahpeton approved a 1% city sales and use tax, the proceeds of which were to be dedicated solely to economic development of the City of Wahpeton and Richland County, North Dakota by means including job creation, job retention; business and industrial development; business, technology, and industrial diversification; and the creation, fostering, expansion, relocation and maintenance of business and trade activities and facilities. In 1994 voters extended the 1% sales tax sunset 10 years to June 30, 2006. Then on October 1, 1999, an additional one-half percent sales tax was established and dedicated solely to the payment of the City's costs of Flood Mitigation. On October 14, 2003, collection of the 1 ½% sales tax was broadened to include economic development, flood mitigation and recreation and to further extend the sales tax a minimum of 20 years to June 30, 2026, or until all such obligations for which payment of sales tax dollars have been pledged have been paid in full and/or otherwise satisfied, whichever is later.

The most recent sales tax ordinance was approved by voters on August 18, 2009 adding another ½% dedicated to flood mitigation and infrastructure. **The sunset for the current 2% sales tax is December 31, 2029** or until all such obligations for which payment of sales tax dollars have been pledged have been paid in full and/or otherwise satisfied, whichever is later.

The Wahpeton City Council has the ability to allocate the sales tax collections on a percentage basis to economic development, flood mitigation, infrastructure and recreation within the parameters of the enacting ordinances.

It is the mission of Wahpeton Economic Development to encourage development consistent with the Comprehensive Plan, which 1) expands the long term tax base, 2) provides quality housing for all, 3) encourages job creation and upward mobility for all citizens, 4) enhances the experience and stay of visitors, and 5) improves the quality of life for all residents.

CHAPTER 2 - DEFINITIONS

COMMUNITY DEVELOPMENT

Informally called “community building”; broad term applied to the practices and academic principles of civic leaders, involved citizens, and professionals encompassing conception, planning and implementation of projects or activities to improve the quality of life of the community.

CULTURE & RECREATION

An intersection of activities which are relaxing to humans or provide diversions from their normal routine; passive leisure and active leisure indoors and outdoors; activity that refreshes, renews and recreates in the arts, theatre, dance, performance and festivals and in sports, recreation, entertainment and games. Culture & recreation can also include museums, historic places, heritage trails, etc. that foster appreciation and understanding that help build and define a community and enhance its quality of life.

ECONOMIC DEVELOPMENT

Development of economic wealth; a program, group of policies, and/or activity that seeks to improve the economic well-being and quality of life for a community; ideally, it will create and retain jobs and provide stable and increasing sales and property tax bases. Economic Development is typically measured in jobs and income, but also includes improvements in human development, education, health, choice and environmental sustainability; growth that is planned and/or desired.

INFRASTRUCTURE (Municipal)

Basic physical & organizational structures needed for the operation of a community or the municipal services and facilities necessary for a local economy to function; services and facilities provided by a municipality on which the continuance and growth of a community are dependant including: roads, water, sewer, flood protection, emergency services, parks, etc.

PRIMARY SECTOR

The primary sector is composed of industries and business producing goods or services mainly sold outside the area thereby importing dollars into the community. Industries and businesses producing goods or services which result in the retention of dollars presently exported from the area will also be considered to be in the primary sector. A primary-sector business is one that brings new dollars into a community through the sale of its products and services outside of the trade area. The primary sector is the foundation of an economy and the principal driver of economic development.

RETAIL SECTOR

The retail sector is defined as those businesses involved in the direct sale of goods or services to the ultimate consumer within the area, thereby tending to recirculate dollars within the community.

CHAPTER 3 – GENERAL PURPOSE

The proceeds of the 2% sales and use tax received by the City of Wahpeton are designated as the **SALES TAX FUND** and encompass **four (4) areas: Economic Development, Flood, Infrastructure, and Recreation**. Sales Tax Funds are to be used for projects and costs thereof including the payment of bonds and/or other instruments of debt or contract obligations for the construction, maintenance and operation of community facilities.

The combined purposes of this fund are to create new jobs; save existing jobs; create new wealth; expand the local tax base; increase capital investment; diversify the local economy; improve the entrepreneurial climate of the region; to fund the City's share of flood mitigation costs; to provide funds towards a recreation center; assist community enhancement projects; and to increase funding sources for infrastructure projects.

Depending upon fund availability, Sales Tax Funds may be used to develop private enterprise; expand local businesses; improve the quality of life of area residents; increase marketing efforts; assist non-profit organizations with their efforts; and may be earmarked for specific community development and infrastructure projects.

The purpose of this document is to establish standards on how to employ the proceeds received by the City of Wahpeton from the City's 2% sales and use tax.

CHAPTER 4 - ECONOMIC DEVELOPMENT COMMISSION

An Economic Development Commission has been formed by the City Council to research, review and process applications with assistance from staff for purposes of making recommendations to the City Council concerning worthy projects for utilization of the City Sales Tax Fund. [See Ordinance #804.] The Commission will review, and make its recommendations to the Wahpeton City Council, project requests for the following:

- Sales Tax for Economic Development & Sales Tax for Recreation

The EDC does not oversee Flood Protection activities nor the sales tax for Infrastructure as these areas are administered by committees established by the Wahpeton City Council. The EDC however will have knowledge of the entire Sales Tax Fund Budget during the budgetary process.

The following considerations shall be used in the evaluation of Sales Tax Fund requests:

1. Whenever possible and practical, funds should be both recycled and leveraged with other sources of financing. In this way, non-city local dollars are stretched and multiplied.
2. The program should not be administratively cumbersome for either the applicant or the City.
3. The program should be flexible in its approach so that each project can be tailored to meet specific circumstances and needs.
4. The application process should be streamlined enough to respond quickly to proposals. Worthwhile projects often cannot wait for the wheels of bureaucracy to turn.

The purpose of the Economic Development Commission is to enhance the local economy by attracting, expanding and retaining primary sector businesses. Its most important objective is to facilitate the creation of primary sector jobs.

CHAPTER 5 - USES

ELIGIBLE USES: Funds available through the Sales Tax Fund Set-Asides for Economic Development and Recreation may be used to provide temporary or permanent financing of appropriate costs related to the expansion of an existing business; the relocation and/or establishment of a new business; the creation/expansion/renovation of community development projects, and for the advancement of culture & recreational opportunities in Wahpeton.

Funds will be available for leveraging related financing through venture capital funds, participating financing institutions or other sources of financing. Funds may be appropriated for promotional activities, the implementation of a program, and other types of projects that address quality of life issues and have direct development implications.

Funds to operate the Economic Development Department will be used to promote programs, provide adequate staff and administrative support to service and monitor the sales tax fund requests and approved projects.

Funds may be used to provide temporary or permanent financing for the purchase of land and associated site improvements, including demolition, construction, acquisition and renovation of buildings; fees, services and other costs associated with construction; the purchase and installation of machinery and equipment; trade receivables, inventory, work-in-progress inventory, other working capital needs; and seed capital.

INELIGIBLE USES: Generally speaking, these funds may not be used for:

- (1) restructuring existing debt (unless it can be demonstrated that the restructuring involves either the immediate creation of new jobs, or will result in saving existing jobs and the continuation of the business is otherwise unfeasible); or
- (2) establishing a commercial activity within the City of Wahpeton when the services/products of the new venture will be of substantial detriment to existing businesses.

CHAPTER 6 – FUND OPERATING POLICY

The Economic Development Commission will have substantial flexibility in the types of financing tools available to them to pursue general economic, community, and developmental goals. Subordinated, guaranteed and other loans, equity positions, site development costs, equipment and building purchase and lease-back, interest buy downs, grants, and other financing vehicles may be used as project funding options.

It is important to note that the development needs of the area are such that a large degree of procedural flexibility is necessary to capitalize on windows of opportunity. In that context, administration and direction by the Economic Development Commission must be dynamic enough to optimize opportunity, yet realistic enough to ensure that the monies made available by this tax are prudently applied to the development needs of the area. The Commission will look for positive impact in determining the relative worth of an applicant's venture to the economy and/or to the enhancement of the region.

General policies and standards expressed or implied in this document include:

1. No assistance will be provided that results in an unfair competitive advantage over existing local business.
2. Priority will be given, when appropriate, to the utilization of vacant buildings and city owned lots.
3. Funds will not be used to provide loans or grants to restructure existing debt unless it can be demonstrated that the restructuring involves either the immediate creation of new jobs, or will result in saving existing jobs and continuation of the business is otherwise unfeasible.
4. The applicant will be strongly encouraged to procure goods, services, and labor from the local economy, to the maximum extent economically possible.
5. First priority will be given to firms that will create or retain employment opportunities for regional residents.
6. The City Council will have the option to accrue funds and carry those funds forward from one year to the next in the event that all funds are not expended in a single year.

7. Loans shall be secured with mortgages, liens, personal guarantees or other instruments whenever possible and practical.
8. Interest rates will not be fixed but, rather, will be based upon the relative risk involved, the desirability of the project to the area, the immediate and long term growth potential of the business and, the rate set as funds are borrowed.
9. No loan will be assumable without prior written approval of the City Council.
10. Sales tax funding may be a grant IF:
 - All other financing techniques have been explored; and
 - The applicant has demonstrated that the project is exemplary in achieving the City's other established goals for Sales Tax Funds; and
 - Sales Tax Funds are available.
11. Applicants shall comply with appropriate local growth and development policies, zoning and subdivision regulations, health and building codes and other applicable codes, ordinances, rules, regulations, and laws, as well as accountability standards.
12. Applicants must be taxpayers in good standing with the City and the State at the time of application and throughout the term of the financial assistance. Failure to maintain a good standing status could result in reversion of the agreed to incentive.
13. Retail projects may generally be considered for funding if the applicant can demonstrate that the project will create or save significant employment and continuation or creation of the retail business is otherwise unfeasible.
14. **Business Incentives:** For funding requests in excess of \$25,000.00 and involve industrial or commercial projects, the applicant must obtain some level of bank/financial institution participation unless waived by the Commission and approved by the City Council. A for-profit business will need to complete a Business Incentive Agreement if public funding in the project exceeds the aggregate amount of \$25,000.

15. **PACE/FLEX PACE:** In general terms, PACE provides an interest buy down that can reduce the borrower's rate of interest by as much as 5%. The EDC has adopted the following policy:[6-2002; reaffirmed 9-2008; amended 12-2012 effective 1-2013] for P.A.C.E. and FLEX P.A.C.E. interest buy down requests: **P.A.C.E.** [1] When a project deals with just a building expansion, which essentially increases the tax base, the buy down shall be in the form of a grant. [2] When a project, however, is to purchase equipment, there is virtually no gain in sales tax or property tax base and the buy down is then "loaned" to the company and payable after the PACE is used up or 5 years from the loan settlement date whichever comes first. Repayment is at a rate of not less than 1% and amortized no more than 10 years using the chart below. [3] If the project is a combination of building and equipment, the community's share of the interest buy down will be forgiven up to 50%, with the balance paid back under terms decided by the company and the Economic Development Department. **FLEX P.A.C.E.** [1] this feature provides interest buy downs to borrowers that do not fit into the traditional definition of PACE qualifying business. Under this program, the community determines eligibility and accountability standards. [2] Because of this flexibility, each FLEX PACE project will be reviewed on a case by case basis and payback terms and conditions will be negotiated up front.

OTHER CONSIDERATIONS

Applicants for funds are required to demonstrate an equity contribution, either cash or in-kind, according to application guidelines. At the discretion of the City Council, tax exempt applicants may be required to pay a fee in lieu of local property taxes. Multiple local public funding sources for a single project are discouraged. Proposals requiring a business plan, unless waived by the Economic Development Director, may be reviewed by the Small Business Development Center for changes and/or feedback of sustainability of the project before the application is approved/denied funding.

No municipal officer or appointee of the Economic Development Commission, or a spouse, child or other family member of such officer or appointee, shall be directly or indirectly involved in:

1. Any contract, work, or business for which assistance from the Sales Tax Fund is being requested or made;
2. The sale of any article, the expense, price or consideration of which is paid from the Sales Tax Fund; and
3. The purchase of any real estate or other property belonging to the City or which shall be sold for taxes or assessments or by virtue of any process issued in any suit brought by the City.

Provided, however, that the foregoing shall not be applicable if unanimously approved by the other members of the City Council by a finding unanimously adopted by the other members of the City Council in the official minutes of the City Council, to be necessary for the reason that the services or property obtained are not otherwise available at equal costs or it is otherwise in the best interest of the City to make such approval. No municipal officer or member of City Council or member of the Economic Development Commission shall refuse or fail to disclose to the Economic Development Commission and the City Council any personal interest, direct or indirect, concerning themselves or their spouses, children or other family members, in any contract or request or application concerning the Sales Tax Fund.

CHAPTER 7 – ADMINISTRATION OF FUND RESERVES POLICY

SCOPE/PURPOSE: To maintain equity and provide adequate reserves for operations, program liabilities, and cyclical changes in fund revenues.

SALES TAX FUND FOR ECONOMIC DEVELOPMENT

The City will systematically retain fund balance equity to achieve a reserve balance equal to: Current year Economic Development Operating plus estimated next year operating expense, and a reserve sufficient to meet all program liabilities including multi-year loan buydowns and projects spanning fiscal years.

Fund balance reserves are maintained to prohibit and or minimize interruption in operations, unmet obligations and opportunity costs. Fund balance reserves will only be made available for extraordinary events such as:

1. Major projects that are long term in nature and will expand the city's tax base; or
2. Temporary gap financing pending permanent financing and or grant monies; or
3. Disaster recovery.

SALES TAX FUND FOR RECREATION

The City will systematically retain fund balance equity to achieve a reserve balance equal to: Current year Community Center Operating plus grant matches [new year liability].

Reserves may only be committed upon approval of the City Council.

CHAPTER 8 - APPLICATION PROCESS & REVIEW

General Guidelines for Sales Tax Economic Development &

Sales Tax for Recreation Requests

The Economic Development Department has developed application procedures for making project requests from the Sales Tax Fund. It is important to note that the procedures developed are comprehensive enough to protect community interest, yet streamlined enough so as not to discourage potential applicants from seeking financial assistance.

Every request for funding that will be considered by the Economic Development Commission and the City Council requires a completed Sales Tax Request for Funding form as provided in these procedures [Exhibit A]. This includes requests that are made ‘in-house’ such as requests to hire consultants, specialized programming, feasibility studies etc. and requests for funding for Culture-Recreation projects. At least one representative of the company/organization applying for Sales Tax Funding must present the application to the Economic Development Director. The Economic Development Department may contract for professional advice/services to assist in these deliberations and may utilize pre-screening by another person, organization, agency or group.

The Economic Development Department is the designated agency to receive applications. Requests for funding will initially be reviewed by the Economic Development Director to determine the best funding source for the applicant.

If the application meets funding criteria and there is available funding for the project, a meeting of the Economic Development Commission will be called [if time is of the essence] otherwise the application will be included on the agenda for a scheduled meeting [every other month on the 2nd Wednesday of the month].

The Wahpeton City Council will review and *may* grant final approval for all projects that are recommended by the Economic Development Commission.

CHAPTER 9- PROJECT TRACKING

The Economic Development Department will institute project tracking procedures for each active project file. These procedures will provide periodic feedback on the status of operations. Establishing the frequency, content, and manner of presentation of these reports will be under the direct purview of the Director. The Director will ensure that the project tracking and reporting requirements are established prior to disbursement.

The Economic Development Department will be responsible for gathering appropriate evaluation data on all projects and publishing an annual report to the Economic Development Commission and the City Council. The annual report may include, where relevant, jobs created in each project; cost per job, private sector dollars leveraged and breakdown of funds appropriated within the City and rural areas. The annual report shall be made to the City Council on or before April 30th of each calendar year and shall cover fund activities for the previous calendar year. The annual report may also discuss the current status of each approved project or proposed projects in the previous calendar year that were disapproved.

CHAPTER 10 – REQUEST FOR FUNDING

A completed request for funding application form is intended to provide a brief overview of the proposed project. This allows the Department to make an initial determination regarding the suitability of the proposed project or venture for application to the Sales Tax Funds. If the proposal is found acceptable, the proposer(s) will then provide additional information to support the proposal per the request of the Department. If the Department does not accept the proposal and/or fund availability is inadequate to complete the project, the application for Sales Tax Funds will not be considered or in some cases, the amount requested is reduced. This procedure is intended to ensure that judgement about the appropriateness of the request for funds is made early in the process. This saves both the Commission and the applicant the time and expense involved in full application processing when the application is not within the scope and intent of the funds available. It should be noted that the proposal and application process has been designed to allow the Department the latitude to start the client at the point in the process that best serves the firm/individual. A non-refundable application processing fee of \$150 is required when for-profit businesses apply and is waived for non-profit organizations. The general steps are:

- STEP 1:** The applicant will visit the Wahpeton Economic Development Department to obtain a *Sales Tax Request for Funding* form. Call 701-642-8559 to receive proposal assistance from the Wahpeton Economic Development Department or email janep@wahpeton.com.
- STEP 2:** The applicant will complete a *Sales Tax Request for Funding* form, along with the required attachments and additional documentation, and return it to the Economic Development Department, 1900 4th Street North, Wahpeton, ND 58075 for review and processing by the Economic Development Director or email janep@wahpeton.com.
- STEP 3:** The Economic Development Department will review the proposal and render a decision as to whether the proposal will be forwarded to and reviewed by the

Economic Development Commission. The applicant may make a presentation, initially, to the Economic Development Director or wait for a scheduled EDC meeting.

STEP 4: If the proposal does not result in a recommendation to the Economic Development Commission, the Economic Development Department will return the proposal to the individual/s concerned. The applicant may request an appearance before the Commission within thirty (30) days of notification that the proposal has been rejected. The Commission may reconsider the proposal after the appearance and either approve, deny, or, approve the proposal after amendment. Rejected proposals are reported at the next EDC meeting or if the Commission is not meeting within a reasonable amount of time, the report will be made as soon as possible.

STEP 5: If a proposal is accepted, the Economic Development Department will invite the proposer to attend a meeting of the Economic Development Commission. The Economic Development Director will initiate action to counsel the individual(s) concerned on the submission of the application. The Economic Development Director will ensure that the proposer is advised that the invitation to submit an application does not assure approval as submitted. Any aspect of the request is subject to change until final approval of the application by the City Council. The Economic Development Commission will consider the merits of the application based upon the full application.

STEP 6: Upon the Commission's recommendations for approval of the application, the Economic Development Department will advise the applicant of the Commission's recommendation to the Wahpeton City Council. The applicant will be advised of the date and time of the City Council meeting at which the Commission's recommendation will be considered.

STEP 7: If the City Council approves the Commission's recommendation (as made or as amended), the Economic Development Department will process the application to the City Finance Director for disbursement. If the City Council denies the Committee's recommendation, the Economic Development Department will return the application to the applicant.

ROLE OF THE WAHPETON CITY COUNCIL

Revenues received from the City's 2% sales and use tax are public funds and, as such, **final authority for approval rests with the City Council**. Ultimate program oversight including budget allocation and policy development is also the responsibility of the City Council. Any proposed amendments, modifications or other changes to this policies and procedures statement must be specifically approved by the City Council. Percentage breakouts for 2012 collections is graphed below.

2% Sales Tax Percentages 2012

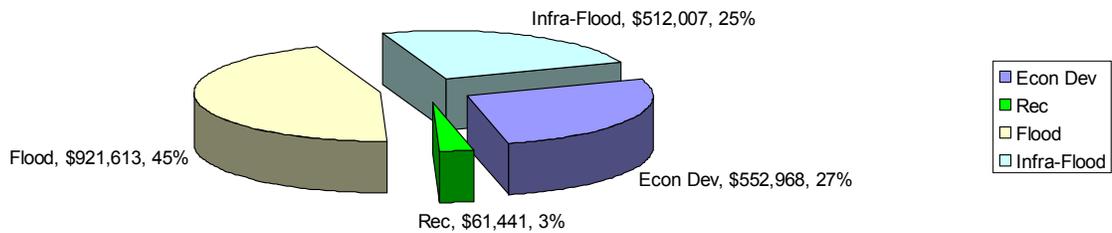


EXHIBIT A

APPLICATION CITY OF WAHPETON SALES TAX REQUEST FOR FUNDING

Section I: Applicant Information

NAME OF FIRM: _____ TELE: _____

CONTACT PERSON: _____ SS# OR TIN: _____

APPLICANT IS: Corporation Partnership Proprietorship Non-profit

ADDRESS: _____ CITY _____ STATE ____ ZIP _____

EMAIL ADDRESS: _____

Office Use Only: Legal Description: _____ Zoned: _____

Use: Conforming/Nonconforming _____ Cite Ordinance: _____

Exception: _____ Note: _____

Section II: Project Information *(Enter NA where Not Applicable)*

PROJECT TITLE: _____

PRODUCT/SERVICE: _____

ESTIMATED PROJECT START DATE: _____ COMPLETION DATE: _____

PHASE OF DEVELOPMENT: Expansion Retention Start-up Other

DESCRIPTION OF PROPOSED PROJECT [INCLUDE LOCATION AND SITE MAPS WHERE APPLICABLE]:

OR attach a business and/or marketing plan of the business, trade area served, kinds of jobs to be created (Part-time and Full-time), community impact, justification for the project, and any other development information that may help describe this project, product or service.

Section III: Proposed Project Budget

NOTE: Sources, Uses and Types of Financing Determined by Director

		Explanation [if needed]
TOTAL EST. PROJECT COST	\$ _____	_____
Assistance Requested	\$ _____	_____
Applicant's Contribution	\$ _____	_____
Other Sources of Assistance:	\$ _____	_____
_____	\$ _____	_____

Section IV: Supporting Financial Documents

[] EXISTING BUSINESS:

1. Three Years Financial Statements (including most recent year), including balance sheet, and income statement.
2. Past Three years' federal income tax returns.

[] NEW BUSINESS:

1. Pro Forma Balance Sheet.
2. Two years financial statements.
3. Personal financial statements on principals.
4. Brief background statements regarding the principal's experience and qualifications to operate the business.

Section V: Application Fees - Nonrefundable

Attach a check for \$150.00 made out to the City of Wahpeton Sales Tax Fund. Fees are waived for non-profit applicants.
 Date Check Received: _____ Check Number: _____

Section VI: Authorized Signature(s)

I hereby certify that the above information is true and correct to the best of my knowledge.

BY: _____

Title _____ Date: _____

+++++

FOR OFFICE USE ONLY:

Application Received by: _____ Date: _____

SOURCE	AMOUNT	RATE & TERMS	USE OF FUNDS
[] Sales Tax Fund Economic Development or Recreation	\$ _____ / _____ / _____	_____ / _____ / _____	_____
[] Bank:	\$ _____ / _____ / _____	_____ / _____ / _____	_____
[] Equity*:	\$ _____ / _____ / _____	_____ / _____ / _____	_____
[] Other:	\$ _____ / _____ / _____	_____ / _____ / _____	_____
Total Project Cost	\$ _____		

Project requires Business Incentive Agreement: Yes _____ No _____

Applicant is a Taxpayer in Good-standing with the State and Local authorities and is current on all government obligations: Yes _____ No _____ Comment: _____

Comments: _____

Project meets/does not meet initial approval of the Econ. Dev. Director: _____ [initials]
 [circle one] Date: _____

Comments: _____

Project needs further review by SBDC: _____

Presented to Economic Development Commission: _____

Recommendation to Council: _____

BASIC GUIDELINES:

[see full listing in Policy and Procedure Manual April 2013 Chapter 6, pgs: 8-10]:

- A. No assistance will be provided that results in an unfair competitive advantage over existing local business.
- B. The applicant will be strongly encouraged to procure goods, services, and labor from the local economy, to the maximum extent economically possible.
- C. Loans shall be secured with mortgages, liens, personal guarantees or other instruments whenever possible and practical.
- D. Applicants must be taxpayers in good standing with the City and the State at the time of application and throughout the term of the financial assistance. Failure to maintain a good standing status could result in reversion of the agreed to incentive.
 - a. **BUSINESS INCENTIVES:** For funding requests in excess of \$25,000.00 and involve industrial or commercial projects, the applicant must obtain some level of bank/financial institution participation unless waived by the Commission and approved by the City Council. A for-profit business will need to complete a Business Incentive Agreement if public funding in the project exceeds the aggregate amount of \$25,000.
 - b. **P.A.C.E./FLEX P.A.C.E.:** In general terms, P.A.C.E. or Partnership Assisting Community Expansion provides an interest buy down that can reduce the borrower’s rate of interest by as much as 5%. The EDC has adopted the following policy:[6-2002; reaffirmed 9-2008; amended 12-2012 effective 1-2013] for P.A.C.E. and FLEX P.A.C.E. interest buy down requests:
P.A.C.E. [1] When a project deals with just a building expansion, which essentially increases the tax base, the buy down shall be in the form of a grant. **[2]** When a project, however, is to purchase equipment, there is virtually no gain in sales tax or property tax base and the buy down is then “loaned” to the company and payable after the PACE is used up or 5 years from the loan settlement date whichever comes first. Repayment is at a rate of not less than 1% and amortized no more than 10 years using the chart below. **[3]** If the project is a combination of building and equipment, the community’s share of the interest buy down will be forgiven up to 50%, with the balance paid back under terms decided by the company and the Economic Development Department. **FLEX P.A.C.E. [1]** this feature provides interest buy downs to borrowers that do not fit into the traditional definition of PACE qualifying business. Under this program, the community determines eligibility and accountability standards. **[2]** Because of this flexibility, each FLEX PACE project will be reviewed on a case by case basis and payback terms and conditions will be negotiated up front.

Updated 4/3/2014

COMMUNITY SHARE OF INTEREST BUY DOWN AMTS. 70-30					
PROGRAM	AMORT TABLE RANGES				
	\$4,500- \$60,000	\$60,001- \$96,000	\$96,001- \$128,571		
PACE	1%, 5 year max	1%, 8 year max	1%, 10 year max	BND - \$300,000 MAX	CITY - \$128,571.43 MAX
FLEX PACE	negotiable	negotiable	negotiable	BND - \$100,000 MAX	CITY - ANY AMOUNT

