

Corridor Revitalization Loan (CoRL) Program

Application Instructions and Program Requirements

Application Period:

- An open application period begins each year in July, no later than July 10. The application period will be a minimum of thirty days. Evaluation of applications will begin no later than 15 business days after the application deadline.
- Beginning the following January, the City may continue to receive applications on a rolling basis and will consider them if budgeted funds are still available.

Who Can Apply: The property must be located in the CoRL district. Check with Development Services if you are not certain if your property falls within the CoRL district. Tax-exempt properties are not eligible. The applicant must be the owner of the property. An owner may apply on behalf of a tenant; however, the owner remains the responsible party and is the loan recipient. Tenants and owners will need to negotiate their own agreements regarding disbursement of the loan proceeds.

Application Instructions: All fields on the application form must be completed. An incomplete or unclear application may affect your application score or may be rejected. If you have difficulty with any of the required information, please contact Development Services at (641) 421-3626 or via email to svansteenhuyse@masoncity.net. The following provides instructions for each lettered section of the application:

- Building Information:*** Provide a Building Name (such as the historic name of the building, or the name of the principal tenant, or other identifying name) and the address of the site. You can find the Tax Property ID Number and an abbreviated legal description by going to beacon.schneidercorp.com and search by address for Mason City.
- Applicant Information:*** fill out all contact information. If the applicant is a business, supply the Federal Employer Identification Number (FEIN). Indicate if the building is owned by one or more individuals or by a legally constructed ownership entity (proprietorship, LLC, etc.)
- Proposed Project:*** Provide a *detailed* description of the project, including all proposed improvements. Attach additional sheets if necessary.
 - **Project Start and Completion Dates:** Include an estimated date that construction will begin. In making this determination, keep in mind that the Forgivable Loan Program cannot be used for improvements completed before City Council approval of the loan and signing of the Forgivable Loan Agreement. For July/August applications, approval should occur in early September. Provide your best estimate for the start and completion dates. The start date can be as late as one year after signing the Forgivable Loan Agreement. That Agreement will provide for changes or extensions to the start or completion dates due to unavoidable delays.
 - Provide a statement of need for the forgivable loan. Consider whether the project could still be completed to the same degree as proposed if the loan were not approved.
 - Include the forgivable loan amount and the total cost of the project.

- D. *Summary of Project Costs:* Although forgivable loan funds can be used for interior work (particularly if that work is needed to make the space saleable or leasable), the CoRL program emphasizes exterior improvements that raise assessed value and improve building aesthetics. The cost of the interior improvements may be used towards the match, however.
- List each exterior and interior project in the appropriate section. Each project should be accompanied by a contractor's estimate. Again, completion dates may be estimated. Include the cost of each improvement, total the exterior and interior costs, and provide an overall total cost.
- E. *Current Occupancy/Tenancy:* lists all current occupants or tenants; if there are none, leave this section blank. Answer the questions regarding dwelling units, vacancy, and jobs. Creating or retaining jobs paying 90% or higher of Mason City/Clear Lake laborshed wages increases the number of points on the scoring sheet. See <https://www.iowaeda.com/wage-requirements/> for information on laborshed wages for the current fiscal year. If no jobs are created/retained, leave these two lines blank.
- F. *Proposed Financing:* Provide information on sources of matching funds. The loan request must be matched by funds from other sources. If using owner cash, proof that there is adequate cash on account is required. The most recent bank statement may meet this requirement. If part or all of the match is from a bank loan or similar, provide a letter of commitment from the bank (the letter may state that the bank's loan is contingent upon City approval of the CoRL loan).
- G. *Application Attachments:* Written bids, quotes, or estimates from qualified contractors for each element of the project must be provided. The bids/quotes/estimates should correspond to the list of project elements in Section D. Project plans must be clear and easy to understand. Photographs should be recent; please do not copy photos from the County or the Beacon websites, as these are of low resolution. If the project is creating/retaining jobs at 90% or more of the area laborshed wage, attach an affidavit certifying the number of such jobs.
- H. *Applicant Signature:* Read all statements and certifications carefully. By signing the application, you accept and agree to all of them. All owners listed on the deed must sign (add pages if necessary).

Review and Approval Process:

- *Assessor Review:* After the application deadline, City staff will compile the applications and prepare them for scoring. Applications deemed incomplete will not be scored. Eligible applications will be sent to the City Assessor, who will estimate the increase in value after the project is complete resulting from the real property improvements.
- *Scoring:* Within 15 business days after the application deadline, the Forgivable Loan Review Committee will meet to score the applications. This Committee consists of three property owners within the Downtown and Corridor Revitalization Loan areas, an architectural or construction professional, a lending/banking professional, and the Development Services Director. The Committee uses a scoring form (described in detail below) to assign points to the submitted applications. Any application that does not meet the required minimum

score will be rejected. The Committee will evaluate and compare the scores and recommend those projects that score the highest. In making this recommendation, the City Staff and the Committee will consider the amount of funding available and may decide not to recommend otherwise worthy projects for funding during that funding cycle to preserve funds for projects later in the year.

- *City Council Review:* All accepted applications and their scores, along with the Forgivable Loan Review Committee's recommendations, will be forwarded to the City Council for review and approval (including those not recommended by the Committee for approval). The City Council will have final discretion over which projects will be receive the forgivable loan.

Scoring Criteria: The scoring form (see attached) considers the impact of the project on the DoRL area and the city as a whole. To be considered, a project must score at least 30 points (a little less than one-third of the total points possible).

- Some of the scoring categories allow for a range of points. For instance, in the Sales Tax Potential element, an Eating/Drinking establishment with a small retail component could receive 4 points for providing food and drink, but only 1 of the possible 4 points for the retail.
- Some of the categories within an element can be combined. However, the combined points cannot exceed the maximum number of points allowed for that element.

Following is an explanation of each of the form's lettered scoring elements. Please note that the scoring form is subject to change.

- Application:* A complete and well-presented application is worth up to 5 points. Even if you completely filled out the application and provided all the attachments, you may receive fewer points if the project is not described clearly, if the cost estimates do not reflect all of the project elements or are unreasonable considering the market, if the photos of existing conditions do not adequately show the existing problems, or other deficiencies.
- Increase in Assessed Value:* One of the major goals of this program is to increase assessed value. Projects that improve real property value receive more points.¹ All applications will be sent to the City Assessor to estimate an increase in value based on the improvements that would be completed with the forgivable loan. Points are based on the Assessor's estimate.
- Sales Tax Potential:* The City has a Local Option Sales tax of 1% on taxable sales. Therefore, projects that generate sales taxes add to City revenue. Eating/drinking establishments and retail establishments generate the most sales tax. Office/Service businesses generally generate very little or no sales tax, while strictly entertainment businesses are only taxed on ticket sales, concessions, or facility rental.

¹ Not all improvements lead to an increase in real property value. Improvements such as painting, floor coverings, fixtures, etc., generally do not count towards real property value. If you are not sure what improvements lead to an increase in real property value, contact the City Assessor's office at (641) 421-3061.

- The categories in this section can be combined; for example, an eating/drinking establishment that provides live entertainment every weekend could get up to 2 points for entertainment and up to 4 points for eating/drinking, for a total of 6 points. However, the combination of points from all categories cannot exceed 10 points.
 - The scorer will consider the degree of impact of various elements and may grant fewer points than the maximum; if the eating/drinking establishment only offers entertainment a few times a year, for example, the scorer may decide to grant only 1 point for that category.
- D. *Aesthetic Impact:* Another major goal of this program is to improve the aesthetic impact of development in the Downtown. Preserving or restoring historic structures is a high priority, as is providing quality design. Although this is a somewhat object category, efforts to make a property look better will lead to higher scores. Destruction or removal of historic elements is strongly discouraged and will lead to a reduction of points. Combination of points from the categories cannot exceed 20 points.
- E. *Redevelopment Need:* This section considers the impact of the project on the building itself and on the surrounding area. A building that has been long vacant and will be revived is eligible for more points. An “adaptive reuse” occurs when a building is changed from a non-productive use to a productive one; for instance, converting a former warehouse into a retail store, restaurant, or dwelling units. Converting a building into a more desirable use also earns points; the amount of points awarded in this category depends on both the undesirability of the former use and the desirability of the new one. Combination of points from the categories cannot exceed 10 points.
- F. *Need for/Desirability of the Proposed Use at the Location:* This element considers the impact of the project on the surrounding area. For instance, retail, eating/drinking establishments, and entertainment businesses bring people to the neighborhood. These uses have a spin-off effect, where people who go to a store to shop may also stay to eat lunch in a nearby restaurant, or people attending a concert may decide to return to check out the shop they passed on the way to the venue. Points may be awarded based on the degree of impact that the use will have at that location; for instance, a new restaurant in the old “B&O Downtown” area (the 1300 block of North Federal Avenue) may get more points, as it will draw people to a less-visited area and may lead to more business and redevelopment in that part of the corridor. Combination of points from the categories cannot exceed 10 points.
- G. *Jobs Created/Retained:* The project may receive points if it creates or retains jobs that pay at least 90% of the Mason City/Clear Lake Laborshed wages as published by the Iowa Economic Development Authority. This information is available on the Web at <https://www.iowaeda.com/wage-requirements/>. In Fiscal Year 2022, the 90% percent wage was \$17.85 per hour. The application needs to be accompanied by an affidavit stating the number of jobs created or retained that meet the 90% threshold.

Questions: Questions about the program, the application, or the process should be directed to the Development Services Department: (641) 421-3626, or svansteenhuyse@masoncity.net.

CITY OF MASON CITY
CORRIDOR REVITALIZATION LOAN
PROPOSAL SCORING FORM

Scorer: _____

Request: _____

Amount Requested: \$ _____

Total Project Cost: \$ _____

Minimum Points Required for Consideration: 28

Applicant: _____

Project No: _____

Description: _____

Overall Recommendation

A B C
Fund Possible Do Not Fund

CRITERIA	Possible Points	Your Rating	COMMENTS (attach additional sheets if necessary)
A. Application	5		
Completeness, clear narrative, depiction of current conditions, reasonableness of cost estimates, etc.	0-5		
B. Increase in Assessed Value	20		
0% - 5%	2		
6% - 10%	8		
11% - 15%	15		
16% and over	20		
C. Sales Tax Potential	10¹		
Office/Service	0-1		
Entertainment	0-2		
Eating/Drinking Establishment	0-4		
Retail	0-4		
D. Aesthetic Impact	20¹		
Restoration/preservation of historic elements	0-10		
Compatibility with area character	0-5		
Architectural/design quality	0-10		
E. Redevelopment Need	10¹		
Renovation of Persistently Vacant or Underutilized Building	0-5		
Adaptive Reuse	0-3		
Reuse from a formerly undesirable use	0-5		
F. Need for/Desirability of Proposed Use at location	10¹		
Retail	0-5		
Eating/Drinking Establishment (or new food/drink component) ²	0-5		
Entertainment	0-5		
Personal Service	0-3		
Business Service/Office	0-2		
G. Jobs Created/Retained	10		
Jobs paying 90% or above the County average: 2 points per job	2		
TOTAL	85		

¹Combination of categories may not exceed the number of points indicated in bold. Where applicable, points may be awarded based on percentage of each category combined within the project; for instance, in the Sales Tax Potential element, an Eating/Drinking establishment with a small retail component could receive 4 points for food/drink but only 1 point for the retail.

²Priority shall be for restaurants and establishments where dining is the primary activity. Bars/Taverns are not eligible for more than 2 points