

## Other programs to help small businesses in Downtown:

The City, alone or with its partners, provides several programs to encourage business growth, rehabilitation and redevelopment:

- The **Downtown Revolving Loan Program** provides a low-interest loan that can fill funding gaps for rehabilitation projects. Loans up to \$25,000 are available, with a 10-year term at 2.5 percent. The loan can be combined with the DoRL program to leverage a conventional loan through a downtown bank. This program is provided through Main Street Mason City. Application materials can be obtained from the Main Street office (see contact information at right).
- Downtown owners are eligible for the **Urban Revitalization Tax Abatement** program, which provides abatements on the increased in taxes resulting from property improvements. **DoRL loan recipients are not eligible for this program.** If you prefer to seek after-construction tax benefits instead of a forgivable loan, contact Development Services for more information.
- Other programs may be available for small businesses through the **John Pappajohn Entrepreneurial Center** at NIACC. Contact the Center for more information (contact information at right).
- The State of Iowa sponsors programs through the **Iowa Economic Development Authority**. Funding programs are subject to legislation and rule making, and change frequently. Contact the IEDA or visit their website for more information (see contact information at right).

## Where can I get help or learn more about programs and incentives?

Development Services Department  
City of Mason City  
(641) 421-3626  
[www.MasonCity.net](http://www.MasonCity.net)

Main Street Mason City  
(641) 494-0003  
[www.mainstreetmasoncity.com](http://www.mainstreetmasoncity.com)

The John Pappajohn Entrepreneurial  
Center - Small Business Development  
Center  
North Iowa Area Community College  
(641) 422-4111  
[www.niacc.edu/pappajohn](http://www.niacc.edu/pappajohn)

Iowa Economic Development Authority  
(515) 725-3000  
[www.iowaeconomicdevelopment.com](http://www.iowaeconomicdevelopment.com)

*This brochure provides general program guidelines. A complete description of program rules is available from the Development Services Department.*



### City of Mason City

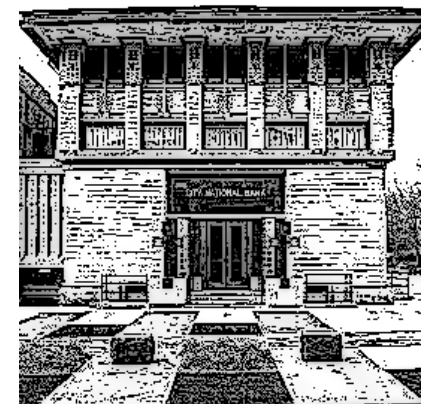
Development Services Department  
10 1st Street NW, Third Floor  
Mason City IA 50401

Phone: 641-421-3626  
E-mail: [DevelopmentReview@MasonCity.net](mailto:DevelopmentReview@MasonCity.net)

### City of Mason City, Iowa

## Downtown Revitalization Loan Program (DoRL)

### Keeping Downtown Mason City Vibrant and Growing



Development Services Department  
(641) 421-3626  
[DevelopmentReview@MasonCity.net](mailto:DevelopmentReview@MasonCity.net)

# MASON CITY DOWNTOWN REVITALIZATION LOAN PROGRAM (DoRL)

The Downtown Revitalization Loan Program (DoRL) assists business property owners in Downtown Mason City to rehabilitate buildings, update facades, and bring new vitality to Downtown. All properties in the Downtown Reinvestment Urban Renewal Area are eligible, as well as other downtown properties (see map). If you are unsure if your property is eligible, contact the Development Services Department.

**APPLICATION:** Applications are accepted in July and early August. Application materials are available from the Development Services Department or at [www.masoncity.net](http://www.masoncity.net). The application must be approved **before** commencing construction. If funds are still available after the July/August application period, applications will be accepted on a rolling basis after the following January 1.

**PROPERTY ELIGIBILITY:** Owners of commercial, mixed-use, and duplex/multi-family properties within the designated district (see map) are eligible. An owner may apply on behalf of tenants. Property tax-exempt properties and single family dwellings are not eligible. **Note:** Meeting eligibility requirements is not a guarantee of approval.

**LOAN AMOUNT:** Up to \$30,000 per building, matched 100%. The match may consist of owner cash, bank loan, grants or other financing sources. Proof of match must be provided.

**LOAN FORGIVENESS:** The loan is forgiven at a rate of 1/84<sup>th</sup> of the principal per month and is forgiven after 84 months (seven years). The owner must maintain the improvements during the entire loan forgiveness period. Ownership may be transferred during the forgiveness period, provided that the new owner signs a promissory note and assumes a mortgage for the loan balance.

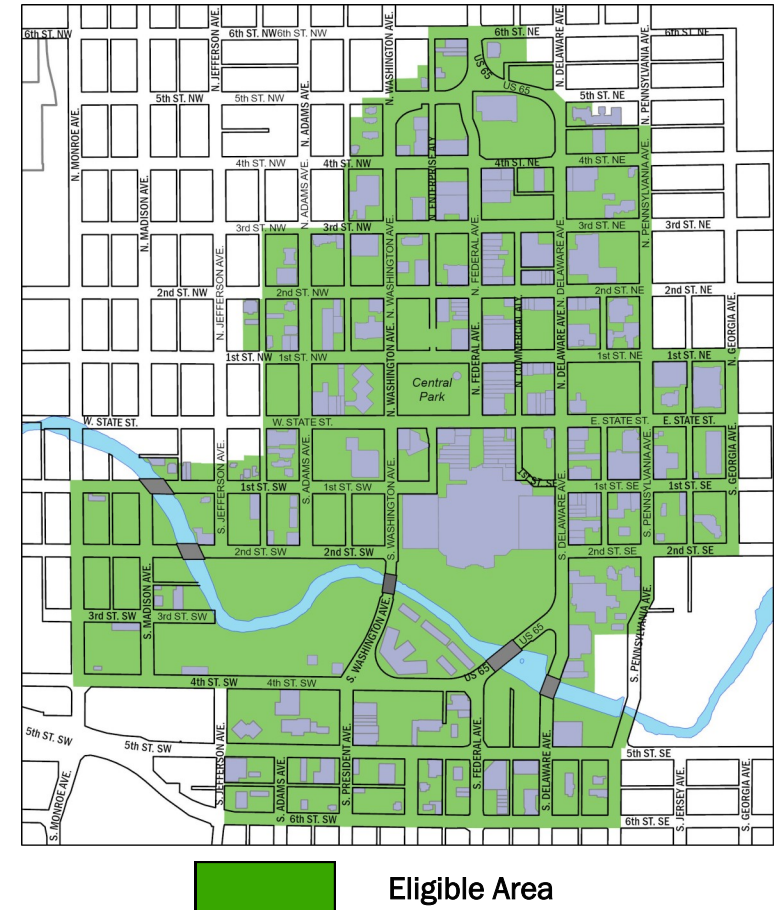
**DEFAULT:** Failure to maintain the improvements during the loan forgiveness period will result in re-payment of the entire un-forgiven loan balance, plus interest at a rate of 4 percent.

**USE OF FUNDS:** Funds may be used for exterior or interior improvements; however, interior improvements generally must focus on making a building saleable or leasable, or for creating dwelling units in mixed-use buildings. Exterior improvements must meet zoning requirements for materials; historic facades shall be maintained to the degree possible. Approved projects must result in an increase in assessed value, add to the value of Downtown, and improve Downtown aesthetics.

**OTHER FINANCING:** Applicants are required to seek private sources of matching funds. The City will accept a second position if the applicant is also entering into a loan from a financial institution.

**PROCESS:** Applications will be reviewed by City staff for completeness; incomplete applications will be rejected. All applications will be scored by the Forgivable Loan Review Committee. Applications must meet a minimum score to continue to be eligible. After scoring, eligible applications are sent to the City Council for final approval. If approved, the applicant must enter into a Forgivable Loan Agreement with the City. Funds are disbursed when improvements are complete and accepted by the City. The applicant must accept a mortgage for the value of the loan and sign a promissory note. The 7-year forgiveness period begins on the date the loan is disbursed. Request a copy of the *Application Instructions and Program Requirements* for detailed information.

**CONSTRUCTION REQUIREMENTS:** The City retains the right to inspect the improvements upon completion to ensure that they are completed in accordance with the Forgivable Loan Agreement. In addition, the City may inspect any time during the loan forgiveness period, after providing at least 48 hours notice, to insure that the improvements are being maintained.



See *Property Eligibility* criteria, left. To positively determine if a property is eligible, contact the Development Services Department.