

City of Wakefield

Economic Development Program Guidelines

Eligible Applicants:

So long as the City of Wakefield has a population of 2,500 or less, a qualifying business shall mean any corporation, partnership, limited liability company or sole proprietorship located in Wakefield or the surrounding area regardless of its principal source of income.

Eligible Activities:

Eligible activities are those activities as allowed by the Local Municipal Economic Development Act for the purpose of providing assistance to a qualified business.

1. Direct loans or grants to qualifying businesses for fixed assets or working capital or both.
2. Loan guarantees for qualifying businesses.
3. Grants for public works and infrastructure improvements which are essential to the location or expansion of, or the provision of new services by, a qualifying business, including, but not limited to streets, storm drainage, water, sewer, gas, electric or railroad extensions.
4. Grants or loans for job training.
5. Purchase of real estate, options for such purchases, and the renewal or extension of such options.
6. Issuance of Economic Development Program qualified bonds.
7. Payments for salaries and support of City staff to implement the Economic Development Program or the contracting of such to outside persons or entities.
8. Business and industry recruitment.
9. Incentives for business and industry investment and job creation.
10. Purchase of commercial or industrial site(s) and obtaining options for the purchase of such real estate.
11. Grants or loans for construction of facilities, structures, and/or appurtenances for new or proposed qualifying businesses or for a speculative basis to attract new business or industry.

Eligible activities do not include grants or loans for the construction or rehabilitation for sale or lease of housing for persons of low or moderate income.

Loan Program

1. Funds for a single project shall not exceed the amount of funds available under the Economic Development Program during the project term, nor shall it provide for more than 50% of the applicant's total project costs. Depending on the size of the project the 50% may be waived or reduced.

2. The maximum loan amount will generally not exceed \$25,000. Loan amounts will depend on receipts available in the LB840 Economic Development Fund.
3. The applicant must have a minimum equity investment of 10%.
4. The interest rate will be negotiated on a case by case basis and shall generally be fixed from zero or not less than one-half of the prime rate in the Wall Street Journal.
5. Security for the loan will include, but not be limited to, promissory notes, mortgages or deeds of trust and personal and/or corporate guarantees as appropriate and may be in a subordinate position to the primary lender.
6. Terms will be negotiated on a case by case basis not to exceed 10 years for capital assets or 5 years for any other asset category.
7. A loan payment schedule providing for monthly, quarterly or annual payments will be approved in conjunction with project approval. Repayment funds will be held in the Economic Development Fund for future projects.
8. In certain situations the Project Review Committee may recommend a balloon payment system as encouragement for borrowers to seek refinancing.

Application Process:

For direct financial assistance under the Wakefield Economic Development Program, an applicant must provide the following, unless waived by the Program Administrator:

1. A completed "Wakefield Economic Development Program Application" form. An application that may be obtained from the Wakefield City Offices at 405 Main Street.
2. A detailed description of the proposed project.
3. A business plan, including employment and financial projections.
4. Current financial statements, financing requirements for the project, and total project costs.
5. Additional information, to determine the economic viability of the proposed projects(s), may be requested by the Program Administrator.

Generally, applications will be reviewed in the order in which they were received. When an application is received that is deemed "urgent" by the Program Administrator, it may be reviewed and approved, ahead of other applications received. However, other pending applications will then be addressed in a timely manner.

The application will be reviewed by the Program Administrator to determine if it is complete before forwarding it on to the Project Review Committee for review. Applications may be prioritized by the Program Administrator with the most cost-effective project to receive a priority for the use of funds.

The Project Review Committee is responsible for assessing the viability of the proposed project. Application review and approval, or disapproval, will be based on project feasibility as determined by the review of the applicant's application and supporting documents, along with the potential future economic benefit to the community. Application to the Economic Development Program does not guarantee financial assistance.

Upon completion of its review, the Project Review Committee will decide whether or not to recommend the project to the Wakefield City Council.

a. If the project is not recommended to the City Council, the application process ends. However the applicant may work with the Project Review Committee and submit another application after necessary changes have been made. The Program Administrator will notify the applicant of the determination made by the Project Review Committee.

b. Upon approval of the Project Review Committee, and final negotiations on the terms and conditions of assistance between the applicant and the Program Administrator have been completed, the project will be submitted to the City Council for its review and approval. The City Council will review the project and recommendations and make the final decision on the project. The Program Administrator will notify the applicant of the City Council's decision.

Reminder: Any information provided to the City Council on the Project Recommendation form is to be considered public information and will include: business entity, project description, borrower(s), loan amount, length of loan, interest rate, security, repayment, loan closing date and any other information which the Project Review Committee considers pertinent and which the applicant agrees to be released.

In the process of gathering information about a qualifying business, the City may receive confidential information about the business, which if released, could cause harm to the business or give unfair advantage to its competitors. State law authorizes cities and other public entities to maintain the confidentiality of business information received from applications for financial assistance by adopting an ordinance which makes such information confidential and punishes disclosure; restricts the number of people with access to files; designates a responsible party for its safekeeping; and sets forth requirements for personnel involved in the program review or with access to any business information to sign statements on confidentiality regarding all personal and private submittals. These procedures may be revised from time to time with City Council approval.