

## PRE-DEVELOPMENT ASSISTANCE PROGRAM

### PROGRAM GOAL

The goal of this program is to provide pre-development assistance for Lincoln City property owners with redevelopment or significant renovation plans in excess of 50% (fifty percent) of property value.

### FINANCING

The funding source for this program is through Lincoln City Economic Development funds. Funds are subject to availability of annual funding. This program can only provide funds for future work; not refinancing of completed work.

Funds can be made available as a short-term 0% (zero percent) interest loan with repayment at Certificate of Occupancy.

This program may be combined with another City economic development program, so long as the total amount borrowed does not exceed \$150,000 per applicant.

Applicants will be awarded funding based on their ability to support City Council (Council) goals and objectives for economic development and housing, including:

- Encourage the development of affordable and workforce housing
- Provide family-wage jobs to locate in Lincoln City
- Support the success and growth of existing businesses and entrepreneurs
- Foster Lincoln City's recreation and tourism-based economy, particularly during off-peak times
- Support businesses that provide for the day-to-day needs of Lincoln City residents

### ELIGIBILITY

Applicants may request the following types of pre-development assistance:

- System Development Charges
- Permit fees
- Survey work (geotechnical/soils, topographical, tree, etc.)
- Environmental site assessment (Level I, Level II, etc.)
- Wetland delineation
- Consult for feasibility study

Workforce housing projects within a tsunami evacuation zone must bring buildings up to code. Assistance must support intended projects that are greater than 50% (fifty percent) of property value. Property must be located within Lincoln City city limits.

Ineligible activities: including, but not limited to, working capital, refinancing of existing debt, security systems, personal property, inventory, commercial projects in tsunami evacuation zones, rip rap or shoreline stabilization projects, billboards, and credit card debt.

**APPLICATION PROCESS**

1. Forms are available online ([www.LincolnCity.org](http://www.LincolnCity.org)) and in the Lincoln City Economic Development Office, City Hall, 801 SW Highway 101, Room 350. Submit completed pre-application form to the Economic Development Office. Staff will initially determine when a pre-application is substantially complete and meets the program objectives. Completed applications will include in part:
  - o pre-application form
  - o requested funding amount
  - o evidence of property ownership
  - o property equity information
  - o preliminary design drawings, if available
  - o itemized cost estimates from suppliers or licensed contractor, as applicable
  - o description of business plan, including intended staffing objectives
  - o estimated development completion time
2. Pre-application is forwarded to the Outside Loan Officer who will request preliminary title reports, credit reports, and appraisals or will perform alternative procedures to determine credit worthiness of the applicant for the proposed project. The applicant must demonstrate the ability to repay the loan in a timely manner and may be asked to provide the following information to the Outside Loan Officer:
  - a. Business Plan or detailed description of your business
  - b. Breakdown of use of funds for the project
  - c. Personal financial statements
  - d. Resumes of business or property owner
  - e. Business income statement and balance sheet for past 3 years
  - f. Projected income statements
3. Outside Loan Officer provides summarized financial information about the applicant's ability to repay the loan to staff to include in the application packet for the City Loan and Grant Committee (Committee) to review. Application packet is issued an anonymous number to be used in public meetings (until approval; projects may be made public after completion of project).
4. Application packet is presented to the Committee to determine whether the project meets the mission and purpose of the Pre-Development Assistance Program and for tentative approval to process. The Committee, at its discretion, may consider other conditions or building appurtenances.
5. If the Committee recommends approval, the application packet is sent to Council for final approval. In certain circumstances, Council may authorize a higher funding amount.

**CONDITIONS AND CONSIDERATIONS**

1. The Lincoln City City Council shall have the sole authority to approve an application.
2. The borrower must demonstrate the ability to repay the loan in a timely manner.
3. Processing and closing fees are paid by the borrower and not included in the loan amount, unless otherwise noted.
4. The bank loan is to be a construction-type loan. Funds are disbursed as work is completed and verified.
5. Projects should begin and be completed in a timely manner following approval from Council. Work must begin within 12 (twelve) months and completed within 18 (eighteen) months of City Council approval.
6. Repayment begins after first draw request, with payments based on entire loan amount.

7. Loan cancellation and repayment occur if borrower fails to comply with the conditions of the loan. Penalties may apply.
8. Applicant must be current with all applicable taxes, licenses and fees.
9. For improvements to real property, where not currently available, the plan must meet American with Disabilities Act compliance for accessibility from at least one entrance at street level.
10. Note is due upon maturity, refinancing or sale of the business or property as applicable.
11. Before any funds are distributed, loan applicant must obtain all necessary approvals including those from Lincoln City Planning and Public Works Departments.
12. Project may be made public and used for marketing economic development projects after approval of funding.

### COLLECTION POLICY

Delinquencies, collection procedures, and foreclosures will be in accordance with procedures of all participating financial partners.



For more information, please contact the  
Lincoln City Economic Development Office  
at 541-996-1095