

SHOREWOOD BUSINESS OPPORTUNITIES

VILLAGE OF SHOREWOOD BUSINESS INCENTIVE LOAN PROGRAM



Shorewood's Business Incentive Loan Program has been established to assist businesses and property owners finance business expansion and start-up projects consistent with the economic development goals of the Village. This program is an important component of the Village of Shorewood's economic development toolbox, which includes the façade grant program and redevelopment project incentives. Benefits to participating businesses might include providing "first dollars" required by other lending organizations, lower-than-market interest rates, and potential to lower debt service payments during the start-up period of a new venture.

The Village of Shorewood Business Improvement District (BID) and Southeastern Wisconsin Regional Planning Commission (SEWRPC) will provide assistance to businesses interested in borrowing funds from the program. SEWRPC will also assist the Village with the review and underwriting of loans. The economic development goals of the program are comprised of property tax base enhancement, business recruitment and retention, and expanded business activity.

Loan Parameters

The maximum loan amount is \$100,000. Loans over that amount will be considered in special cases only. All loans must be approved by the Shorewood Community Development Authority (CDA). Loans over \$25,000 must also be approved by the Shorewood Village Board. A minimum of one dollar of private sector investment will be required for each dollar of CDA investment. It is expected that a bank or other private financial institution will be financing all or a portion of the private sector match. Sufficient collateral, including personal guarantees from the principals of the business with 20 percent or more ownership, will be required. Interest cost to the borrower from program loans is expected to be lower than for loans from banks or other financial institutions. Payment of principal may be deferred for up to 18 months if required for the success of the undertaking. Need for such deferral must be demonstrated.

Criteria for Granting

Criteria for granting or for limiting the amount of a requested loan include:

- **Eligibility** The project must contribute proportionately to the achievement of Shorewood's economic development goals and be for the activities listed in the full application.
- **Need** The applicant must demonstrate that TID financing is necessary to make the project feasible and that alternate sources of funding needed to finance the project are not available on reasonable terms.
- **Availability of funds** A balance of sufficient funding authority (unloaned funds) must be available for the TID in which the property is located.

Application Procedure

Following the submittal of an application, Village staff will examine the application and supporting documentation for completeness and make a determination within 20 working days on whether or not the proposed project conforms with the standards and policies set forth in the plan. The application is then forwarded to the CDA for consideration together with a staff funding recommendation.

Businesses interested in applying for financing should contact Jim Plaisted, Executive Director-Shorewood Business Improvement District, c/o Village of Shorewood, 3930 N. Murray Ave., Shorewood, Wis. 53211.

A copy of the loan application and a list of the supporting documentation needed for each application can be downloaded from the Shorewood Business Improvement District website at www.shorewoodwi.com.

