

**City of Clarinda  
Downtown Revitalization Plan**

*Presented By:*

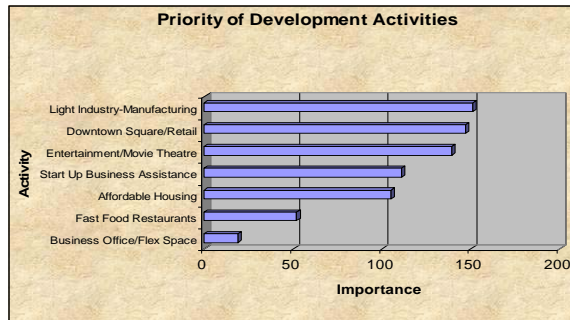
**Chad Wellhausen**  
*Executive Director*  
**Clarinda Economic Development**

## Background

Rural communities, such as Clarinda, face many challenges with declining populations, struggling local businesses and closing of businesses around the square.

## Survey Results

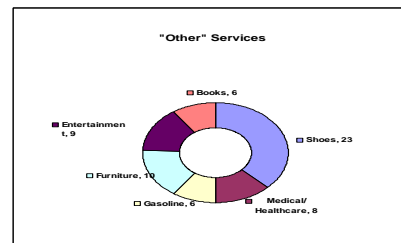
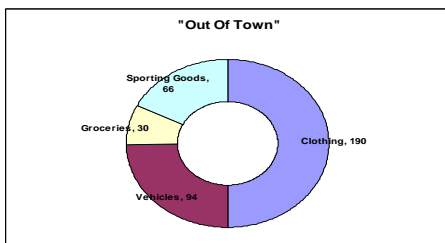
Our recently presented community survey indicated both an overall need and interest in increasing the viability of our downtown. The community indicated that they felt our developmental efforts should focus on downtown development as well as continue our manufacturing recruitment focus.



Source: CEDC 2006 Community Survey

## Shopping Out Of Town

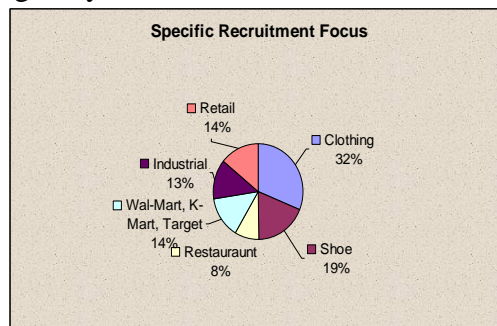
As indicated in the survey, residents most often frequent “out of town” shopping for retail products, specifically clothing, shoes and sporting goods.



Source: CEDC 2006 Community Survey

## Specific Recruitment Focus

The below diagram illustrates the specific recruitment focus indicated by the survey respondents. Again, you will notice a focus on retail, specifically clothing and shoes.



Source: CEDC 2006 Community Survey

## Purpose of Downtown Revitalization Plan

- Encourage a vibrant, growing downtown square area
- Provide incentives for start-up or business expansions
- Focus on retail shopping
- Prevent leakage to other communities
- Assist existing “downtown” businesses by adding shoppers to square
- Assist local business by encouraging local patronage

## How the Plan Works

The program is a combination of financial and technical assistance combined with a mentoring program. The intent is not to just provide financial assistance, but furthermore a program that can assist with many of the “non-financial” challenges new businesses face.

### Funding

Last year the Clarinda Economic Development Corporation acquired and sold the old Casey’s property in Clarinda. The funds from that project were dedicated to “Community Development”. This project will be funded as a result of that transaction. If the program is fully utilized, total funding will be \$7500.

### Who Qualifies?

The focus of the Downtown Revitalization Plan is directed toward retail businesses. Requirements include the following:

1. Business must be physically located on the square or “downtown” area
2. Business must employ 3 or more employees
3. Property must be purchased or a minimum of 1 year lease agreement signed
4. Up to a maximum of 2 businesses in calendar year 2007 sponsored
5. All discretion and changes to any plan or portion of plan at any given time is held by Chad Wellhausen, Executive Director, Clarinda Economic Development Corporation.

### 1. Financial Assistance

#### Buy down of Interest Rates

The CEDC will provide a buy down of interest rates for 1 year, for capital purchases, inventory or working capital loans.

Stipulations include:

- Buy down on interest (up to \$50,000 loan.)
- Buy down will be in the form of a rebate of 3 interest rate points (1 year)
- Loans must be obtained from a local lender

For example, on a capital loan of \$50,000 (general purchase price of downtown building) at 8%, the CEDC will provide a 3% rebate, resulting in a net interest rate of 5% for the

Lender Name	CEDC BUYDOWN OF INTEREST EXAMPLE		first year only.
<b>Basic Loan Information</b>			
Amount	\$50,000.00	Annual Interest Rate	3.000%
Beginning of Loan	5/1/2007	Length of Loan, Years	1
		Payments Per Year	1
<b>Payment Information</b>			Property Tax Rebates The
Total Payments	1	Calculated Payment	
		Entered Payment	
<b>Summary Information</b>			
Total Paid	(\$51,500.00)	Interest Paid	(\$1,500.00)

CEDC will provide a one year property tax rebate (up to \$1500). The building must be directly located on the Clarinda square (or at the discretion of the CEDC).

The \$1500 rebate is based off of a typical building on the square valued at \$35,000 at a tax rate of \$43/1000 valuation.

## 2. Technical Assistance

### Clarinda Economic Development Corporation

The Executive Director of the Development Corporation has completed training and is a “Certified Entrepreneurship Trainer” and will provide assistance to any business seeking to open on the square.

### Iowa Western Community College

The CEDC and Iowa Western Community College will provide the opportunity to participate (at no charge) in a “Smart Start” program. The “Smart Start” program assists potential business owners with identifying challenges and opportunities associated with starting a business. Further programs from IWCC will be available to the business owner.

### Locating a Building

The CEDC will provide assistance, in cooperation with local realtors, to assist with locating a building for the business venture.

### Recordkeeping

CEDC Executive Director will provide assistance, if desired, on financial recordkeeping using QuickBooks and assist with set up of business accounts.

### Accounting Consultation

The CEDC will provide, at no cost, two consultations (up to \$250 total) with a Clarinda accountant to assist with understanding and setup of payroll, financial reporting and federal and state taxes.

### Legal Consultation

The CEDC will provide, at no cost, one initial consultation (up to \$250) with a Clarinda law office to assist with questions such as business legal structure.

### Advertising/Marketing

The CEDC will provide up to \$250 for advertising to be used in the Clarinda Herald Journal and KMA Radio.

## 3. Business Mentoring

The new business venture will be provided the opportunity to be connected with a local business mentor. The mentor will be a local small business that has been successful and experienced the challenges of business startup.

The mentor will be able to assist with the many challenges facing new businesses as well as provide insight to the community.

### **Summary**

Total Project Cost (Potential)

Tax Rebate	up to \$1500
Interest Rate Buy down	up to \$1500
Legal Consultation	up to \$250
Accounting Consultation	up to \$250
Advertising	up to \$250
Total	\$3750
@ 2 projects	\$7500