



Industrial Opportunity Fund

Zero Interest Loans to Support Industrial Building Improvements

The Redmond Urban Renewal Agency (Agency) wants to be a partner in helping make your project successful! The Industrial Opportunity Fund provides forgivable, zero-interest loans to support the new construction or expansion of industrial buildings or purchase of manufacturing equipment within the Redmond Urban Renewal District (map on page 8).

Eligible work includes: New construction or expansion of buildings supporting an industrial use, public improvements, or fixed, taxable manufacturing equipment such as production lines, packaging tools, processing machinery, and other related equipment placed in service within the District.

Tenant specific interior improvements and build outs are not eligible for funding.

How much funding is available for my project?

The loan amount is tied to the number and compensation of the jobs brought to Redmond as a result of the planned expansion. Minimum loan is \$10,000 and the maximum loan is capped at 20% of total project eligible costs.

The Agency will periodically establish an Incentive Wage Benefit Value (“IWBV”) based on 135% the Deschutes County Average Wage (\$41,964 through November 2018-source: Business Oregon). For each new job brought to Redmond through either expansion or relocation that provides wages exceeding the IWBV, the maximum loan amount will be set based on the schedule below.

Incentive Threshold	Wage & Benefit Level based on 2018 Wage Levels	Maximum Loan Value
100% of Incentive Wage & Benefit Value	\$56,653	\$2,500 per new position
125% of Incentive Wage & Benefit Value	\$70,815	\$5,000 per new position
150% of Incentive Wage & Benefit Value	\$84,978	\$7,500 per new position

IMPORTANT: Complete and return pages 1-4 of this application plus referenced items on page 4. Work included in the project scope application that the Agency will reimburse may **ONLY** begin once a loan agreement with the Agency is approved and signed.

APPLICANT INFORMATION:

Applicant’s Name: _____

Sole Proprietorship Partnership Corporation Profit Non-Profit

Social Security Number/Tax ID Number: _____

Property Address: _____ Tax Lot #: _____

Mailing Address: _____

Telephone Number: _____ Email: _____



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PROJECT INFORMATION: (complete all applicable sections)

Existing Improvements on Property (if any)

	Current use	Square Footage	Assessed Value	To be retained or demolished?
Structure #1				
Structure #2				
Structure #3+				

Proposed Building Use – (fill out this section if performing building improvements)

	Description	Approximate Sq. ft.
Manufacturing/Production		
Warehouse/Distribution		
Laboratory		
Office		
Other (please describe)		

Development Scope (project components)

	Square Footage	Est. Start Date	Est. Completion Date	Est. Completion Value
New Construction				
Building Expansion				
Site work				NA
Off-site required public improvements				NA

Equipment – (fixed, taxable manufacturing equipment such as production lines, packaging tools, processing machinery, and other related equipment)

Equipment Name	Description	Cost or Value



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Summary of Eligible Project Costs

	Est. Cost
Excavation and foundation work	
Building shell (excluding tenant build out)	
Mechanical/electrical/plumbing systems	
Site improvements	
Required public improvements	
Total Estimated Value of Eligible Costs	

Summarize the new positions to be in Redmond as a result of your project. In addition, please complete and attach worksheets #1 “Proposed New Redmond Position Roster” and #2 “Current Redmond Employee Roster.” Information regarding employee compensation provided in association with this program will be treated by the Agency as confidential. The Agency will not disclose this information unless so required by law.

Proposed compensation (wages & benefits)	Incentive value per new position	Number of proposed new positions at each wage level	Total Incentive (value multiplied by # of positions)
\$0-\$56,652	\$0		
\$56,653-\$70,814	\$2,500		
\$70,815-\$84,977	\$5,000		
\$84,978 +	\$7,500		
Total	-----		

CERTIFICATION BY APPLICANT

The applicant certifies that all information provided in this application is true and complete to the best of the applicant’s knowledge and belief.

Applicant Signature: _____ Date: _____



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Checklist Items Required for Approval

Please fill out and return this checklist with your application.

Prior to committing Urban Renewal Funds to a project, the Agency will determine if the project adequately supports urban renewal goals, is feasible, poses an acceptable risk to the Agency and is in the best interest of the Agency. To make this determination, the Agency will require the items below:

- Completed Application.**
- Proposed New Redmond Employee Roster Form.** Supplied form summarizing proposed employment the project will bring to the City of Redmond should be completed and signed and should be submitted in both hard copy and electronic form.
- Current Redmond Employee Roster.** Supplied form summarizing firm's existing employment in the City of Redmond should be completed and signed and should be submitted in both hard copy and electronic form.
- I.R.S. Form W-9.**
- Certified balance sheet and profit/loss statement for previous three years of operation.** This item may be waived at the discretion of the City Manager.
- Evidence of site control.** Acceptable evidence could include a copy of the Title or a Purchase and Sale Agreement or Deschutes County Property Info (D.I.A.L. - <https://dial.deschutes.org/> - enter taxlot number, click on 'view account information for this taxlot', click on 'view/print report', click on 'full report')
- Environmental Analysis.** Phase I ESA meeting current ASTM standards completed in past 180 days and reflecting current site conditions. The cost of mitigating any identified environmental risks must be specifically addressed in the financial analysis and construction contract.
- Construction Bid.** Include draft construction contract and detailed scope of work.
- Construction Plans.** Copy of plans submitted for building department approval.
- General Contractor Experience History.** The general contractor must demonstrate a track record of successfully completing similar projects and the capacity to complete the proposed project. The contractor shall provide a history of completed projects from the last 5 years with references and a financial statement indicating sufficient capitalization to complete the project. In cases where there is a related party interest between the General Contractor and the Applicant, the Agency will require a separate third-party construction cost review.
- Financing commitments.** Executed commitments from other lenders and equity sources indicating the amount, interest rate (or interest rate index), term and special conditions.



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Important Conditions and Considerations – Please read prior to submitting application

1. **Application Review:**
 - a. **Work included in the project scope the Agency will reimburse may ONLY begin once a loan agreement is approved and signed.**
 - b. The Agency will have sole discretion in determining the eligibility of proposed costs.
 - c. All projects shall comply with the City of Redmond Development and Building Code.
 - d. The Agency reserves the right to review payroll documentation to verify all information submitted.
 - e. Projects will not be credited for existing positions or equipment already located within Redmond.
 - f. The Agency reserves the right to engage its own reports or analyses to verify or clarify information provided by Applicant or consultants engaged by the applicant.
 - g. The Agency may request a title report on the property, which will be subject to attorney review at the discretion of the City Manager. Applicant shall pay for costs of a title report. The Agency may deny of any loan based on the title report or the number of liens upon the property.
2. **Approval:** All loans are subject to approval by the Downtown Urban Renewal Advisory Committee (DURAC). Loans of \$50,000 or greater are subject to approval by the Agency, following DURAC review. All projects must be found to meet the program criteria **and** be in the best interests of the Agency.
3. **Loan Funding:** The Applicant may submit paid invoices for reimbursement of work performed after the loan agreement is signed.
4. **Property Lien:** The City of Redmond will lien the property for the loan amount. Once the loan is fully forgiven or repaid, the lien will be released.
5. **Loan Forgiveness:** The Loan may be forgiven over a five-year period based on maintenance of pledged employment levels. Twelve months following the earlier of completion of the project or the funding of the loan and annually thereafter, the property owner will certify the number of the new positions qualifying at each incentive level. For each qualifying worker, the outstanding loan balance will be annually reduced by 20% of the loan amount associated with each position (i.e. \$500 for each worker at 100% of the IWBV incentive level, \$1,000 for each worker at 125% of IWBV, and \$1,500 for each worker at 150% of IWBV).
6. **Loan Default:** The loan is considered in default and must be repaid with interest if any of the following conditions occur:
 - a. **Employment levels:** The project fails to maintain the pledged employment levels during any given year, the property owner would be required to repay 20% of the loan amount associated with each position (i.e. \$500 for each worker at 100% of the IWBV incentive level, \$1,000 for each worker at 125% of IWBV, and \$1,500 for each worker at 150% of IWBV).
 - b. **Timely Project Completion:** Failure to complete the project within 12 months of receipt of loan funds will result in the loan requiring to be repaid.
 - c. **Payroll Submittal:** Failure to provide City staff access to payroll records needed to verify certified payroll. Any amounts not already forgiven will be required to be repaid.



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Industrial Zones within Redmond Urban Renewal District

