



# **New Business Incentive Program Guidelines**

## **STATEMENT OF PURPOSE**

The Kimball New Business Incentive Program is intended to provide new startup businesses or newly relocated businesses, located within the corporate limits of the City of Kimball, a loan program which can be forgiven if the business continues to operate for 24 months after the agreement is approved. The Purpose of the LB840 Loan and Grant Program is to create jobs, retain existing jobs, contribute to sales tax base, contribute to the property tax base, and to provide essential products or services.

## **FUNDING**

This program is administered by the City of Kimball Economic Development Department. For general funding guidelines in regards to the City of Kimball Economic Development Plan, please refer to Section VIII Section A in the Economic Development Plan handbook. Funding is available for new qualifying businesses to receive up to \$500 a month for the first six months as an incentive for rental/mortgage/utility assistance. Rental or Mortgage payments will be paid jointly to the qualifying business and to landlord or lender.

## **PROGRAM GUIDELINES**

- Applicant must be in the business name
- Applicants must have an application review meeting (in person or via phone call) with the Economic Development Coordinator
- Not available to home-based businesses
- The business cannot be conducting business for more than 6 months prior to applying for grant.
  - Exception: businesses relocating from outside of Nebraska
- Forming a new entity to an established business does not qualify as a new business
- The business must have consistent business hours posted on a website or social media, and at business location
- Business must carry fire and any other casualty insurance to insure the premises and contents during the term of the lease to cover casualty losses of its business inventory and equipment

## **REQUIRED SUPPORTING DOCUMENTATION**

- A completed and signed application form
- New Business Incentive Program Contract Agreement
- A Business Plan for the Business applying
- A Certificate of Insurance for the business
- A Signed Promissory Note between the Business and the City of Kimball
- Receipts showing mortgage/utilities is paid in full for the applicable month in order to be reimbursed

## **GRANT PROCESS**

After the grant application has been received and reviewed by Economic Development it will go to the Loan Advisory Committee. The Loan Advisory Committee will make a recommendation (approval or disapproval) to the City Council. Economic Development will notify the applicant of City Council's decision. Before payment disbursement, all project work must be completed and verified by Economic Development. Paid receipts and canceled checks must be turned into Economic Development before payment disbursement. If an applicant chooses to pre-purchase supplies, applicant shall do so at their own risk as the project may not be approved due to fund availability or project ineligibility.



## New Business Incentive Program Checklist

**BUSINESS NAME:** \_\_\_\_\_

**BUSINESS TYPE:** \_\_\_\_\_

The Applicant has met the following criteria:

- ☐ Applicants must be the business owner
- ☐ Not available to home-based businesses
- ☐ Applicants must have an application review meeting (in person or via phone call) with the Economic Development Coordinator.
- ☐ A completed and signed application form
- ☐ Property/Business must be located within corporate limits of City of Kimball
- ☐ New Business Incentive Program Contract Agreement
- ☐ A Business Plan for the business applying
- ☐ A Certificate of Insurance in the Business's name
- ☐ Signed Promissory Note
- ☐ Business Meets the Qualifications of "New Business":
  - ☐ Business Services are NOT older than 6 months (new entities do not qualify)
  - ☐ Business is New to the State of Nebraska
- ☐ The business must have consistent business hours posted on a website/social media/location of business
- ☐ Business must carry fire and any other casualty insurance to insure the premises and contents during the term of the lease to cover casualty losses of its business inventory and equipment



## New Business Incentive Program Application

Business Name: \_\_\_\_\_

Owner Name: \_\_\_\_\_

Business Location: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Business Type: \_\_\_\_\_

Projected Opening Date: \_\_\_\_\_

Landlord/Lender Information: \_\_\_\_\_

Rent or Mortgage Payment Amount & Due Date: \_\_\_\_\_

Utility Payment Amount & Due Date: \_\_\_\_\_

Landlord or Lender Contact Information: \_\_\_\_\_

Business Reference: \_\_\_\_\_

Business Reference: \_\_\_\_\_

Personal Reference: \_\_\_\_\_



## New Business Incentive Program Contract Agreement

This Agreement was entered into on \_\_\_\_\_, 20\_\_\_\_, between the City of Kimball, Nebraska, a municipal corporation, having its principal place of business at 223 South Chestnut Street, City of Kimball, County of Kimball, State of Nebraska, referred to as Program Administrator, and \_\_\_\_\_, a person, corporation or limited liability company organized under the laws of the State of Nebraska, having its principal place of business at \_\_\_\_\_, Kimball, Nebraska, referred to as Participant/Lessee.

### RECITALS

The parties recite and declare the following:

Lessor is the owner or renter of the property in the Kimball, Nebraska, legally described above. Participant/Lessee desires to lease the property for use as a qualifying business. Program Administrator operates a New Business Incentive Program which provides forgivable loans to pay the first six months' rent, mortgage, or City of Kimball utilities. Said loan to be forgiven if the Participant/Lessee remains at said location for a consecutive two-year period, otherwise loan is to be repaid based upon a Promissory Note.

### SECTION ONE: DESCRIPTION OF PREMISES

Premises will be located at \_\_\_\_\_, Kimball, Nebraska. The building consists of \_\_\_\_\_ floors, and approximately \_\_\_\_\_ square feet of floor space. The building also includes furniture, furnishings, and trade fixtures, as described in Exhibit \_\_\_\_ attached to and made a part of this Agreement. The location has been determined by the Program Administrator as being a qualifying business location and to which the New Business Incentive Program can be administered.

### SECTION TWO: PURPOSE

Participant/Lessee shall use the premises for the exclusive purpose of conducting a qualifying business offering for sale at retail the following products: \_\_\_\_\_.

Participant/Lessee shall conduct the business during the hours of the day and during the days of the week as follows: \_\_\_\_\_.

Participant/Lessee shall comply with all zoning, use, sales tax, and other governmental regulations affecting the operation of the premises as a qualifying business.

### SECTION THREE: RESTRICTIONS ON USE

Participant/Lessee shall not conduct any activity that is unlawful, in violation of state statutes or city ordinances, ultra-hazardous, which could increase the premiums for liability insurance on the demised premises or is not a qualifying business. Participant/Lessee shall conduct no business other than the agreed to qualifying business at the premises, except upon the written authorization of the Program Administrator and Lessor.

### SECTION FOUR: AGREEMENT CONDITIONAL

Participant/Lessee must have submitted a Business Plan to the Program Administrator. The Business Plan must be approved prior to program payment by the Program Administrator. Participant/Lessee must submit references and a completed application, and a reference check must have been completed and approved by the Program Administrator or their designee. Participant/Lessee must continue operating and be open for business to the public for the hours and days of the week set forth in Section 2.B. above.

### SECTION FIVE: TERM OF CONTRACT

The term of the contract shall be for two (2) years, commencing \_\_\_\_\_, 20\_\_\_\_, and terminating \_\_\_\_\_, 20\_\_\_\_.

#### **SECTION SIX: RENTAL/PURCHASE**

The full amount payable for months one through six is \$500.00 per month. The Program Administrator shall pay to Participant/Lessee \$500.00 rental/mortgage/utility each month for the first 6 months of the Lease on Participant/Lessee's behalf as long as the qualifying business is continuing, and Participant/Lessee occupies the premises. The payment is to begin on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_. The rent/mortgage/utility for the seventh through the twenty-fourth months will be \$\_\_\_\_\_ per month.

#### **SECTION SEVEN: REPAYMENT ON RENTAL LOAN**

Participant/Lessee will repay all rental amounts paid by Program Administrator to Lessor on Participant/Lessee's behalf as set out in Section Six above beginning ten days after the termination of lease of the premises or other termination of the qualifying business. Additionally, repayment is required and will begin if Participant/Lessee is thirty days past due in payment of a utility billing or sales tax submission or violates the restrictions on use stated in Section Three above. Repayment is due within ten days following any event noted above and is to be paid in full. No interest will accumulate on any payment made by the due date. Interest at ten percent per annum will accumulate on any payments thirty days past due. Participant/Lessee will pay Program Administrator all fees and expenses of collection including attorney's fees for any collection services required to collect said loan repayment in full. Notwithstanding anything stated above, all of said rental amounts paid by Program Administrator on behalf of Participant/Lessee to Lessor will be forgiven if Participant/Lessee continuously occupies the premises and operates the qualifying business as set out above and pays all utility billings and remits all sales tax required by law for a continuous two-year period coinciding with the term set out in Section Five above.

#### **SECTION EIGHT: PROMISSORY NOTE**

Participant/Lessee will execute a Promissory Note in favor of Program Administrator for repayment of all funds paid by Program Administrator on Participant/Lessee's behalf as rental to Lessor as provided under the terms stated in Sections Five, Six, and Seven above. Said Note will be cancelled and payment will not be required if, and only if, Participant/Lessee occupies premises and operates the qualifying business as noted above for a continuous two-year period for the term set out in Section Five above and makes payment of all utilities billings and sales tax during the term hereof.

#### **SECTION NINE: UTILITIES**

Participant/Lessee shall contract for and pay all utility services required on the premises.

#### **SECTION TEN: TAXES**

Participant/Lessee shall pay all sales taxes, all business and real estate taxes, and any license fees.

#### **SECTION ELEVEN: ASSIGNMENT AND SUBLEASE**

During the term hereof, Participant/Lessee shall not assign this Agreement or sublet the demined premises to another party without the written approval of Lessor and upon repayment of all sums paid by Program Administrator as rental on Participant/Lessee's behalf or on agreement to continue program by assignee and Program Administrator.

#### **SECTION TWELVE: INSURANCE**

Participant/Lessee shall carry fire and any other casualty insurance to insure the premises and contents during the term of this Lease to cover casualty losses of its business inventory and equipment. A certificate of insurance shall be provided to the Program Administrator prior to any payments being made by the City.

#### **SECTION THIRTEEN: GOVERNING LAW**

It is agreed that this Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Nebraska.

#### **SECTION FOURTEEN: ENTIRE AGREEMENT**

This Agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated in this Agreement.

**SECTION FIFTEEN: MODIFICATION OF AGREEMENT**

Any modification of the Agreement or additional obligations assumed by any party in connection with this Agreement shall be binding only if evidenced in writing and signed by all parties or an authorized representative of each party.

**SECTION SIXTEEN: BINDING EFFECT**

This Agreement shall bind and inure to the benefit of the respective heirs, personal representatives, successors and assigns of the parties.

**SECTION SEVENTEEN: PARAGRAPH HEADINGS**

The titles to the paragraphs of this Agreement are solely for convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of the Agreement.

IN WITNESS WHEREOF, each party to this Agreement has caused it to be executed at Kimball, Nebraska on the date indicated below.

\_\_\_\_\_  
**LESSOR:**

\_\_\_\_\_  
**PARTICIPANT/LESSEE:**

\_\_\_\_\_  
**PROGRAM ADMINISTRATOR**

STATE OF NEBRASKA    )

: SS.

CITY OF KIMBALL     )

The foregoing instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
by \_\_\_\_\_, Lessor, as his/her voluntary act and deed.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

STATE OF \_\_\_\_\_)

:SS

CITY OF \_\_\_\_\_)



## Promise to Pay New Business Incentive Funds

Date: \_\_\_\_\_

**NAME**, (The "Borrower"), promises to pay to the order of the City of Kimball, Nebraska, a municipal corporations (the "Lender") the sum of Three Thousand (\$3,000.00) or the total amount funded in a six (6) month period for the business startup should **NAME** not be an operating business after two (2) years from the time of the first payment of the funds or two (2) years from the date set forth below, whichever occurs first.

The Borrower waives presentment, demand for payment, notice of dishonor, notice of protest, and all other notices or demands in connection with the delivery, acceptance, performance, default, or endorsement of the Promissory Note.

If default is made in any payment when due, then, at the option of the Lender, the entire balance due shall become due and payable. In the event that legal action is necessary to enforce payment of the Note, the Borrowers shall be liable for reasonable attorney fees and costs of suite. This Note shall be governed by the laws of Nebraska.

**Borrower:**

\_\_\_\_\_  
**NAME**

**Lender:**

\_\_\_\_\_  
**Keith Prunty, Mayor**

**Date:** \_\_\_\_\_

**Attest:** \_\_\_\_\_