

# BUSINESS IMPROVEMENT LOANS

Community Futures Lethbridge Region



# How It Works



## Examples

### **\$5,000 Business Appearance Loan**

- Interest Rate 8%
- Term of Three Years
- Loan Payment \$138.89 monthly
- Estimated Interest \$640.48

### **\$10,000 Business Appearance Loan**

- Interest Rate 8%
- Term of Three Years
- Loan Payment \$277.78 monthly
- Estimated Interest \$1070.70

# How It Works

## Heart Of Our City Revitalization

- Upon receipt of an application, project description, proof of proper permits and other verifications, the DBRZ will approve a member business for an interest free loan (interest to be paid by through the HOCRC in the form of a grant) .
- The DBRZ will provide the application requirements for the project and refer these members to Community Futures Lethbridge Region for approval/decline of their loan request.
- Upon approval of the project and verification of the loan approval by CFLR, the HOCRC will advance grant monies to Community Futures to cover loan interest.
- The DBRZ will promote the program.

## Community Futures Lethbridge Region

- Upon receipt of an approved application form & project description from the DBRZ, Community Futures will perform due diligence to approve/decline a DBRZ member's loan request to a maximum of \$10,000.
- Upon approval of the loan and verification of the approved grant for interest by the DBRZ, Community Futures will control disbursement of funds.
- The DBRZ and CFLR will confirm verification of project completion through provided receipts and site visits.
- CFLR shall report to the DBRZ on a regular basis, the progress of disbursements to approved applicants.
- CFLR will invoice the DBRZ, for the interest portion as soon as the loan has been approved.
- Community Futures Lethbridge Region will promote the program.



# Due Diligence

- Credit Check
- Personal Property Registry Searches
- References
- Capacity to make the payments

# Security Documents

- Loan Agreement
- Promissory Note
- General Security Agreement



# Impact of a \$25,000 Budget

38 Loans  
of \$5,000 with a  
term of 36 months

19 Loans  
of \$10,000 with a  
term of 36 months



# If Loans Default

- CFLR will place the file into asset recovery and will begin the process of collection.
- Interest will be stopped after six months if the loan cannot be realized.
- Unused portion of interest could be returned to the HOCRC.



# Added Value

- Community Futures Lethbridge Region is in the business of helping businesses become more successful.
- DBRZ Members have the opportunity to take advantage of FREE business counseling, business coaching and training services.



# Community Futures Lethbridge Region

Growing businesses ...  
one idea at a time



Community Futures Lethbridge  
Region is an entrepreneurial  
development centre that provides  
one-on-one and  
group business training  
to assist individuals who are  
interested in self-employment or in  
expanding their business.



Community Futures Lethbridge Region  
is a proactive, progressive  
community organization  
dedicated to strengthening  
community's entrepreneurs and  
community's economies as a whole.



# Vision Statement

“Leading Communities to  
Long-term Economic Success”



# CFLR Region Profile (2006 Census)

- Total Population 102,020
- Communities Served 23
- Primary Federal Electoral District Lethbridge
- % Aboriginal 4.1%
- % Francophone 0.9%
- Average Income \$32,552
- Unemployment Rate 4.1%



# Purpose

- The purpose of this program is to encourage and provide business people the opportunity to improve the appearance of their businesses in downtown Lethbridge.
- Interest free loans up to \$10,000 will be made available to DBRZ members.
- Interest is to be paid through the Heart Of Our City Revitalization Committee and administered by DBRZ and CFLR in the form of a grant.



# Successfully Delivered In Other Local Communities

- **Medicine Hat**
  - Number Of Loans 38
  - Interest Rate 9.75%
  - Defaults 3
  - Started in 2007
  - Maximum Loan Amount \$8,000 over three years
  - Total amount of loans \$208,000
- **Strathmore**
  - Number Of Loans 28
  - Interest Rate 8%
  - Defaults 1
  - Started in 2002
  - Maximum Loan Amount \$7,500 over three years
  - Total amount of loans \$141,000
- **Drumheller**
  - Number Of Loans 35
  - Interest Rate 7%
  - Defaults 1
  - Started in 2009
  - Maximum Loan Amount \$5,000 over two years
  - Total amount of loans \$140,000
- **Town of Coaldale – signed in November 2011**
- **Interest from other communities in our Region**



# Potential Improvements

- Restoration of exterior finishes and repainting
- Repair or replacement of storefront windows and doors
- Exterior lighting of the building and signage
- Removal and disposal of broken signage and fixtures
- Installation and design of awnings and signs
- New storefront window openings and new doorways
- Interior window display areas and lighting
- Removal of exterior materials that cover architectural details
- New architectural details such as entryway features and cornices
- Creation of new retail bays in an existing building
- Addition of patio areas and permanent landscaping elements
- Removal of barriers to access for people with disabilities and mobility challenges
- Interior painting
- Interior flooring (carpet, laminate, tile, hardwood)
- Shelving
- Interior counters and display cases
- Interior light fixtures



*Heart of Our City*

**Community**  
Futures  Lethbridge Region

# How It Works

- Interests rate set at 8%
- Interest paid up front by Heart of Our City incentive program
- Loan values between \$800 and \$10,000
- Loan terms between 1 and 3 years
- Monthly payments on principle paid by business (EFT)
- Payment dates on 1<sup>st</sup> or 15<sup>th</sup> of each month

