

City of Carlyle Revolving Loan Fund: Summary

Purpose

To promote economic development in Carlyle, the City has established the Revolving Loan Fund (RLF) to assist business and job retention and growth. RLF loans are meant to supplement other sources of financing, including public and/or private sector financing. Loans are low-interest.

Eligibility

Any business seeking to locate or expand in Carlyle is eligible for Revolving Loan financing. Business projects financed with Revolving Loan funds must create or retain jobs to be eligible for financing.

Requirements

Applicants for funds must have at least 10% equity in the project being financed. Applicants must leverage at least \$1.00 of private financing (private lending institution or State or Federal program) for every \$1.00 of Revolving Loan funds received. For every \$15,000 of Revolving Loan funds received, at least one job must be created or retained. Other requirements must be met.

Eligible Purchases

Any of the following purchases or activities may be financed with Revolving Loan funds when they lead to job creation or retention:

- Land and building acquisition
- Building renovation and/or expansion
- Site improvements
- Working capital (inventory and direct costs only; may not exceed 20% of loan amount)
- Purchase of permanent fixtures and equipment

Ineligible Purchases

The following are ineligible activities:

- Refinancing of existing debt
- Reimbursements for expenditures made prior to loan approval
- Payment of applicant's own labor for construction or improvements
- Specialized, non-essential equipment
- Residential building construction (unless converting to a commercial or industrial operation)

City of Carlyle

REVOLVING LOAN FUND LOAN APPLICATION

A. Applicant / Business Information:

Legal Name of Borrower: _____

Home Address: _____

Home Phone: _____ Contact Person: _____ Title: _____

Business Address: _____

Business Phone: _____

Type of Business / Products Produced, Services Provided: _____

Number of Years in Business: _____

Number of Years Operating at Present Business Address: _____

Business Ownership: _____ Sole Proprietorship _____ Partnership
_____ Corporation _____ Other (Specify) _____

Principal Owners (Individuals, Address, and Phone of Those Owning 20% Or More)

Present Number of Employees:

Full Time: _____ Part Time: _____

Anticipated Number of Employees:

1 Year Full Time: _____ Part Time: _____

2 Year Full Time: _____ Part Time: _____

Describe the nature of the project including what is to be financed in part or in whole with Revolving Loan Funds (i.e., acquire businesses, acquire real property, purchase of new or used equipment, working capital, etc.). You will also provide this information as requested under additional exhibits, including Exhibits A and P. Please summarize here.

B. Activity Detail

1. Property Acquisition

Applicable to project ? Yes___ No___

If "Yes", complete items below.

Current owner of property:

Address of property to acquired:

Phone number of current owner: _____

Current use of property (if vacant, provide information on last use): _____

Property Size: _____ (Sq. Ft. / Acreage)

Total square footage to be occupied: _____

Approximate Year Constructed: _____

Proposed Buildings / Expansions: _____ (Sq. Ft.)

Assessed Valuation of Property: \$ _____ (Most Recent Year)

Real Estate Taxes Paid: \$ _____ Year Paid: _____

2. Description of Machinery / Equipment Acquisition for Project

Applicable to Project ? Yes ___ No ___

If "Yes", Complete items on subsequent page.

Item Description _____ Estimated Cost \$ _____

Item Description _____ Estimated Cost \$ _____

Item Description _____ Estimated Cost \$ _____

Item Description _____ Estimated Cost \$ _____

Item Description _____ Estimated Cost \$ _____

3. Description of Working Capital Expenditures (inventory, payroll, etc.)

Applicable to Project ? Yes ___ No ___

If "Yes", Complete items below.

Activity Description _____ Estimated Cost \$ _____

Activity Description _____ Estimated Cost \$ _____

Activity Description _____ Estimated Cost \$ _____

Activity Description _____ Estimated Cost \$ _____

Activity Description _____ Estimated Cost \$ _____

C. Total Estimated Project Costs:

Site Acquisition \$ _____

Site Improvements \$ _____

New Construction \$ _____

Building Renovations \$ _____

Capital Equipment \$ _____

Inventory/Working Capital \$ _____

Other Project Costs \$ _____

TOTAL \$ _____

D. Estimated Target Date to...

Begin project _____

Complete project _____

Occupancy/Start up _____

E. Project Financing

Have you already approached another lending institution? Yes _____ No _____

If you checked "no," please explain: _____

If you checked "yes," please provide the following information:

Name of lending institution: _____

Address of lending institution: _____

Contact person of lender: _____

Title: _____ Phone number: _____

F. Amount, Sources of Overall Financing

Source (Name of Institution)	Amount \$	Use
Total Amount Financed (All Sources)		

G. Certification

Name of Firm/Applicant _____

I/We hereby certify that we will retain/create jobs, at least 51% of which will go to persons of low to moderate income. The number of full time equivalent jobs we intend to retain is ____; the number of full time equivalent jobs we intend to create is _____. Of the figures previously indicated, at least 51%, or _____ full time equivalent jobs will go to low to moderate income persons as is or will be documented by completed Employee Certification Forms. I/We further certify that these jobs will be retained and/or created within two years of the applicant's approved City of Carlyle Revolving Loan Fund application.

AGREEMENT: The undersigned applied for the loan indicated in this application to be used in connection with the project described herein. All statements made in this application and its additional exhibits are true and are made for the purpose of obtaining the loan. Verification may be obtained from any source named in this application. The applicant agrees to abide by all City of Carlyle Revolving Loan Fund requirements. The applicant agrees to furnish any additional information the City of Carlyle might request as needed to review and consider this loan request.

Signature of Applicant

Date

DO NOT WRITE BELOW THIS LINE – FOR OFFICE USE ONLY

Date application was received by City

Date approved/rejected by Econ. Dev. Council

Signature of EDC Chairperson

Date approved/rejected by Carlyle City Council

Signature of Mayor

RLF Application Packet Checklist

Application: You will find three pages attached to this packet. In addition, a completed application to the City of Carlyle must include the following exhibits:

Exhibit A: Please provide a brief description of the type of business that will be supported with Carlyle RLF financing: the type of service or product offered, the hours of operation and location, and the business's legal structure.

Exhibit B: Please include a brief history of the business you are currently in (your current line of work), including when it started or is to start and past employment growth, if applicable.

Exhibit C: Please discuss the market in which your business (that will be financed with RLF dollars) operates, including, but not limited to, its size, location of customers, competitors, and general market trends for the product produced or service rendered.

Exhibit D: Please discuss your company's current operation considerations, including, but not limited to, special permits needed, equipment and building necessities, leasing and purchasing options, insurance requirements, and anticipated addition of future product lines.

Exhibit E: Please include three years of historical, audited, financial statements or a satisfactory compilation which includes a balance sheet, profit and loss statement, and a reconciliation of net worth. This information should cover the last three years and the most recent 90-day period. In instances where statements are not audited accountant's notes, detailed notes must be included. For small companies with no formal financial statements, the last three years of federal tax forms will serve as substitutes.

Exhibit F: Please include a projected earnings report. Please provide: (1) one set of projected balance sheets; (2) one set of profit and loss statements covering a three year period; and (3) a one-year, monthly cash flow statement. Please explain any assumptions made.

Exhibit G: If applicable, please discuss machinery and equipment that will be financed with RLF dollars. For new items, please provide reliable information on vendor cost estimates. For used items, please provide an appraisal demonstrating that the fair market value of the equipment or machinery is in line with the purchase price.

Exhibit H: If applicable, please discuss working capital that will be financed with RLF dollars. Provide a detailed explanation of the need for and specific use of the funds. If used for inventory, provide a list with supporting cost estimates.

Exhibit I: If applicable, please discuss the purchase of real property that will be financed with RLF dollars. If unimproved, please explain how the property will be improved with RLF dollars, and provide at least two estimates for the proposed costs of improvements. If already improved, please provide: (1) pictures of structures and improvements to be purchased; (2) an appraisal of the property value; and (3) a copy of an inspection report of the property.

Exhibit J: Please discuss the jobs that will be created and/or retained as a result of the lending of RLF dollars. Please document the number, type, and salary of jobs to be created and/or retained.

Please note that at least 51% of jobs created or retained using RLF funds will have to benefit “low to moderate” income persons. The City of Carlyle is required to verify and confirm that this 51% threshold is met. This will be completed by surveying affected employees. Take note of the income thresholds for projects to take place in Clinton County in 2010:

Persons in Family	1	2	3	4	5	6	7	8
Income (\$)	38,000	43,500	48,850	54,300	58,650	63,000	67,350	71,700

Exhibit K: Please include personal resumes for individuals responsible for the firm’s management. Resumes should include information regarding past job experience and related information.

Exhibit L: Please provide personal financial statements of each principal (proprietor, partner, officer, stockholder) owning 20% or more of the outstanding stock of the company.

Exhibit M: Please include letters of leverage commitment from other financing sources that will accompany the City of Carlyle in financing your project. Letters must firmly document the following: (1) a description of the type of loan being made by the lender [first mortgage, permanent financing, construction financing, etc.]; (2) the amount of the loan, term, collateral, interest, and all other conditions attendant to the loan; and (3) a statement that the loan is approved and/or is contingent on approval of RLF funding. Equity contributions must be documented through signed commitment letters from the applicant.

Exhibit N: Please document evidence of the existence of the business entity making application for RLF assistance and its authority to enter into such a loan. Submit the following as is appropriate:

1. For corporations:
 - a. Articles and certificates of incorporation
 - b. Secretary’s certificate of the board of director’s authorization of the loan
 - c. Copy of the corporate bylaws
 - d. Certificate of good standing

2. For partnerships:
 - a. Certificates of the general or managing partner authorizing the loan
 - b. Certificate of partnership (for limited partnerships)
 - c. Copy of the partnership agreement
 - d. Certificate of good standing (for limited partnerships)

3. For sole proprietorships:
 - a. Operating licenses or DBA certification
4. For non-profit corporations
 - a. Articles and certificates of incorporation
 - b. IRS designation certificate
 - c. Secretary's certificate of board of directors resolution authorizing loan
 - d. Copy of bylaws

Exhibit O: Please discuss litigation or bankruptcy history. Please provide a statement of the nature of the litigation or bankruptcy, when it was filed, the court in which it was filed, and the resolution thereof **if:** (1) you have been involved in litigation regarding this business, a similar business, or other business which you have operated during the past five years; or (2) if you or a business with which you were associated filed a petition in bankruptcy or were the subject of an involuntary bankruptcy proceeding within the past seven years.

Exhibit P: Please provide a brief description of how you intend to use the RLF dollars for which you are applying.

Exhibit Q: Please provide an explanation for the necessity of RLF funding for your project. One or more of the following justifications may apply (please choose and elaborate):

1. RLF dollars fill a gap in financing that is necessary to get the project off the ground (without RLF dollars, the project would not commence).
2. RLF dollars are necessary because the project is not economically feasible if private financing must be used for the total project.
3. RLF dollars are necessary because private financing is contingent upon approval of RLF financing.
4. RLF dollars are necessary because they equalize cost factor variations between proposed business sites. If this is the case, cost disclosures for sites under consideration must be provided.