



REVOLVING LOAN FUND PROGRAM 2017



For Information Contact:

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REVOLVING LOAN FUND PROGRAM

GENERAL GUIDELINES

Program History & Background: The City's Revolving Loan Fund (RLF) was established in 1988 through funds from the US Economic Development Administration, and has grown to nearly \$1.2 million.

Program Description: The RLF offers fixed-rate, low-interest, loans to assist businesses with start-up/location/expansion projects and growth opportunities that retain/create jobs and stimulate investment.

Eligible Projects/Borrowers: Any private for-profit entity that can meet all of the following criteria:

1. Project/Borrower must meet an evaluation of: a) market/project need, b) project readiness, c) financial feasibility & leveraging, d) commitment to job retention/creation, and e) environmental impact.
2. The City loan must be the lesser of: a) \$250,000, b) 33% of project cost, up to 50% if MBE, SDBE, and DBE, or c) \$25,000 per job created/retained, up to \$35,000 for MBE, SDBE, and DBE. A job is defined as "full-time equivalent job" equal to 2,080 hours of employment within a 12 month period. Minimum loan is \$5,000. Jobs retained/created from loan must take place within 24 months after disbursement.
3. Owner Equity requirement must be 10%, to as low as 5% for MBE, SDBE, and DBE, and shall not include accrued equity in a borrower's assets. Owner's Equity for a project may include: a) unencumbered cash of owner, and b) private equity raised from other sources.
4. Demonstrate other funds are not sufficiently available to finance project costs.

MBE=Minority Business Enterprise (BE), SDBE=Socially Disadvantaged BE, and DBE=Disrupted BE

Ineligible Borrower: Not-for-profit organizations and an entity previously suspended, debarred or declared ineligible for Federal financial assistance programs.

Eligible Project Costs:

1. Fixed Assets: Land, building, machinery and equipment, including new construction and renovation/rehab of existing facilities.
2. Working Capital: Inventory, employee salaries and fringes, insurance, and other general operating expenses.

Ineligible Project Costs: Refinancing or acquiring an equity position in a private business. Please note expenditures made prior to loan will not be counted.

Loan Terms: Loans term may not exceed: a) 10 years, b) loan term of lead lender, or 3) life of asset being collateralized. Interest rates for the program are fixed and below market rate, and typically 4%. There is no prepayment penalty.

Collateral: The City will require sufficient collateral secured by mortgages, liens, co-signers, assignments, and corporate guarantees. Personal guarantees may also be required.

Program Fees: There is an upfront application fee (\$50-\$100), processing/filing fees (at cost), and loan closing fee (0.75 to 1.0%) that can be paid at closing. The loan closing fee can be added to principal of loan.

Approval Process: Varies 30-90 days depending on assets being financed. Typical process: a) submittal of preliminary application for staff review, b) forwarding a final application with documentation to a loan review panel for advisement, c) City Manager recommendation to Council, or City Manager approval for loans under \$15,000, and e) City Council Approval for loans \$15,000 or greater.

REVOLVING LOAN FUND PROGRAM APPROVAL SCHEDULE - 2017

	INITIAL DISCUSSION Concept Review and Determination of Eligibility	MID-TERM APPLICATION Staff Reviewed and Revisions to Proposal	FINAL APPLICATION Determination of Completion & Schedule for Committee Review	RECOMMENDATION RLF Panel Thu. Mtg. - 10:30 am	DECISION City Manager Wed. - 12:00 pm	FINAL DECISION City Council Tue. Mtg. - 6:00 pm
1	December 6, 2016	December 13, 2016	December 20, 2016	December 29, 2016	January 3, 2017	January 10, 2017
2	December 20, 2016	December 27, 2016	January 3, 2017	January 12, 2017	January 17, 2017	January 24, 2017
3	January 10, 2017	January 17, 2017	January 24, 2017	February 2, 2017	February 7, 2017	February 14, 2017
4	January 24, 2017	January 31, 2017	February 7, 2017	February 16, 2017	February 21, 2017	February 28, 2017
5	February 7, 2017	February 14, 2017	February 21, 2017	March 2, 2017	March 7, 2017	March 14, 2017
6	February 21, 2017	February 28, 2017	March 7, 2017	March 16, 2017	March 21, 2017	March 28, 2017
7	March 7, 2017	March 14, 2017	March 21, 2017	March 30, 2017	April 4, 2017	April 11, 2017
8	March 21, 2017	March 28, 2017	April 4, 2017	April 13, 2017	April 18, 2017	April 25, 2017
9	April 4, 2017	April 11, 2017	April 18, 2017	April 27, 2017	May 2, 2017	May 9, 2017
10	April 18, 2017	April 25, 2017	May 2, 2017	May 11, 2017	May 16, 2017	May 23, 2017
11	May 9, 2017	May 16, 2017	May 23, 2017	June 1, 2017	June 6, 2017	June 13, 2017
12	May 23, 2017	May 30, 2017	June 6, 2017	June 15, 2017	June 20, 2017	June 27, 2017
13	June 6, 2017	June 13, 2017	June 20, 2017	June 29, 2017	July 4, 2017	July 11, 2017
14	June 20, 2017	June 27, 2017	July 4, 2017	July 13, 2017	July 18, 2017	July 25, 2017
15	July 4, 2017	July 11, 2017	July 18, 2017	July 27, 2017	August 1, 2017	August 8, 2017
16	July 18, 2017	July 25, 2017	August 1, 2017	August 10, 2017	August 15, 2017	August 22, 2017
17	August 8, 2017	August 15, 2017	August 22, 2017	August 31, 2017	September 5, 2017	September 12, 2017
18	August 22, 2017	August 29, 2017	September 5, 2017	September 14, 2017	September 19, 2017	September 26, 2017
19	September 4, 2017	September 11, 2017	September 18, 2017	September 27, 2017	October 2, 2017	October 9, 2017
20	September 18, 2017	September 25, 2017	October 2, 2017	October 11, 2017	October 16, 2017	October 23, 2017
21	October 10, 2017	October 17, 2017	October 24, 2017	November 2, 2017	November 7, 2017	November 14, 2017
22	October 24, 2017	October 31, 2017	November 7, 2017	November 16, 2017	November 21, 2017	November 28, 2017
23	November 7, 2017	November 14, 2017	November 21, 2017	November 30, 2017	December 5, 2017	December 12, 2017
24	November 21, 2017	November 28, 2017	December 5, 2017	December 14, 2017	December 19, 2017	December 26, 2017

* Note - 1) For further details please contact Cesar Suarez, Senior Development Specialist for City of Peoria 309-494-8645.
2) Applicant must attend City Council Meeting.



REVOLVING LOAN FUND - APPLICATION

I. Application Information:

Name of Business:	_____	Name of Applicant (if different):	_____
Address:	_____	Address of Project (if different):	_____
City/State/Zip:	_____	City/State/Zip:	_____
Owner/President:	_____	Relationship of Applicant to Business:	_____
Telephone:	_____	Telephone:	_____
Email:	_____	Email:	_____
Applicant is organized as: an Individual a Corporation a Partnership Other _____			
Date Business Established: _____			
Loan Amount Requested: _____			

II. Project Description: (please write or attach a summary)

Blank space for project description.

III. History of Business /Applicant: (please write or attach a summary)

Blank space for history of business /applicant.

REVOLVING LOAN FUND - APPLICATION

IV. Project Financing:						
Sources and Uses of Funds						
Uses of Funds						
Uses of Funds (Project Costs)	Total Amount	%	Total Amount - Breakout			
			Owner's Equity	Bank	City RLF	County RLF
Acquire Real Estate						
Construction/Renovation						
Infrastructure Improvements						
Machinery and Equipment						
Furniture & Fixtures						
Inventory						
Working Capital						
TOTAL PROJECT COST						
Sources of Funds						
Sources of Funds	Total Amount	%	Interest Rate	Term (years)	Collateral & Lien Position	
Equity						
Bank						
City RLF						
City Other						
County RLF						
Other 1						
Other 2						
TOTAL SOURCES OF FUNDS						
<p>Documents Required (please provide after completing form and meeting with staff):</p> <ol style="list-style-type: none"> 1 Income/Cash Flow Statements - Business Actual/Projected/Year-to-Date (3 years past/forward) 2 Balance Sheet - Business Actual/Projected/Year-to-Date (3 years past/forward) 3 Sources and Uses of Funds - Finance Commitment Letters from Lenders or Equity Investors 4 Personal Financial & History Statement - Current SBA Form 413, and Personal History Statement 5 Federal Tax Returns - Business and Owners (of 20% or more) for 3 years past, IRS-Form 4506-T 6 Schedule of Debt - Mortgages, Loan Agreements, Promissory Notes, Liens 7 Schedule of Collateral - Valuation/Description of Assets, Appraisals, Titles, Environmental Studies 8 Legal Documents - Corporate By Laws, Partnership Agreements, Leases 9 Startup Business - Above docs plus: Business Plan, and monthly income/cash flow statement in year 1 						



REVOLVING LOAN FUND - APPLICATION

V. JOB RETENTION & CREATION:			
Employment characteristics of the company and project should be described below.			
Employee Certification Form (EIC) must be submitted with the application for existing employees.			
PLEASE NOTE: Job Projections should be based upon full-time equivalent positions (2080 hours = 1 FTE) after two years.			
	Total Jobs	Sales Tax	Property Tax
Current			
To Be Retained			
To Be Created			
TOTAL IMPACT			

VI. APPLICANT ASSURANCES
The applicant provides the following assurances of compliance according the City's RLF Program guidelines.
<ol style="list-style-type: none"> 1. The applicant is an Equal Employment Opportunity Employer, pursuant to Federal guidelines 2. The applicant agrees to provide additional documentation, if necessary part of loan. 3. The applicant agrees to a personal credit check and business check as a condition of the loan. 4. The applicant agrees to sign a personal guarantee on the loan, if necessary. 5. The applicant agrees to provide project and financing information on a periodic basis to the City of Peoria.

Signature of Applicant

Date

The space below is reserved for the City of Peoria					
Findings					
<u>No. of Retained Jobs</u> (F.T.E)	<u>No. of New Jobs</u> (F.T.E)	<u>Total Jobs</u> (F.T.E)		<u>Factor</u>	<u>Maximum Loan</u>
_____	_____	_____	times	\$25,000	_____
				\$35,000	_____ job basis
Total Private Investment _____			times	50%	_____ PI basis
Total Project Cost _____			times	33 - 50%	_____ PC basis
MAXIMUM LOAN AMOUNT \$					-