



REVOLVING LOAN FUND PROGRAM 2020



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 at profitable levels.
MBE=Minority Business Enterprise (BE), SDBE=Socially Disadvantaged BE, and DBE=Disrupted BE
5. If a construction project, use of federal prevailing wage and certified payrolls are required.

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. Amortization period equal to life of asset being financed. 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 and information requirements. 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 - 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)

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



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						

- Documents Required (please provide after completing form and meeting with staff):**
- Income/Cash Flow Statements** - Business Actual/Projected/Year-to-Date (3 years past/forward)
 - Balance Sheet** - Business Actual/Projected/Year-to-Date (3 years past/forward)
 - Sources and Uses of Funds** - Finance Commitment Letters from Lenders or Equity Investors
 - Personal Financial & History Statement** - Current SBA Form 413, and Personal History Statement
 - Federal Tax Returns** - Business and Owners (of 20% or more) for 3 years past, IRS-Form 4506-T
 - Schedule of Debt** - Mortgages, Loan Agreements, Promissory Notes, Liens
 - Schedule of Collateral** - Valuation/Description of Assets, Appraisals, Titles, Environmental Studies
 - Legal Documents** - Corporate By Laws, Partnership Agreements, Leases
 - 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
To Be Retained (Current Jobs)			
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
			times	50%	_____ PI basis
			times	33 - 50%	_____ PC basis
MAXIMUM LOAN AMOUNT \$					-

REVOLVING LOAN FUND PROGRAM APPROVAL SCHEDULE - 2020

	INITIAL DISCUSSION Concept Review and Determination of Eligibility	APPLICATION SUBMITAL Staff Reviewed	FINAL DOCUMENT SUBMITTAL Thu. Mtg. - 12:00 pm	RECOMMENDATION RLF Panel Thu. Mtg. - 12:00 pm	DECISION City Manager Tue. - 12:00 pm	FINAL DECISION City Council Tue. Mtg. - 6:00 pm
1	December 5, 2019	December 12, 2019	December 19, 2019	December 26, 2019	December 31, 2019	January 14, 2020
2	December 19, 2019	December 26, 2019	January 2, 2020	January 9, 2020	January 14, 2020	January 28, 2020
3	January 2, 2020	January 9, 2020	January 16, 2020	January 23, 2020	January 28, 2020	February 11, 2020
4	January 16, 2020	January 23, 2020	January 30, 2020	February 6, 2020	February 11, 2020	February 25, 2020
5	January 30, 2020	February 6, 2020	February 13, 2020	February 20, 2020	February 25, 2020	March 10, 2020
6	February 13, 2020	February 20, 2020	February 27, 2020	March 5, 2020	March 10, 2020	March 24, 2020
7	March 5, 2020	March 12, 2020	March 19, 2020	March 26, 2020	March 31, 2020	April 14, 2020
8	March 19, 2020	March 26, 2020	April 2, 2020	April 9, 2020	April 14, 2020	April 28, 2020
9	April 2, 2020	April 9, 2020	April 16, 2020	April 23, 2020	April 28, 2020	May 12, 2020
10	April 16, 2020	April 23, 2020	April 30, 2020	May 7, 2020	May 12, 2020	May 26, 2020
11	April 30, 2020	May 7, 2020	May 14, 2020	May 21, 2020	May 26, 2020	June 9, 2020
12	May 14, 2020	May 21, 2020	May 28, 2020	June 4, 2020	June 9, 2020	June 23, 2020
13	June 4, 2020	June 11, 2020	June 18, 2020	June 25, 2020	June 30, 2020	July 14, 2020
14	June 18, 2020	June 25, 2020	July 2, 2020	July 9, 2020	July 14, 2020	July 28, 2020
15	July 2, 2020	July 9, 2020	July 16, 2020	July 23, 2020	July 28, 2020	August 11, 2020
16	July 16, 2020	July 23, 2020	July 30, 2020	August 6, 2020	August 11, 2020	August 25, 2020
17	July 26, 2020	August 2, 2020	August 9, 2020	August 16, 2020	August 21, 2020	September 4, 2020
18	August 9, 2020	August 16, 2020	August 23, 2020	August 30, 2020	September 4, 2020	September 18, 2020
19	September 3, 2020	September 10, 2020	September 17, 2020	September 24, 2020	September 29, 2020	October 13, 2020
20	September 17, 2020	September 24, 2020	October 1, 2020	October 8, 2020	October 13, 2020	October 27, 2020
21	October 1, 2020	October 8, 2020	October 15, 2020	October 22, 2020	October 27, 2020	November 10, 2020
22	October 15, 2020	October 22, 2020	October 29, 2020	November 5, 2020	November 10, 2020	November 24, 2020
23	October 29, 2020	November 5, 2020	November 12, 2020	November 19, 2020	November 24, 2020	December 8, 2020
24	November 12, 2020	November 19, 2020	November 26, 2020	December 3, 2020	December 8, 2020	December 22, 2020

* 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.