



REVOLVING LOAN FUND PROGRAM 2021



For Information Contact:

City of Peoria
Economic Development Office
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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						
<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
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 - 2021

	INITIAL DISCUSSION Concept Review and Determination of Eligibility	APPLICATION SUBMITTAL 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 3, 2020	December 10, 2020	December 17, 2020	December 24, 2020	December 29, 2020	January 12, 2021
2	December 17, 2020	December 24, 2020	December 31, 2020	January 7, 2021	January 12, 2021	January 26, 2021
3	December 31, 2020	January 7, 2021	January 14, 2021	January 21, 2021	January 26, 2021	February 9, 2021
4	January 14, 2021	January 21, 2021	January 28, 2021	February 4, 2021	February 9, 2021	February 23, 2021
5	January 28, 2021	February 4, 2021	February 11, 2021	February 18, 2021	February 23, 2021	March 9, 2021
6	February 11, 2021	February 18, 2021	February 25, 2021	March 4, 2021	March 9, 2021	March 23, 2021
7	March 4, 2021	March 11, 2021	March 18, 2021	March 25, 2021	March 30, 2021	April 13, 2021
8	March 18, 2021	March 25, 2021	April 1, 2021	April 8, 2021	April 13, 2021	April 27, 2021
9	April 1, 2021	April 8, 2021	April 15, 2021	April 22, 2021	April 27, 2021	May 11, 2021
10	April 15, 2021	April 22, 2021	April 29, 2021	May 6, 2021	May 11, 2021	May 25, 2021
11	April 29, 2021	May 6, 2021	May 13, 2021	May 20, 2021	May 25, 2021	June 8, 2021
12	May 13, 2021	May 20, 2021	May 27, 2021	June 3, 2021	June 8, 2021	June 22, 2021
13	June 3, 2021	June 10, 2021	June 17, 2021	June 24, 2021	June 29, 2021	July 13, 2021
14	June 17, 2021	June 24, 2021	July 1, 2021	July 8, 2021	July 13, 2021	July 27, 2021
15	July 1, 2021	July 8, 2021	July 15, 2021	July 22, 2021	July 27, 2021	August 10, 2021
16	July 15, 2021	July 22, 2021	July 29, 2021	August 5, 2021	August 10, 2021	August 24, 2021
17	August 5, 2021	August 12, 2021	August 19, 2021	August 26, 2021	August 31, 2021	September 14, 2021
18	August 19, 2021	August 26, 2021	September 2, 2021	September 9, 2021	September 14, 2021	September 28, 2021
19	September 2, 2021	September 9, 2021	September 16, 2021	September 23, 2021	September 28, 2021	October 12, 2021
20	September 16, 2021	September 23, 2021	September 30, 2021	October 7, 2021	October 12, 2021	October 26, 2021
21	September 30, 2021	October 7, 2021	October 14, 2021	October 21, 2021	October 26, 2021	November 9, 2021
22	October 14, 2021	October 21, 2021	October 28, 2021	November 4, 2021	November 9, 2021	November 23, 2021
23	November 4, 2021	November 11, 2021	November 18, 2021	November 25, 2021	November 30, 2021	December 14, 2021
24	November 18, 2021	November 25, 2021	December 2, 2021	December 9, 2021	December 14, 2021	December 28, 2021

* 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.