

CITY OF STEWARTVILLE
ECONOMIC DEVELOPMENT LOAN PROGRAM

All Business Types Except Retail

PURPOSE

The City of Stewartville Economic Development Loan Program has been established by the City Council for the purpose of assisting small businesses to grow, expand or be retained in the City. The program is designed to encourage business growth and to fill financing gaps for businesses active in Stewartville.

ELIGIBLE BUSINESS PROJECTS

Business expansion or start- up which will add to the community job and/or tax base.

CRITERIA

1. Business is a good business risk.
2. Credit analysis reflects other financing sources.
3. Financing gap should exist in the business-financing package
4. Equity of 10% should be involved.

INFORMATION REQUIREMENTS

1. Application Form
 - A. History & description of business (1/2 - 1 page).
 - B. Resume of principals
 - C. Financial statements of principals
 - D. Current balance sheet and profit & loss statement of company.
 - E. Two year business plan: including proforma balance sheet and profit & loss statements
 - F. Letter of commitment from other funding sources
 - G. Written quotes from contractors and/or vendors.
 - H. Site plan for new construction
 - J. Credit Check – “Authorization for Release of Financial Information” is attached to the application form.

LOAN

An applicant’s loan terms will be negotiated on a case-by-case basis based below the New York Prime Lending Rate. All loan agreements shall be approved by the City Council.

If repayment of loan becomes delinquent the following policy will be implemented:

- | | |
|-------------------|--|
| • 10 days late | Contact by phone will be made |
| • 30 days late | Letter from City will be sent |
| • 90 days late | Letter from attorney will be sent |
| • Six months late | Note will called in full plus attorney and collection fees will be added |

10. Estimated project costs (itemized cost and listing can be attached):

Land	_____
Site Improvements	_____
Construction/Rehab	_____
Machinery & Equip	_____
Bldg Purchase	_____
Working Capital	_____
Other (Specify)	_____
TOTAL	_____

11. Proposed Financing:

<u>SOURCE</u>	<u>TERMS & INTEREST</u>	<u>AMOUNT</u>
Bank	_____	\$_____
Equity	_____	\$_____
Other (Describe)	_____	\$_____
City	_____	\$_____

12. Description of collateral available to secure loan, including market value and prior liens:

13. Present number of full-time employees: _____

14. Anticipated jobs to be created within 12 months of project completion:

Position Name	Total # of Jobs	Annual Hrs per Job	Annual Salary per Job	Hiring Date

15. Total number of full-time equivalent (2080 hrs/yr) positions: _____

16. Will this job project retain any jobs? _____if so, how many_____

17. Please provide the following information:

- A. History & description of business (1/2 – 1 page)
- B. Resume of principals Financial statement of principals
- C. Current balance sheet & profit/loss statement of company
- D. Two year business plan: including proforma balance sheet and profit/loss statements Letter of commitment from other funding sources
- E. Written quotes from contractors and/or vendors
- F. Site plan for new construction (if applicable)
- G. Signed “Authorization for Release of Financial Information” form

To the Best of my knowledge, the information provided in this application is true and correct.

_____ DATE_____

_____ DATE_____

(NOTE: If this application is for leasehold improvements, the Owner(s) of the building must also sign this application).

_____ DATE_____