Green Isle EDA
REVOLVING LOAN FUND
APPLICANT PACKAGE

Attachment #1 – Applicant Checklist
Attachment #2 – Program Guidelines
Attachment #3 – Application
RE Volving Loan Fund

Applicant Checklist

1. Apply to Lender first for preliminary approval of financing.

2. Items you will need to take care of after application is taken:
   a. Need lender commitment letter to reserve funds for your project. *
   b. Need complete bids for all work that will be done.

3. Include provision for meeting appropriate city ordinances and state building codes included in the bid documents.

4. Closing is set up with the lender, you and City.

5. Schedule your final inspection with the lender and the building inspector.

* NOTE: FUNDS CANNOT BE RESERVED FOR YOU UNTIL WE HAVE A COPY OF THE LENDER COMMITMENT LETTER.
GREEN ISLE EDA
REVOLVING LOAN FUND PROGRAM

Guidelines

I. PURPOSE OF FUND
A. To provide financial assistance to existing businesses and new businesses through joint private and public action.
B. To establish a city-wide low interest longer term loan program to provide one or more of the following:
   • Capability and incentive for owners and tenants to upgrade the appearance, structural condition and/or operating efficiency of their place of businesses;
   • Assistance and incentive for the development of new industry; retention of existing business; and/or
   • Retention and expansion of job opportunities.
C. Priority will be given first to those applicants who, without the low interest rate, would not be able to improve their property or locate new industry in Green Isle.

II. PARTICIPATION AND FINANCING
The Green Isle Revolving Loan Fund (RLF) program is established and will operate as a public/private sector partnership of the City of Green Isle and lenders.

The RLF will provide up to 50% of each loan up to a maximum of $15,000 at an interest rate set by the RLF committee in January of each year. The RLF committee will strive to set this rate below current market rate.

Matching funds of at least equal to the amount provided by the RLF will be provided at current interest rates by lender.
The portion of the borrower’s equity to be injected into the project will be determined by the lender.

The City may require a job creation report, projecting expected employment levels for the business, for the first five (5) years of operation.

Administration will be shared by the City and the participating lenders.
- The City will coordinate the program with business and community development organizations.
- Lenders will execute Participation Agreements with the City to carry out their participation in accordance with these guidelines.

III. LOAN TERMS AND CONDITIONS
A. RLF/Lender Participation
   The RLF share in a loan with a participating lender up to 50%

B. Maximum Loan
   RLF will participate in a loan up to the maximum of $15,000. A lender may increase its portion over $15,000.

C. Interest Rates
   The RLF loans are made below market rates as described above. These funds are subordinate to funds provided by the lender.

   An example of the effect of the RLF loan is shown below:

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
<th>Rate</th>
<th>Term</th>
<th>Monthly Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>RLF Loan</td>
<td>$12,500</td>
<td>5%</td>
<td>10</td>
<td>132.58</td>
</tr>
<tr>
<td>Bank Loan</td>
<td>12,500</td>
<td>10%</td>
<td>10</td>
<td>165.17</td>
</tr>
<tr>
<td>Total</td>
<td>$25,000</td>
<td>7.5%</td>
<td>10</td>
<td>$267.75</td>
</tr>
</tbody>
</table>

D. Term
   The RLF portion of the loan shall not exceed a 10 year amortization, payments to be made on a monthly basis. There is no prepayment penalty. The RLF will have a demand clause in the event of a move of business out of City limits or change of ownership.

E. Late Fee
   Any payment that is 15 days late will be assessed a 2.5% late fee on the check payment.

F. Collateral Required
The lender shall have the responsibility of determining the applicant’s credit risk.

The lender shall recommend the type and amount of collateral the borrower will provide and shall have senior lien on the collateral.

The lender shall file any liens it requires on collateral. The RLF may file liens behind the primary lender. Secondary liens must be acknowledged by the owner of the contract for deed.

Loan documents will be required and the loan documents will be at the borrowers’ expense.

G. **Loan Disbursements**
The City will disburse approved loan proceeds to the Lender in a lump sum. All eligible disbursements are to be made by the Lender, following the Lender’s disbursement requirements.

H. **Lien Waivers**
The Lender will collect lien waivers and/or other documentation as deemed necessary by the lender.

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**IV. ELIGIBILITY CRITERIA**

A. **Applicants**
The applicant may be: individual owners, partnerships, LLC’s, corporations, tenant operators or contract for deed purchasers.

An applicant must have the ability to repay the loan and be an acceptable credit risk as determined by a lender.

Applicant must have obtained a commitment letter from a participating lender in order to secure the City’s commitment for its portion of the loan.

An applicant’s property status must be as a conforming use or a legal non-conforming use under the City’s Zoning Ordinance and located within the Green Isle City Limits.

Applicants must obtain City building permit prior to first disbursement from lender.

Upon completion of the improvements, the applicant’s property must pass all required health, safety and building inspections, and obtain a certificate of occupancy.
B. Eligible Use of Loan Funds
1. Correction of health and safety code deficiencies
2. Exterior Improvement

The following are eligible expenditures:
- All work on the front and sides of business buildings facing public streets.
- Cleaning, painting and staining of exterior surfaces.
- Masonry repairs.
- Repairing or replacing the cornices, entrances, doors, windows, decorative details and awnings.
- Sign removal, repairing or replacement.
- Professional design services for plans and specifications.
- Parking lots, including lighting, surfacing and landscaping.
- Building identification.
- Other items that are viewed necessary to complement the exterior of the building.
- Building permits.
- Energy audits.
- Roofing.
- Energy conservation.
- Handicap access.
- Streetscape costs not financed by special assessments.

3. Interior Improvement
Almost all fixed improvements including:
- Repair or replacement of walls, ceilings and floors.
- Repair or replacement of lighting, windows, doors and entrances.
- Repair or replacement of electrical, plumbing, mechanical and air conditioning, or any other permanently installed equipment.
- Architectural change.
- Energy improvements.
- Professional fees in conjunction with the completion of a project may be paid for engineering, architectural and other related service fees necessary to plan, estimate costs, etc.

4. New Industrial Construction
Eligible expenditures include professional fees for engineering, architectural and other services needed to plan, estimate and undertake construction, site preparation, construction of the building, and purchase and installation of fixed building assets. Fixed building assets are those which normally pass to the new owner when a building is sold.

5. Production Equipment
Funds may be borrowed for the purchase of production equipment. Production equipment or machinery that will increase the productivity of the business. The purchase of equipment should also contribute to new job opportunities or business investment.

6. Existing Structures
Funds may be used for the purchase of an existing structure. Funds may not be used for the demolition of existing structures, without the City’s approval.

C. Ineligible Costs
The following costs are ineligible:

- Refinancing of existing debts.
- Non-fixed improvements or non-fixed building assets.
- Working capital.
- Inventory.
- Sweat equity (payment for the applicant’s own labor and performance for construction or improvements).

D. Improvements completed Prior to Loan Closing
Such improvements are eligible if the following steps have been taken:

- Applicant must have already filled out a loan application with the City prior to the work proceeding.
- Applicant must have a commitment letter from their lender and the City confirming their financing and approval of the project.
- Applicant must agree to include all health and safety items per city ordinances and state building codes in work to be done.
- Final bids will be required to assess the total City portion of the loan. Closing will not be set up until final bids have been received.

If the above conditions have been met, the applicant may proceed using his own funds or interim financing from the lender. However, this is done at the applicant’s and or lender’s own risk until the total scope of work has been approved by the City and the loan has been closed.

V. APPLICATION FEE
The applicant is required to pay an Application Fee at the time of closing in the amount of $125.00. It shall be the responsibility of the lender to collect this fee at closing and to remit it to the City.
VI. **EDA & RLF COMMITTEE**

The Green Isle EDA is the final decision making authority on the approval or disapproval of loan applications. The RLF Committee will review the loan applications and make their recommendation on the status of the loan to the EDA. The EDA and the RLF Committee reserve the right to treat each loan application a case-by-case basis.
Green Isle EDA
REVERSING LOAN FUND PROGRAM

Application Form

Instructions: Applicants loan should complete all sections of the form.

I. Personal Information:
   Applicant’s Name _________________________________________________
   Home Address ___________________________________________________
   Home Phone Number _____________________________________________
   Social Security Number __________________________________________

II. Business Information:
   Name of Business _______________________________________________
   Business Address _______________________________________________
   Business Phone Number __________________________________________
   Federal I.D. ____________________________________________________

   Brief Description on Type of Business ________________________________

   Age of Business _________________________________________________
   Previous Location of Business _____________________________________
   Number of Years at Previous Location ______________________________
   What Percentage of Building Does Business Occupy __________ Sq. Ft. _____% 
   What Occupies Balance of Building _________________________________

III. Purpose of Loan Request


IV. Property Information:
Property Owner ____________________________________________________________
Lease: Yes or No Term: _____________________________________________________
Address of Owner _________________________________________________________
Phone Number ___________________________________________________________________
Consent of Owner: Yes or No

V. Description of Improvements/Construction:

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Cost</th>
<th>RLF Requested Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exterior Improvements</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Interior Improvements</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Production Equipment</td>
<td></td>
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<tr>
<td>New Construction</td>
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<td></td>
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<tr>
<td>Site Improvements</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Funding Sources:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

VI. Bank Information:
Name of Bank _____________________________________________________________
Bank of Address _________________________________________________________
Loan Officer ____________________________________________________________
Phone Number __________________________________________________________

I, the undersigned, have read and understood the documents entitled “Green Isle Revolving Loan Fund”, and accept the terms and conditions therein. I authorize the
Green Isle EDA to check my credit and employment history and/or other information deemed necessary to evaluate and process this application.

Applications will be reviewed in the order they are received.

____________________________________________  __________________
Signature of Applicant                        Date

____________________________________________  __________________
Signature of Owner                            Date

EDA Review and Recommendation  Approve:
Deny:  Date:
Date: