

# Overview of EDA RLF

## Eligibility

### Eligible Businesses:

Private, for-profit businesses in manufacturing, agribusiness, wholesale, service, and/or retail industry with less than 200 employees. Companies must be current with their tax obligations and have an EEO policy and follow it.

### Eligible Projects:

Projects must be located in Fairfield County. Chain retail stores are not eligible. If the project is retail, it must not increase the percentage of retail in the RLF portfolio to over 25%. Projects that are relocating jobs that are outside the commuting area are ineligible.

### Eligible Use of Funds:

Normally used for land, existing building purchase, machinery, equipment, inventory, and limited working capital (WC). Prevailing wage applies to new construction/remodeling if it is part of the project, even if EDA funds are not used to finance it. Additionally, if construction is necessary for the project to move forward, even if it's not considered part of the project (e.g., purchase of machinery and equipment to go into a building expansion that isn't part of the project).

### Job Creation:

1 full-time equivalent job created/retained within two years of project completion for every \$25,000 of EDA funds. The jobs must be created within two years after project completion. 51% of the jobs created must be made available to persons of low-moderate income.

### Prioritization:

Companies that have linkages with other local businesses; growth potential; ownership by women or minorities; and already are in Fairfield County will receive priority. Projects that have more full-time than part-time positions; are manufacturing, service, industrial, technological, or healthcare related; will hire a significant percentage of LMI employees; are located in a central business district of a municipality; are reusing an existing vacant facility; are further developing an existing industrial park; that have a high equity and/or private financing percentage will also receive priority.

### Funds Available:

EDA fund availability is subject to current loan activity and repayment. Please contact FCED for current availability.

## Financing Terms

### Interest Rate:

Rates can achieve two percentage points below prime, fixed for the term of the loan. 4% interest is the base level for this program.

### Minimum/Maximum:

\$5,000 minimum loan amount consisting of up to 33% of project cost with a \$100,000 maximum.

### Term of Loan:

No longer than the useful life of the asset or the bank's term: up to 20 years for real estate; up to 10 years for equipment; up to 5 years for working capital. If RLF is financing assets with different terms, either the shorter term is used for one note or there must be separate notes.

### Security:

First or second collateral position on assets financed. Personal guarantees required from owners with 20% or more interest in the company. Key person life insurance.

### Owner Equity:

Minimum of 5% of project cost (unless strictly for working capital); start-up businesses will generally require more.

### Private Financing:

At least 67% must come from private financing, and a private bank must be the lead lending organization for each project. The bank must state that it is unable or unwilling to lend the full amount to be borrowed without RLF participation and state the reason why.

### Timing:

Processing takes approximately 6 weeks from time completed package is in to FCED to closing; cannot be expedited due to federal and or State requirements; and must close on or before date of bank closing and before project moves forward in any way.

### Fees:

Application fee: \$250. No closing costs; no in-loan processing/servicing fees. Title insurance/search, Environmental Reviews, Archeological / Historical Reviews, UCC Filings, Army Corps of Engineers Permits, FEMA Flood Insurance permits, and any other direct expenses shall be paid by the applicant.

# Overview of CDBG RLF

## Eligibility

### Eligible Businesses:

Private, for-profit businesses in manufacturing, agribusiness, wholesale, service, and/or retail industry. Companies must be current with taxes, other loans, and have no prior history of unfair labor practices or civil rights violations. Companies and projects must not have any unresolved environmental problems.

### Eligible Projects:

Projects must be located in Fairfield County, but outside the City of Lancaster and the Village of Canal Winchester. Residential projects, speculative buildings, intra-family transactions, illegal activities, highly commercial ventures without much ED benefit, and historically uncompetitive or unsuccessful ventures are ineligible. Projects involving relocation from one area of Ohio to another are ineligible unless the State issues a waiver. Projects must be completed in 12 months and involve job creation (see below.)

### Eligible Use of Funds:

Normally used for land, existing building purchase, machinery, equipment, inventory, and limited working capital (WC). Prevailing wage applies to new construction/remodeling, but if CDBG funds are not financing the construction/remodeling specifically, then prevailing wage does not apply. WC includes start-up capital; refinancing; non-capital equipment such as inventory, rolling stock or operational costs, training; and seed money. WC must be less than 30 percent of total annual program income and not increase the percentage of total WC in the program over 10%.

### Job Creation:

1 full-time equivalent job created/retained within two years of project completion for every \$25,000 of CDBG funds. The jobs must be created within two years after project completion. 51% of the jobs created must be made available to persons of low-moderate income.

Current LMI levels are the following (will change February 2006): 1 member household: \$35,850 or less; 2 member household: \$40,950 or less; 3 member household: \$46,100 or less; 4 member household: \$51,200 or less; 5 member household: \$55,300 or less; 6 member household: \$59,400 or less; 7 member household: \$63,500 or less; 8 or more: \$67,600 or less.

### Prioritization:

Companies that have linkages with other local businesses; growth potential; ownership by women, minorities or the economically disadvantaged; and are small will receive priority. Projects that will hire a significant percentage of LMI employees; generate significant tax revenue; retain a significant number of jobs; finance pollution control equipment; bring new goods or services into the area; redevelop a blighted and/or vacant facility will also receive priority.

## Financing Terms

### Funds Available:

Total CDBG fund availability is subject to current loan activity and repayment. Please contact FCED for current availability.

### Interest Rate:

Generally two percentage points below prime, fixed for the term of the loan.

### Minimum/Maximum:

\$10,000 minimum. Up to 50% of project cost with a \$100,000 maximum.

### Term of Loan:

No longer than the useful life of the asset or the bank's term: up to 20 years for real estate; up to 10 years for equipment; up to 5 years for working capital. If RLF is financing assets with different terms, either the shorter term is used for one note or there must be separate notes.

### Security:

First or second collateral position on assets financed. Personal guarantees required from owners with 20% or more interest in the company. Key person life insurance.

### Owner Equity:

Minimum of 5% of project cost (unless strictly for working capital); start-up businesses will generally require more.

### Private Financing:

At least 50% must come from private financing, and a private bank must be the lead lending organization for each project. The bank must state that it is unable or unwilling to lend the full amount to be borrowed without RLF participation and state the reason why.

### Timing:

Takes approximately 8½ weeks from time completed package is in to FCED to closing; cannot be expedited due to federal and or State requirements; and must close on or before date of bank closing and before project moves forward in any way.

### Fees:

Application fee: \$250. No closing costs; no in-loan processing/servicing fees. Title insurance/search, Environmental Reviews, Archeological / Historical Reviews, UCC Filings, Army Corps of Engineers Permits, FEMA Flood Insurance permits, and any other direct expenses shall be paid by the applicant.

# RLF Application

The application needs to be filled out and submitted, along with the bank package and write-up, the bank rejection letter, and the bank statement of need to Fairfield County Economic Development. The application is also available in electronic format by request. Please e-mail Shane W. Farnsworth at [sfarnsworth@co.fairfield.oh.us](mailto:sfarnsworth@co.fairfield.oh.us).

The bank or applicant also needs to provide the following:

- **Additional Contact Information:** Contact information for the applicant and the participating bank. Contact information for any other financing agency (e.g., CDC, USDA) should also be given.
- **Business Plan:** A detailed business plan and project description. This should include a history and description of the business, resumes of key management personnel.
- **Tax Returns:** Three years of personal and/or corporate tax returns
- **Financial Statements:** Three years of personal and/or corporate income statements and balance sheets as well as a current financial statements (not more than 90 days old), project cash-flow for next three years
- **Cash-Flow Analysis:** monthly cash flow analysis for start-ups
- **Appraisal/Environmental Assessment:** independent appraisal by a qualified appraiser and an environmental assessment on real estate if needed.
- **Bank Write-Up:** A bank write-up and analysis
- **Bank Letter of Need:** A statement from the bank that the Fairfield County RLF is needed in the deal

## 1. Applicant Contact Information

Name	
Title	
Company	
Phone	
E-Mail	

**2. Investment**

Please fill in the amount of each investment, the legal entity making the investment and describe each investment.

	Amount	Who Will Own It / Who Will Be Making Investment	Description
Land			
Facility Acquisition			
Facility Construction			
Facility Renovation			
Machinery & Equipment			
Furniture & Fixtures			
Working Capital			
<b>Total:</b>			

**3. Jobs to be created:** with few exceptions, projects involving Fairfield County Revolving Loan Fund dollars must create net, new full-time equivalent jobs within two years. Please indicate the business creating those jobs as well as the number of full-time and part-time positions that will be created and what those positions are.

Company Creating Jobs /Employing People:

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	Full-Time Positions	Part-Time Positions	Description of Positions
Year 1			
Year 2			

**4. Ownership Information**

List the names of all owners (having 20% or greater interest) of the entity that will be borrowing money/owning. Officers, directors and/or partners. List name, title, address, and percent ownership for each.

Name	Title	Percent Ownership	Address

**5. Agreements & Certifications**

CERTIFICATION; I/We certify:

(a) All information in this application and the exhibits is true and complete to the best of my/our knowledge and is submitted to the Revolving Loan Fund Committee in order that the Revolving Loan Fund Committee may decide whether to grant a loan or to participate with a lending institution in a loan for my/our proposed project.

(b) I/We give assurance that I/we will comply with Sections 112 and 113 of Volume 13 of the Code of Federal Regulations. These code sections prohibit discrimination on the grounds of race, color, sex, religion, marital status, handicap, age or national origin by recipients of federal financial assistance and require appropriate reports and access to books and records. These requirements are applicable to anyone who buys or takes control of the business. I/We realize that if I/we do not comply with these non-discrimination requirements, the Revolving Loan Fund Committee can call, terminate or accelerate repayment of the loan.

Authority to Collect Personal Information: This information is provided pursuant to Public Law 93-579 Privacy Act of 1974). Effect of Non-disclosure: Omission of an item means your application may not receive full consideration.

I/We authorize disclosure of all information submitted in connection with this application to the Revolving Loan Fund Committee and its consultants. I/We understand that all information may be subjected to public review under Public Disclosure Laws.

As consideration for any Management and Technical assistance which may be provided, I/we waive all claims against the Revolving Loan Fund Committee and its consultants.

Signature of Preparer (If other than applicant):	
Print or Type Name of Preparer:	
Address of Preparer:	

If Applicant is a Proprietor or General Partner, Sign Below:

By:	
Date:	

If Applicant is a Corporation, Sign Below:

Corporate Seal:	
Date:	
By (Signature of President):	

Thank you for applying to the Fairfield County Revolving Loan Fund Program--where we do not charge you an application fee until after the Commissioners approve your loan.

We are always available to take your calls and answer your questions. Feel free to contact Shane W. Farnsworth, Economic Development Director, at 740.652.7160 or [sfarnsworth@co.fairfield.oh.us](mailto:sfarnsworth@co.fairfield.oh.us).

We are here to help your business grow.