



## ***Revolving Loan Fund Program***

### **Program Criteria**

- The applicant must be a for-profit business and located within Ottawa County.
- For new business start-ups, a business plan with projections is required. All requests for financing must clearly demonstrate the ability to repay all loans.
- The OCIC reserves the right to take security interests in the loan funds awarded to applicants. Full collateral, personal guarantees, business guarantees, UCC filings, and other security interests may be required. Requirements are determined by the loan committee.

### **Gap Financing Loan Program**

- The Revolving Loan Fund is targeted to “gap” financing projects that are considered to be high risk to lenders. Preference is given to businesses that have been turned down by traditional lending institutions as a result of a demonstrated need to bridge a financial gap in the loan application.
- The project must represent a significant economic development impact for the community.
- Typically, \$5,000 - \$15,000 is lent for each permanent, year round job created or retained.
- A minimum of 5% equity is required; however additional equity may be required to secure financing through the program. The equity requirement is determined on a case by case basis.
- The loan terms are generally 3-5 years, at 1-3 points below the current prime lending rate.

### **Down Payment Assistance Program**

- The Revolving Loan Fund can offer qualifying applicants the option of using funds for down payment assistance, when the equity requirement of a tradition lending institution cannot be met. Funds are limited and available on a first come, first serve basis.

- The Down Payment Assistance Program can lend between \$5,000 - \$15,000 for each permanent, year round job created or retained, not to exceed \$50,000, for qualifying projects. The OCIC will work together with the lending institution to verify the assistance needed.
- Interest rates vary and are set by the Revolving Loan Fund committee.

### **Other Loan Program Criteria**

- The use of OCIC Revolving Loan Funds may require the payment of State Prevailing Wage rates, as determined by the Ohio Department of Commerce's Wage and Hour Bureau. Prevailing Wage rates may apply to any costs associated with, but not limited to, the installation of machinery and equipment, including any labor costs in the construction or retrofitting of a facility, specified as part of the Project. The OCIC will work with the applicant to determine if Prevailing Wage rates apply to the Project.
- The OCIC shall have the right to collect from borrowers all out of pocket expenses associated with documenting and closing the loan. These may include, but are not limited to, legal documentation preparation, title search, appraisal, recording, and credit report fees.
- The OCIC will verify the use of loan proceeds at inception. In using OCIC RLF funds, the owner agrees to site visits, as needed and determined by the OCIC.
- The OCIC imposes no pre-payment penalty.

### **Ineligible uses of the Revolving Loan Fund include, but are not limited to:**

Financing of existing debts; financing of purely speculative projects or buildings; financing of ventures that offer little in the way of development benefits or employment opportunities; ventures with unresolved environmental problems or histories of Civil Rights or unfair labor practices; ventures that are not current with all taxes; unsecured loans; or those businesses that cannot demonstrate the ability to repay the loan.

### **Revolving Loan Fund Application Process**

- Complete the attached application and include all required exhibits for presentation to the loan committee. Incomplete applications will not be taken to the loan committee and will automatically time out after 30 days.
- Schedule a meeting with the Community Improvement Corporation staff to review the application.

- Applications are presented to the Revolving Loan Fund Committee on a first come, first serve basis and projects will be considered until Revolving Loan Funds are depleted.
- The Loan Committee reviews the application and strives to make a final decision within 30 days of the application presentation.
- Upon written approval, the loan closing will be scheduled and the funds will be immediately available.



**REVOLVING LOAN FUND APPLICATION**

**A. Program Request**

\_\_\_\_\_ Gap Financing Loan Program  
\_\_\_\_\_ Down Payment Assistance Program

**B. Business Information**

Name of Business \_\_\_\_\_

Address of Business \_\_\_\_\_

Form of Business     \_\_\_\_\_ Sole Proprietorship  
                                      \_\_\_\_\_ Corporation  
                                      \_\_\_\_\_ Limited Liability Company  
                                      \_\_\_\_\_ Partnership

Type of Business     \_\_\_\_\_ Industry  
                                      \_\_\_\_\_ Retail  
                                      \_\_\_\_\_ Service  
                                      \_\_\_\_\_ Wholesale  
                                      \_\_\_\_\_ Agricultural

Year Established     \_\_\_\_\_                                       If new, check here     \_\_\_\_\_

Contact Person \_\_\_\_\_ Phone \_\_\_\_\_

Names, Titles and Addresses of Owners and/or Corporate Officers *and* % Ownership or Number of Shares

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Name of Business Bank \_\_\_\_\_

Name of Business Accountant \_\_\_\_\_

Name of Business Attorney \_\_\_\_\_

Current Number of Employees \_\_\_\_\_

Annual Sales Last Year \$ \_\_\_\_\_

**C. Project Information**

Describe the proposed project and use of the Revolving Loan Funds:

---

---

---

---

---

Amount of Loan Requested \$ \_\_\_\_\_

Term Requested: \_\_\_\_\_ years (term cannot exceed 5 years)

- Why is a Revolving Loan needed?
- Inadequate equity
  - Inadequate private financing
  - Inability to pay market rate
  - Need for incentive financing
  - Excessive development costs
  - Other

List total source of funds for the proposed project:

Source	Amount	Status	Term	Interest	Annual Debt Service
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Equity \$ \_\_\_\_\_

Total Project Cost \$ \_\_\_\_\_

Break down use of all funds:

	Amount	Source from above
Land Purchase	_____	_____
Building Purchase	_____	_____
New Construction	_____	_____
Renovate Building	_____	_____
Machinery/Equipment	_____	_____
Leasehold Improvements	_____	_____
Working Capital	_____	_____
Inventory	_____	_____
Professional Fees	_____	_____
Other (explain)	_____	_____
TOTAL Project Costs	_____	(Attach all documentation)

Please explain any specific timing considerations.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please identify your control at the project site.

\_\_\_ Own    \_\_\_ Lease    \_\_\_ Purchase Agreement    \_\_\_ Option

Acreage of project site \_\_\_\_\_ Owned now \_\_\_\_\_ Purchase \_\_\_\_\_

Square feet in existing building(s) \_\_\_\_\_

Square feet to be constructed \_\_\_\_\_ Renovated \_\_\_\_\_

Describe any equipment to be purchased.

---

---

---

---

Will this replace existing equipment?      \_\_\_ Yes      \_\_\_ No

Will any new infrastructure be needed for the proposed project? Please explain.

---

---

---

---

Is the property zoned for the project? \_\_\_ Yes      \_\_\_ No      \_\_\_ N/A

If a change in zoning is required, what is the status of the request?

---

---

---

---

Under expected circumstances, when is:

Acquisition date \_\_\_\_\_  
Occupancy date \_\_\_\_\_  
Construction start date \_\_\_\_\_  
Construction completion date \_\_\_\_\_  
Date new hiring begins \_\_\_\_\_  
Date new hiring is completed \_\_\_\_\_

**D. Employment Information**

Number of existing employees in the company \_\_\_\_\_

How many employees will be transferred to the project site? \_\_\_\_\_

Where will they be transferred from? \_\_\_\_\_

Number of new employees to be hired within 18 months  
\_\_\_\_\_ Full-time      \_\_\_\_\_ Part-time

Number of new jobs to be filled by low- to moderate-income individuals  
\_\_\_\_\_ Full-time          \_\_\_\_\_ Part-time

Number of retained jobs, otherwise lost without the project  
\_\_\_\_\_ Full-time          \_\_\_\_\_ Part-time

Number of retained jobs occupied by low- to moderate-income individuals  
\_\_\_\_\_ Full-time          \_\_\_\_\_ Part-time

Will Workforce Investment Act (WIA) funding be requested for job training  
\_\_\_\_\_ Yes                  \_\_\_\_\_ No

**E. Financing Information**

Describe the status of all other funds to be committed to this project. Please attach documentation of all firm commitments (e.g., signed bank commitment letter).

---

---

---

---

Please provide the following information, including amount and status, as they apply to your business.

Current lease or monthly rent \$ \_\_\_\_\_

Leasehold improvements completed in the last year.

---

---

---

Current long-term loans and the name of the financier.

---

---

---

Current short-term lines of credit and the name of the financier.

---

---

---



Profit and Loss Summary (000's)

	2012	2013	2014	2015	2016 YTD
Sales	_____	_____	_____	_____	_____
*Cost of goods sold	_____	_____	_____	_____	_____
Gross Profit	_____	_____	_____	_____	_____
*Depreciation	_____	_____	_____	_____	_____
*Interest	_____	_____	_____	_____	_____
*All other Expenses	_____	_____	_____	_____	_____
Earnings Before Taxes	_____	_____	_____	_____	_____
*Taxes	_____	_____	_____	_____	_____
Profit After Taxes	_____	_____	_____	_____	_____

Balance Sheet Summary – Calendar Year \_\_\_\_\_ or Fiscal Year \_\_\_\_\_

	2012	2013	2014	2015	2016 YTD
Current Assets					
*Cash	_____	_____	_____	_____	_____
*Inventory	_____	_____	_____	_____	_____
*Accounts Receivable	_____	_____	_____	_____	_____
*Other Current Assets	_____	_____	_____	_____	_____
Fixed Assets					
*Land	_____	_____	_____	_____	_____
*Buildings	_____	_____	_____	_____	_____
*Machinery/ Equipment	_____	_____	_____	_____	_____
TOTAL ASSETS	_____	_____	_____	_____	_____

	2012	2013	2014	2015	2016 YTD
Liabilities					
*Notes Payable	_____	_____	_____	_____	_____
*Accts Payable	_____	_____	_____	_____	_____
*Current Long-term Debt	_____	_____	_____	_____	_____
*Other Current Liabilities	_____	_____	_____	_____	_____
*Other Long-term Debt	_____	_____	_____	_____	_____
<b>TOTAL LIABILITIES</b>	_____	_____	_____	_____	_____
Net Worth & Liabilities	_____	_____	_____	_____	_____

**F. Additional Information and Attachments**

Please review the following information and provide the required documentation as outlined:

General Information:

- Profit & Loss or Income Statements (within the last 30 days)
- Current Balance Sheet
- Debt Schedule, including outstanding amounts, purpose of the debt, monthly payments, debt maturity date(s), and interest rates
- Bio(s) of key management/ownership

Please check the box that applies and provide the required information:

- \_\_\_\_\_ Corporation
- Articles of Incorporation
  - 3-Years Corporate Tax Returns and/or Accountant Prepared Financial Statements
  - Aged Receivables Report
  - Aged Payables Report

- \_\_\_\_\_ Limited Liability Company
  - Articles of Organization
  - Operating Agreement
  - Borrowing Resolution
  - 3-Years Business Tax Returns and/or Accountant Prepared Financial Statements
  - Aged Receivables Report
  - Aged Payables Report
  
- \_\_\_\_\_ Partnerships
  - Partnership Agreement
  - Articles of Organization
  - Borrowing Resolution
  - 3-Years Partnership Tax Returns and/or Accountant Prepared Financial Statements
  - Aged Receivables Report
  - Aged Payables Report
  
- \_\_\_\_\_ Individuals
  - 3-Years Personal Tax Returns, including all Schedules
  - Signed & Dated Personal Financial Statements (updated annually)
  
- \_\_\_\_\_ Business Start-Up – Please provide the following items in addition to the items above
  - Business Plan
  - 3-Year Projections, with monthly projections outlined for the first year and annual projections for years 2 and 3
  - Description of any other business operations

All ownership will need to provide information outlined in the “Individuals” section above.

Feel free to attach any additional information that you feel will help document the soundness of your business and the proposed project, and your need for the revolving loan funding.

It is recommended that businesses provide a pro-forma analysis describing their ability to repay the loan and the need for low-interest assistance.

The following items should be attached, if appropriate and available:

- Evidence of firm commitments for purchase orders;
- Project site map and site plan;
- Cost estimates from architect, engineer, equipment manufacturer;
- Machinery & equipment life expectancy from manufacturer;
- Information about products or services;
- Credit report(s) or authorization to obtain a report on business and personal guarantors.

G. **Certification**

I certify that I have read and understand the foregoing, that the information to the best of my knowledge is correct, and that this application does not obligate my business or Ottawa County to proceed to a loan agreement. I understand that funding, if approved by Ottawa County and myself, is in the form of a secured loan obligation, payable on a principle basis, to be used as described in this application. Entry into a loan agreement will be of my own free will, after having carefully considered all consequences of assuming this obligation, including required compliance with applicable rules and regulations described in the loan agreement, and the ability of my business to repay the loan. I understand the purpose of the revolving loan program is to assist in the creation of jobs and that the loan amount will be contingent upon job creation. I further understand that periodic audits of expenditures and employment may be necessary to maintain the credit ability of my loan.

Name \_\_\_\_\_

Title \_\_\_\_\_

Business \_\_\_\_\_

Phone \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

Return completed application and any attachments to:

**Director  
Ottawa County Improvement Corporation  
8043 W. State Route 163, #100  
Oak Harbor, OH 43449  
Phone: (419) 898-6242 Fax: (419) 898-6244**