

CITY OF MACOMB

ECONOMIC DEVELOPMENT REVOLVING LOAN PROGRAM

INTRODUCTION

The City of Macomb's Economic Development Revolving Loan Program is designed to be used in conjunction with other funds to create new employment opportunities and to retain existing jobs. Funds for the revolving loan program are from proceeds of principal and interest from prior loans made available through grants from the Community Development Assistance Program (CDAP) of the Department of Commerce and Economic Opportunity (DCEO).

ELIGIBLE APPLICANTS

Eligible applicants include any business, industry, or service related business locating or expanding in Macomb. Projects selected will attract sizeable private investment, have a solid commitment to create or retain permanent jobs, and demonstrate financial feasibility, and provide benefit to low and moderate income persons..

USE OF LOAN PROCEEDS

Loan proceeds may be used for the purchase of machinery and equipment, property acquisition, facility rehabilitation, and working capital.

LEVERAGE REQUIREMENTS

Each application must show a leverage ratio of 1:1. For each dollar borrowed from the Macomb Revolving Loan Program, at least one dollar must be injected into the project from owner equity or conventional lending sources.

LOAN RATE/TERM

The interest rate and term for all loans are determined by the Macomb City Council. The interest rate may vary from three to five percent, depending on the project. The maximum loan term is ten years.

JOB CREATION CRITERIA

One full-time equivalent job (at least 1,950 hours per year) must be created or retained for every \$15,000 borrowed from the city. Job retention is defined as a job that would be lost due to closure or relocation from McDonough County.

BENEFIT TO LOW AND MODERATE INCOME PERSONS

Each applicant must document that a minimum of 51 percent of project funds will benefit low to moderate income persons. Employee income certifications will be used to document benefit. Low and moderate income is defined as eighty percent of the medium income as determined by the Department of Commerce and Economic Opportunity and the Department of Housing and Urban Development.

PROJECT EVALUATION

Each project will be reviewed by the City of Macomb's Committee-of-the Whole. The Committee will determine project eligibility and financial risk based on the aforementioned standards. The Committee will make recommendations for loan approval or disapproval to the Macomb City Council.

PRE-APPLICATION DISCUSSION

Pre-application discussion and application assistance is available to potential borrowers from the City of Macomb. Applicants in need of such assistance should contact:

Community Development Coordinator
City Hall
232 East Jackson Street
P.O. Box 377
Macomb, Illinois 61455
Voice: 309-833-4944
Fax: 309-837-1523
E-mail: cdc@cityofmacomb.com

CITY OF MACOMB, ILLINOIS

REVOLVING LOAN APPLICATION

Business or Company Name: _____

Chief Executive Officer/Owner's Name: _____

Street Address: _____ City: _____

County: _____ State: _____ Zip Code: _____

Telephone Number: _____ Fax Number: _____

Contact Person (If Different From Above): _____

Amount Of Loan Funds Requested From The City: \$ _____

Total Cost Of The Project: \$ _____

Total Number Of Full-Time Equivalent Jobs To Be Created/Retained: _____

Loan Term Requested: _____

IMPORTANT NOTICE

The City of Macomb is requesting disclosure of information that is necessary to accomplish the statutory purpose as outlined by the Illinois Department of Commerce and Community Affairs as required under Illinois Rev. Stats. Chapter 127, Paragraph 46.1 et.seq. Disclosure of this information is required. Failure to provide any information may result in this application not being processed.

A. Briefly describe your project, including a description of the product or service you will be producing or offering, an explanation on how you plan on using the loan funds from the city, and a description of your marketing plan.

B. Project Start-Up Date: _____

C. Source Of Leverage/Matching Funds (Must Equal 50% Of Total Project Cost):

1. Owner Equity:

Source: _____ Amount: \$ _____

2. Conventional Bank Loan:

Name of Bank _____ Amount: \$ _____

Address _____ Telephone Number _____

Loan Officer's Name _____

3. Other Public Loan Funds:

Source: _____ Amount: \$ _____

Address _____ Telephone Number _____

Contact Person's Name _____

4. Other Funds:

Source: _____ Amount: \$ _____

Address: _____ Telephone Number _____

Contact Persons's Name _____

D. Job Creation And/Or Retention:

Please list and describe the jobs and/or positions to be created or retained by your project.

1. Job Description/Position: _____

Number Of Employees: _____ Hourly/Monthly Wage: \$ _____

Hiring Schedule: _____ New Job(s): Yes ___ No ___

2. Job Description/Position _____

Number of Employees: _____ Hourly/Monthly Wage: \$ _____

Hiring Schedule: _____ New Job(s): Yes ___ No ___

3. Job Description/Position: _____

Number of Employees: _____ Hourly/Monthly Wage: \$ _____

Hiring Schedule: _____ New Job(s): Yes ___ No ___

4. Job Description/Position: _____

Number of Employees: _____ Hourly/Monthly Wage: \$ _____

Hiring Schedule: _____ New Job(s): Yes ___ No ___

E. Description and Value of Collateral (All Loans Must Be Secured):

F. Applicant Certification:

The applicant certifies that this project is a new business start-up, expansion or retention project, and that he/she will comply with all applicable laws and regulations prohibiting discrimination on the basis of race, sex, religion, national origin, martial status, age or disability status.

The applicant certifies that all information contained in this application, including all documentation, is true to the best of his/her knowledge and belief.

Signature of Owner or Chief Officer

SOURCE AND PROPOSED USE OF FUNDS FOR TOTAL PROJECT

	Owner Equity	Bank Loan	Other Govt Loans(s)	City of Macomb	Other	Total
Land	\$	\$	\$	\$	\$	\$
Building Const.						
Building Purchase						
Equipment						
Machinery						
Inventory						
Remodeling and/or Renovations						
Furniture and/or Fixtures						
Landscaping						
Land Improvements						
Working Capital						
Other						
Totals	\$	\$	\$	\$	\$	\$

CITY OF MACOMB, ILLINOIS

ECONOMIC DEVELOPMENT REVOLVING LOAN PROGRAM

EXHIBITS

The following information marked with an X is required and must be submitted along with your loan application.

- A. History of the Business: Submit a brief history of your business and past employment growth.
- B. Market Information: Submit information on your products and/or services and identify existing and potential major customers and competitors.
- C. Financial Statements: Submit historical financial statements for the past three years, including profit and loss statement, balance sheet, and disclosure of contingent liabilities.
- D. Three Year Projections: Submit three year cash flow projections for your new or expanded business.
- E. Land and Building Information: Attach an appraisal and a copy of the purchase option or agreement for land and/or building acquisition. For building construction or renovation, provide contractor's or architect's estimates.
- F. Description of Machinery and Equipment: For acquisition of machinery and equipment, attach reliable vendor cost estimates. For the cost of moving and installing new equipment, provide written estimates from reliable vendors. For used machinery and equipment acquisition, provide an appraisal demonstrating that the fair market value is in line with the purchase price.
- G. Description of Working Capital: Provide a detailed explanation of the need for and the use of the funds for working capital.
- H. Company Management: List those persons who are responsible for the management of the company and indicate their positions and percentages of ownership. Submit a resume for each management staff person.
- K. Letters of Commitment: Document all sources of leveraging in commitment letters. Loans from financial institutions must have language indicating the loan amount, the specified term and interest, collateral, conditions attached to the loan, and the fact that the loan is approved.