

City of Macomb, Illinois

DOWNTOWN REVOLVING BUSINESS LOAN PROGRAM

Thank you for applying for a revolving loan through the City of Macomb. The entire process is as follows:

1. Please read ALL information carefully. In order to expedite the process, provide all requested information thoroughly and completely. Return to City Hall, Office of Building & Zoning at 232 E. Jackson Street.
2. The Finance Committee is provided loan information and meets to review. They may request a meeting with the applicant(s) and/or ask for additional information.
3. As soon as any requested information is provided, the Finance Committee once again reviews all information and makes the final recommendation.
4. A loan fact sheet is then presented to City Council for their approval. City Council will most likely take it under advisement for one week and give their recommendation and/or approval the next week.
5. You will be notified of your loan status during this process and may attend the meeting(s) if you wish.
6. After City Council gives final loan approval, the City Attorney's office will prepare loan documents. When the legal documents have been completed, you will then be contacted again to set up an appointment for the signing of loan documents and disbursement of funds. You will be responsible for paying recording fees.

****The length of time is dependent upon several factors. It is important for you to provide all requested documents in a timely fashion in order to expedite the process. Members of the Finance Committee will do their best to make an appropriate decision in a timely fashion. In planning your project, please allow 30 days from the time of submittal of a **complete** loan application to a City Council decision.

****The City is under no obligation to approve the full loan requested and reserve the right to deny any application.

The City of Macomb

Downtown Revolving Business Loan Program

The City of Macomb's Downtown loan fund is primarily designed to be used in conjunction with other funding to (1) improve the buildings located within the Courthouse Square area; (2) provide working capital and equipment financing for businesses located in the downtown district; or (3) provide fixed asset financing.

It is comprised of funds available from recaptured principal and interest of prior loans made by the City and from the Downtown Residential Program.

Eligible Borrowers:

Commercial establishments located within the area boundaries of Jefferson, Dudley, Johnson & Adams Streets.

Use of Loan Funds:

Loan funds may be used for exterior and interior improvements, including, but not limited to the following: windows, doors, tuck-pointing, painting, signage, awnings, fire alarm systems, interior structural remodeling, electrical, energy conservation measures, heating and cooling. Working capital, furniture & fixtures, inventory, machinery, construction, real estate purchase and equipment also qualify. Working capital is defined as salary and benefits, general overhead, advertising, professional fees, printing, etc.

Leverage Requirements:

50% City Loan and 50% other funds for building improvements, equipment, construction, machinery or purchase of real estate.

35% City Loan and 65% other funds for working capital, inventory or furniture and fixtures.

Loan/Rate/Term:

Three percent interest rate for up to five years. Maximum loan amount from the Revolving Matching Loan Fund is Twenty Thousand Dollars (\$20,000).

Documentation Requirements:

A two-page application, a release form and all requisite attachments must be completed, with a detailed description of the work to be completed and cost estimates. All application materials should be submitted to the City of Macomb, Office of Building & Zoning. Loan approval is subject to the review and negotiation of the Finance Committee and the Macomb City Council.

Revised March 2016

CITY OF MACOMB
DOWNTOWN REVOLVING BUSINESS LOAN PROGRAM
Ray Heitner
Community Development Coordinator
232 E. Jackson/P.O. Box 377
Macomb, IL 61455
309-833-4944
cdc@cityofmacomb.com

AUTHORIZATION TO RELEASE INFORMATION

- 1. I/We have applied for a loan from The City of Macomb. As part of the application process, the organization's committee may verify information contained in my/our loan application and in other documents required in connection with the loan.**
- 2. I/We authorize you to provide The City of Macomb all information and documentation that they request. Such information includes but is not limited to income, bank accounts, credit history and copies of income tax returns.**
- 3. The City of Macomb may address this authorization to any party named in the loan application.**
- 4. A copy of the authorization may be accepted as an original.**
- 5. I/We fully understand that it is a federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements when applying for this loan. As applicable under the provisions of Title 18, United States Code, Section 1014.**

Applicant's Signature

Social Security Number

Date

Applicant's Signature

Social Security Number

Date

City of Macomb

DOWNTOWN REVOLVING BUSINESS LOAN PROGRAM

Please provide any of the following items listed below that pertain to your business along with your loan application in order to expedite the process.

- A. History of the Business:** Submit a brief history of your business and past employment growth.
- B. Business Plan:** A professional quality Business Plan acceptable to the loan review committee and demonstrating the applicant's knowledge of expenditures, sales and the local market.
- C. Market Information:** Submit information on your products and/or services and identify existing and potential major customers and competitors.
- D. Personal and/or Business Financial Statements:** Submit historical financial statements for the past three years, including profit and loss statement, balance sheet, income tax returns and disclosure of contingent liabilities. If not available for the business, personal financials must be provided. A personal financial statement is also required.
- E. Collateral:** Provide a detailed list of real estate and/or items to be used in securing your loan. Note: Personal items or a guarantee may be requested.
- F. Three Year Projections:** Submit three-year cash flow projections for your new or expanded business.
- G. Land and Building Information:** Attach an appraisal and a copy of the purchase option agreement for land and/or building acquisition. For building construction or renovation, provide contractor or architect's estimate.
- H. 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.
- I. Description of Working Capital:** Provide a detailed explanation of the need for and the use of the funds for working capital.
- J. Company Management:** List those personnel 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 the 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.

