

Salem, Illinois Revolving Loan (RLF)

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Business projects that involve job creation or retention, and that are/will be located within the corporate limits of Salem, may receive loan support for the project. To be considered for an RLF loan, please complete and submit this application to the City of Salem.

For A through D, please provide information for the person who will be the primary point of contact for the party making the RLF application. If the primary point of contact is not the party who will execute loan documents for a project (i.e. will not be the party personally responsible for loan repayment) please complete lines E through J, with information relevant to the party who will be responsible for the loan.

A. Name of Applicant: _____

B. Mailing Address: _____
Street Address

_____ City State ZIP

C. Phone (cell, office, home): _____

D. Email: _____

E. Name of party responsible for loan (if different from applicant): _____
(Corporation, LLC, partnership, etc)

G. Mailing Address for E: _____
Street Address

_____ City State ZIP

H. Website for E: _____

I. Phone for E: _____

J. Name(s) and title of chief executive, partners of E: _____

Name(s) and title of chief executive, partners of E: _____

Name(s) and title of chief executive, partners of E: _____

K. Name of project: _____

L. Location of project:
Please be descriptive.
Information provided may include legal description, parcel number, mailing address, etc. Attach aerial photo if available.

M. Owner and address of owner of property/location L

N. Description of project:
Please describe the business project you plan to undertake in Salem. Briefly describe how RLF funds will be used. What types of product/services will be offered to the public? Use separate sheet if necessary.

- O. How many full-time equivalent (FTE) jobs will your business project create or retain? Full-time is defined as 35 hours per week. Anything less than 35 hours is part-time. One full-time job equals 1 FTE. Two part-time jobs equal 1 FTE.

FTE jobs	Create	Retain	TOTAL
_____	_____	_____	_____

- P. What is the budget for your business project? How much will you have to spend in order to start your business project? If you have no cost in a category below, please report \$0. **Please provide documentation for all expenses (estimates, bids, quotes, etc).**

Site acquisition	_____
Rehabilitation/repair of building	_____
Site work/preparation	_____
New construction	_____
Capital equipment	_____
All professional services	_____
Working capital (startup cash)	_____
All other	_____
TOTAL	_____

- Q. Does this project involve **relocation** from other location? Place mark in appropriate box.

Yes	No

If yes, please provide the address of the location from which your business moving.

Mailing Address:

Street Address

City

State

ZIP

- R. Given budget P above, please detail how your project will be financed. Please note: (1) the City cannot use RLF dollars to lend more than 50% of any project; (2) the City must partner with another institution, such as a bank, to provide financing for your project; (3) at least 10% equity injection must be provided by RLF applicant; and (4) the City cannot lend more than \$15,000 per job created or retained. Two part time jobs equal one full time equivalent. Equity injection may be the in the form of cash or some other item(s) of value equal to or greater than 10% of total project budget.

City RLF	Amount	Term	%
Other financing (e.g. bank)	Amount	Term	%
Equity injection (please value equity injection, describe nature of equity, e.g. cash, equipment)			

- S. In some circumstances, including when a loan is to be made to a corporation or LLC, the City will require personal guarantees as a condition for receiving a loan. Please provide the following information for loan guarantors (use additional sheet if necessary):

Name			
Address	City	State	Zip
Name			
Address	City	State	Zip
Name			
Address	City	State	Zip

Please note, this information is not complete unless the application is signed and all relevant information requested in exhibits under U is submitted in full.

- T. Applications submitted must be signed by an authorized person making application. By signing and submitting this application, you thereby acknowledge and authorize the following:
- (1) This application and supporting documentation you submit is subject to the Freedom of Information Act (5 ILCS 120). The City of Salem will do its best to protect the information that Applicant deems to be private but may otherwise be required by law to make the same available for public review. Applicant shall point out all information he/she may deem to be private.
 - (2) The City of Salem may share your application and supporting documentation that you submit to advisers, consultants, the City Attorney, or individuals selected by the City Manager to serve on a review committee, if necessary, to make a final determination on eligibility and approval of your application.
 - (3) City RLF funding cannot be approved until the City has verified that at least 51% of jobs created/retained benefit "low to moderate" income persons/families. Verification of "low to moderate" income will be completed by the City or an agent of the City by asking current/future employees to complete an income survey.
 - (4) I authorize the City of Salem to conduct criminal background and credit checks that it may deem are necessary to complete as part of this of loan application.
 - (5) I hereby certify that all the above responses and the attachments hereto are true and correct to the best of my knowledge. I hereby authorize the City of Salem, Illinois to contact any or all individuals or corporations named herein for confirmation of the information provided in the application and release all of any damage which may result. I further authorize the City of Salem to contact credit reporting agencies to verify the credit worthiness of the applicant and its officers or principals. I understand that any false statement contained in the application or the attachments hereto may result in the rejection of the application.
 - (6) I have read and fully understand each term 1-6 outlined above. Initial here: _____

Name	FEIN # or SSN#
Signature	Date

This application is not complete without providing information requested for each relevant exhibit under U (please see the next page).

U. REQUIRED ATTACHMENTS (Please check Items that are attached, please submit all requested information separately. Based upon the project seeking loan assistance, some requests may not be applicable. Rather than leaving a request blank, please provide best information you have available and/or explain why the request is not applicable to this project.)

- ___ 1. Provide a brief history of the business and past employment growth.
- ___ 2. Market information on the business' products or services and identification of existing and potential major customers and competitors.
- ___ 3. Three years historical financial statements which consist of: a balance sheet, profit and loss statement and a reconciliation of net worth. This information shall cover three years, as well as the most recent 90 days. Accountant's notes or detailed notes, in those instances in which the statement is not audited, shall be included with the statement.

OR

- ___ 4. Prior three years of tax statements for those small businesses with no formal financial statements.
- ___ 5. If a corporation, a list of the officers and stockholders owning 20 percent or greater share of the outstanding stock. If the corporation is large, the City may require this information of officers or stockholders owning 10 percent or greater share of the outstanding stock.
- ___ 6. Personal Financial Statement of each principal in the business (proprietor, partner, and, if a corporation, each officer and each stockholder owning 20 percent or greater share of the outstanding stock), as well as a brief personal history statement for each. Each person or entity which will guarantee the RLF loan must also submit a Personal Financial Statement. The attached Personal Financial Statement form or one which provides comparable information shall be used. The City may require a personal financial statement of persons owning 10 percent or greater share of the outstanding stock for large corporations.
- ___ 7. Financial statements of the general partners, if a business is a limited partnership. If a business is a corporate general partner, the personal and corporate financial statements of the general partner shall be submitted.

- ___ 8. Projected earnings report which includes a three year projected balance sheet and profit and loss statement, as well as a one year monthly cash flow statement. Base assumptions shall also be included. The attached Projected Cash Flow form or one showing comparable information shall be used for the one year monthly cash flow statement.

- ___ 9. Business plan and/or market feasibility information which addresses the business' products or services and identifies existing and potential major customers and competitors.

- ___ 10. A copy of the lease, if the applicant's interest in the property is a leasehold.

- ___ 11. A list of major equipment or classes of equipment to be acquired. For acquisitions of new machinery and equipment, reliable vendor cost estimates shall be provided. For used machinery and equipment acquisitions, an appraisal shall be provided which demonstrates that the fair market value is in line with the purchase price.

- ___ 12. A copy of the patent or license, if the business manufactures a tangible product.

- ___ 13. A detailed explanation of the need for and specific use of working capital. If used for inventory, a list with supporting cost estimates shall be provided.

- ___ 14. A list of all sources of leveraging (i.e. financing other than the Revolving Fund Loan) documented by written letters of commitment. Loans from financial institutions used as leverage shall indicate approval as well as the loan amount, the specified term and rate, collateral, and conditions attendant to the loan. Equity contributions shall be documented through signed letters from the benefiting business.

- ___ 15. Documentation of the legal status of the borrower and authorization to enter into the loan, e.g., Articles of Incorporation, Secretary's Certificate, Certificate of Good Standing, Corporate Resolution, etc.

- ___ 16. A list of the holder(s) of lien(s) for each piece of personal property of equipment, if any tangible personal property or equipment is or will be secured by a lien.

- ___ 17. A signed Job Creation/Retention form verifying the number of jobs to be created and/or retained, including the number to be filled by low and moderate-income persons and the specific time period over which this will occur.

____ 18. JUSTIFICATION FOR RLF ASSISTANCE → At least one of the following requirements shall be met in order to justify RLF assistance. Check the item(s) which applies and submit a written justification and supporting documents:

- A. The loan applicant can raise only a portion of the necessary financing from private or other public sources.
- B. The business is considering multi-state location options and RLF funds are needed to equalize cost variation between sites. Documentation shall include cost disclosures for each site under consideration.
- C. Full financing is available from private or other public sources, but the rate of return is insufficient to induce the development to proceed.