

## Cortland County BDC Revolving Loan Fund Program Criteria and Application

Approved August 2017

In its work to retain jobs, create jobs, and support community development, the Cortland County Business Development Corporation's Revolving Loan Fund provides an alternative for small business concerns unable to fully finance their projects with equity, conventional financing, or other private and public sources. The loan fund is available to new and existing businesses, and while it is not a substitute for conventional financing, it can fill the gaps in existing local financial markets and attract additional capital that would not otherwise be available for economic development.

The following is an overview of the BDC's program. The BDC reserves the right to deviate from any of the following in cases that warrant exception as determined by the Board of Directors in its sole discretion.

**Eligible borrowers:** Eligible borrowers shall include those engaged in business for profit and conducting, or proposing to conduct, business in Cortland County. Retail businesses that can demonstrate a substantial amount of sales originating from outside of Cortland County will also be considered. Eligible applicants shall include sole proprietorships, partnerships, corporations and limited liability companies.

**Ineligible Applicants:** Members, directors, officers and employees of Cortland County, the Cortland County Industrial Development Agency, the BDC and any related local development corporation, including the immediate family members of any of the above individuals and any business entity which has as an owner any of the above individuals or their immediate family members.

**Loan Proceeds:** Loan proceeds may be used for the following: a) purchase of capital equipment; b) real estate acquisition and/or new construction; c) renovations and/or additions to facilities; d) inventory; and e) working capital.

**Eligible activities:** While impossible to state each eligible activity, they include but are not limited to: business acquisitions; manufacturing; acquisition, construction, renovation, leasing or development of real property; purchase or lease of equipment; pollution control and abatement; transportation services; agricultural production; convention centers or recreational facilities; startup operating costs and/or working capital; feasibility studies; reasonable professional fee related to eligible projects.

<b>Ineligible activities:</b>	Speculative activities (land banking and speculative buildings); purchase or finance equity in private business; debt consolidation or refinancing; lending activities; gambling activities; charitable, religious or other not-for-profit activity; any illegal activity; and any activity which results in the relocation of a business out of Cortland County.
<b>Loan Size:</b>	The maximum loan allowable is \$100,000. The minimum loan allowable is \$10,000.
<b>Equity requirement:</b>	A minimum of 10% owner equity is required for all loans.
<b>Interest Rate:</b>	The interest rate for all loans is 6% fixed.
<b>Terms:</b>	Inventory/working capital – up to 2 yrs. Leasehold renovations – up to 5 yrs. Real property acquisition / new construction – up to 10 yrs. Purchase of capital equipment – useful life Loan terms may be blended if loan proceeds are for more than one use.
<b>Collateral:</b>	The BDC shall coordinate with other participating lenders, if any, to obtain the best collateral position possible. If the borrower is a business entity, the BDC shall require the personal guarantee of all owners of the entity. The BDC shall require a mortgage to secure all loans related to the improvement of real property. The BDC will require a credit report of the applicant, and reserves the right to additionally secure the loan by requiring the applicant to obtain a life insurance policy.
<b>Fees:</b>	\$225 non-refundable application fee payable to the BDC. If the loan is approved, the borrower is responsible for the payment of all fees and expenses incurred by the BDC in making and securing the loan, including the BDC's legal fees. The cost of the credit report is covered by the application fee.
<b>Payment Schedule:</b>	All loan payments are due on the first day of the month. Late fee assessed after ten days.
<b>Application review:</b>	Applications are reviewed monthly by the BDC loan review committee.
<b>Contact:</b>	Executive Director Tel. 607-756-5005; Fax: 607-756-7901 Email: <a href="mailto:info@cortlandbusiness.com">info@cortlandbusiness.com</a>



10. Amount of Loan Request: \$ \_\_\_\_\_

11. Please describe the use of the requested loan funds

12. Identify each source of financing for the project and the amount:

Source	Amount (\$)	Percent of Total (%)
Cortland County BDC		
TOTAL		100%

13. Projected new employment: Full-time \_\_\_\_\_ Part-time \_\_\_\_\_

### Certification

The undersigned certifies that all information which has been or will be furnished in support of this application is given for the purpose of the obtaining a loan under the Cortland County Business Development Corporation's (BDC) Revolving Loan Fund Program (RLF). I further certify that all information submitted has been examined and approved by me and is true, correct, and complete. I agree to abide by all requirements to be set forth in connection with said Loan Program and the penalties and provisions of all applicable local, state, and federal laws pertaining to falsification of any item contained herein or fraudulent misrepresentation of my business. Lastly, I agree that verification of any information contained herein, or to be provided in support of this loan request, may be obtained by any source deemed appropriate by the BDC.

Print or type name

Signature

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Title

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Date

### Information Required for Corporations or Partnerships

This following information must be completed if your business is a Corporation or Partnership. If additional space is required, please attach an additional sheet.

***Corporate officers or partners:***

Name:	Title:	Address:	% ownership (if applicable)	Telephone:

Please indicate below those persons authorized to sign as a representative of the Corporation / Partnership.

Name and telephone number of contact person for purposes of this loan application:

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Date of inception of Corporation or Partnership. If Corporation, please indicate state of incorporation:

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For Corporations only: Please indicate if the Corporation is a subsidiary. If so, indicate name of parent company and whether it is a wholly owned subsidiary:

Subsidiary?                       Yes                       No

If yes, is it wholly owned?     Yes                       No

If Yes, name of the parent company? \_\_\_\_\_

Do you conduct business from any other location(s)?  Yes                       No

If yes, please identify those locations: \_\_\_\_\_

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Please provide the following information for each individual involved in the loan request and/or members of a partnership if applicable. Use additional sheets if required.

Name:	
Social Security Number:	
Date of Birth:	
If a personal guarantee is required, please provide spouse's name:	
Spouse's Social Security Number:	
Spouse's Date of Birth:	
Current address:	
Time at Current Address (yrs.)	
Previous address if at current address less than 7 years:	
Home Telephone Number:	
Current Occupation (s):	
Address of Current Employer(s):	

## Supporting Documentation Required for All Loan Requests

The following is a list of information required in support of your loan request. The applicant should note that this list may not be all-inclusive and additional information can and will be requested at the option of the BDC. Should you have any questions concerning these requests, please contact the BDC at 607-756-5005.

Please check the  when complete

1.  Current financial statements of company (within the last two months), to include: balance sheet, income and expense statements.
2.  Most recent audited financial statements, if available.
3.  Personal balance sheet – for sole proprietor and all partners of partnership (within last two months). The BDC has the option of requesting personal balance sheets from corporate officers. They are not required at this time.
4.  Last two income tax returns filed. Personal and business tax returns are required from sole proprietors. Partnerships shall also provide personal income tax statements for all partners; corporations shall provide corporate income tax returns. Personal income tax returns from corporate officers may be requested at the BDC's option.
5.  Description of complete project to include:
  - a) Detailed project narrative or copy of current Business Plan;
  - b) Detailed cost estimate of complete project;
    - a) Public and/or funding sources involved and amounts;
    - b) Amount and source of equity and what it is to be used for;
    - c) Loan funds requested and what they are to be used for;
  1. Analysis of economic feasibility of the project;
  2. Cash flow projection for a minimum of three (3) years;
  3. Vendor estimates for all components of the project – Loan recipients should provide written estimates wherever possible. Engineering estimates may be substituted for vendor's estimates. For example, if the complete project involves the purchase of two pieces of machinery to be funded by the loan, and the construction of a loading dock to be privately funded, you should provide from you vendor written price estimates for the purchase of the machinery and the construction of the loading dock.
6.  Proof of site control for project (i.e. deed, long-term lease, executed purchase option, etc.)
7.  Personal and/or business collateral available for security to be provided. If the collateral is real property, specify location, mortgage holder, if any, and owner's equity in property.

Collateral provided will be verified and used in a security agreement, incorporated in loan note, and is crucial to loan approval. In most cases, personal guarantees will be required.

8.  Reiteration of new jobs being created (or existing jobs being retained), job titles, timetable for hiring, salaries or wages for each title, and brief description for each title.
9.  List all properties owned by corporation, partnership (all partners) and sole proprietor within Cortland County and their addresses. Corporations may be required to provide a list of properties owned by corporate officers at the BDC's request.
10.  List of credit references to include banks, suppliers, and mortgages, if any. The applicant should note that credit references will be verified. When using banks, provide account number(s) and authorization letter to be submitted to banks to allow BDC access to information.
11.  Proof of funding for the non-Business Development Corp. portion of the total project: Funding for the non-BDC portion of the project can be in the form of (1) bank financing; (2) other private financing; (3) equity; (4) public financing. Proof should include:  
Firm financial commitment letter from lending agency, institution, entity, etc. in letterform that includes: dollar amount, rate, term and annual payment.
12.  Equity: The applicant should indicate in what form the equity will be and should include a certification that the equity is now available, or will be available at the time the project is initiated.
13.  Resumes of all involved parties including education and employment histories at a minimum.

## Environmental Assessment

All applicants must complete the following questions. They are not necessarily all encompassing nor do they preclude more in-depth explanations, permit or code requirements or other pertinent information, which may have to be collected in the future. Please complete this questionnaire as comprehensively as possible.

	Circle Yes or No
1. Will there be odors, noise or vibrations as a result of the proposed action?	Yes / No
2. Will the proposed action affect air quality and/or require any special permits with respect to air?	Yes / No
3. Will the proposed action affect public health or safety?	Yes / No
4. Will the project require the storage of 1,100 or more gallons of petroleum or chemical products?	Yes / No
5. Is the project a new landfill construction?	Yes / No
6. Will new sanitary sewers be constructed?	Yes / No
7. Will new septic tanks serving five households or more be constructed?	Yes / No
8. Will the project affect any water bodies?	Yes / No
9. Will the project involve the storage of toxic/hazardous materials?	Yes / No
10. Will new storm sewers or recharge basins be needed?	Yes / No
11. Will the project involve new water facilities?	Yes / No
12. Will the project involve ½ mile or more of street reconstruction or construction of new roads?	Yes / No
13. Will the project involve parking facilities greater than one acre?	Yes / No
14. Will the project use 20,000 gallons or more of water per day?	Yes / No
15. Will a discharge permit be needed?	Yes / No
16. Does the project involve the expansion or construction of a sanitary landfill?	Yes / No
17. Will the project generate a significant amount of solid waste?	Yes / No
18. Will special permits be required for solid waste disposal?	Yes / No

19. Will the proposed land use or building use provide a sharp contrast to current surrounding land use patterns?	Yes / No
20. Will there be an effect on existing transportation systems?	Yes / No
21. Will the proposed action result in the generation of traffic significantly above present levels?	Yes / No
22. Does the proposed action require review, approval, etc., from local planning or zoning boards?	Yes / No
23. Will police, fire, emergency medical services, schools, etc., be significantly affected by the project?	Yes / No
24. Will energy consumption be greatly increased by this project?	Yes / No
25. Please identify known permits that this project will require?	Yes / No

**Please provide an explanation for any question to which you answered YES.**

*Please attach any additional information that would assist us in reviewing the environmental impact of this project. Specifically, include a description of any manufacturing processes used in the project, chemicals or compounds used in the processes, and any actions planned which will mitigate any potential adverse environmental concerns that may be associated with the project.*

The signature below certifies that the environmental information contained herein is true, correct, and with the complete understanding that falsification of any item may tender any current or future loan commitment null and void as well as result in all penalties and provisions of any applicable state and federal laws.

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Signature of Applicant / Title

\_\_\_\_\_  
Company Name: