Salt Lake City
Economic Development Loan Fund (EDLF)
Loan Application

Salt Lake City Corporation Economic Development Division Stuart Clason, Director
Shawn Beus, Manager
Garrett Clark, Analyst
451 South State Street, Room 425
PO Box 145484
Salt Lake City, Utah 84114-5484 801.535.7273
http://www.slcgov.com/economic-development/edloanfund

email: edloanfund@slcgov.com

Contents:

I. EDLF Information and Checklist
II. EDLF Loan Application
III. Personal Financial Statement (for each personal guarantor)

I. ECONOMIC DEVELOPMENT LOAN FUND (EDLF) INFORMATION

A. PURPOSE

The purpose of the EDLF is to Increase employment opportunities, stimulate business development and expansion, encourage private investment, promote economic development, and enhance neighborhood vitality and commercial enterprise in Salt Lake City.

B. ELIGIBILITY

Businesses eligible for the loan program must be a for-profit or non-profit entity located in or willing to relocate to Salt Lake City. Nonprofits must generate sufficient revenue from the venture to cover debt.

The criteria for loan approval and determination of interest rates and loan terms are devised to align with policy objectives of the City and the Economic Development (ED) division. The program's overarching goal is to invest in viable businesses and activities that produce strong economic returns, but that also provide positive social and environmental impacts.

Businesses that have a loan with the city can only apply for additional loan if the combined total of loans does not exceed the maximum loan amount. Loans will not be given to different entities that are related in the same business location and business purpose. For example, when one entity owns a building and another entity owns the business and the principals of the entities are the same or related to the business purpose, only one loan will be considered.

C. THE LOAN PROCESS

1. Go to www.slcgov.com/economic-development/edloandfund to submit the Preliminary Evaluation application (Pre-app), and Financial Info Summary, and granting authority for credit check and report for each personal guarantor.
2. The City's Economic Development (ED) Division will conduct a preliminary review.
3. The preliminary review generally takes 5-7 business days. You should be contacted by the City's ED Division around that time, but if not contact the Division at edloanfund@slcgov.com or call 801-535-7273.
4. Once the Preliminary Review is complete, submit the full Loan Application including the following. Since a goal of the City is to go paperless, all documents should be submitted electronically to edloanfund@slcgov.com
    a. A completed Loan Application;
    b. Attach a Business Plan with the information outlined on the following pages including a 3-year financial forecast;
    c. Scanned copies of the required financial documents including personal and corporate taxes.
    d. Complete and sign the Personal Financial Statement for each major owner and/or guarantor.

    (See Loan Checklist at the end of the information section).
5. Email edloanfund@slcgov.com or call the Economic Development Manager at 801-535-7941 or Loan Analyst at 801-535-7258 to set up a time to review the completed application.
6. Your submitted loan application will be reviewed for completeness—often additional information is requested. Corresponding documents will then be distributed to the City's Loan Committee. The Loan Committee meets monthly and as needed. At the meeting, you will have the opportunity to meet with the Committee to briefly present your business plan and answer any questions. After your presentation, the Loan Committee will meet to evaluate the loan. The Loan Committee may approve, deny, modify, and set final terms and rates and loan amounts that may differ from the original request.
7. A Review Committee of City Directors looks at all loans to make sure they are compatible with City goals and directives.
8. You will be notified within 5-7 business days by email or phone of the Loan Committee's decision.

D. BASIC LOAN TERMS AND LOAN OPTIONS

Loan Type	Guarantees	Term*	Interest Rate	Collateral	Credit Score
All loans	Corporate, and at least 1 personal guarantor (except non-profits)	6 months up to 7 years	Base rate = Prime + 8%, minus rate incentives based on City goals such as: operating in a business nodes, low-moderate income and disadvantaged owners, job creation, private leverage, human capital, societal, and environmental impact.	10% minimum. Sliding scale points awarded starting from minimum; full points awarded with 100%+ collateral.	No minimum. Sliding scale points awarded starting at 550--full points awarded with score of 750+.
*Term may be amortized longer and include balloon payment, or extended to 10 year term by loan committee after 5 years successful payment history to SLC.					

Loan Category	Business Age	Amount
Startup Business	0-3 years old	$5,000-$100,000
Expanding - Existing Business	3 + years old**	$5,000-$350,000
Construction / Real Estate	Any age, subject to startup business loan maximum	$5,000-$350,000
Energy Efficiency (E2) ***	Any age, subject to startup business loan maximum	$5,000-$350,000
**Loan Committee can waive 3 year requirement if borrower(s) can demonstrate comparable experience in comparable industry.		
***Must also apply with SLC Sustainability Office		
The City Council may approve loans above maximum loan amounts ($100,000 for startups; $350,000 for expanding businesses). Loan committee may require collateral above minimum requirements and/of propose modifying the loan amount, term, etc.		
Other Requirements include: $100 application fee, 1.5% origination fee paid at closing; Submittal of a completed application with business plan, 3 years personal and business (for existing) financial statements/taxes, 3 year financial projections, and other items as requested by the loan committee.		

E. USE OF FUNDS

Uses of the fund are intended to generally support most traditional for-profit and some non-profit organizational business needs, including but not limited to:

- Acquisition of real estate (land or building)
- New construction, tenant improvements

- Construction mitigation (within half-block of construction)
- Energy efficiency improvements -- must also apply with SLC Sustainability office
- Façade, signage and building renovation
- Landscape and property improvements
- Machinery
- Working capital
- Relocation, moving expenses (to or within SLC)
- Inventory
- Fixtures, furnishings, and equipment (FFE)
- Marketing
- Business stabilization
- Community ventures sponsored by revenue producing non-profits
- Loan guarantees, loan loss reserves

Uses that are **not** approved include:

- Purchasing land and/or buildings or constructing buildings for real estate investments
- Any other kind of investment opportunity
- To pay for other business's expenses
- To use to re-locate a Salt Lake City business into another city
- Use of funds to support an illegal activity or improperly licensed or zoned use

Loans may be prepaid, in part or whole, at any time without penalty but may not be transferred.

F. LOAN EVALUATION AND OTHER REQUIREMENTS

A loan evaluation matrix may be used by the City's Business Loan Committee to rank loan applications based on an applicant's credit history, ability to repay the loan, management ability and business experience, neighborhood impacts of the business, and fiscal impacts of the loan relating to job creation and retention, leverage of public to private funds, and the collateral requirements enumerated above. The loan evaluation matrix has a total of 100 points, and a loan application generally must receive at least 70 points to be recommended to the Review Committee for final approval.

Existing businesses may also be evaluated in terms of any crime issues relating to the business. Based on a Police Department report, a loan may be denied to any business that has crime issues which the City is not satisfied that it is working to control.

LENDER PARTICIPATION

The City encourages participation of private lending institutions and looks favorably at providing funds to fill the gap between the owner's equity and conventional financing. The City may subordinate its security interest to the private lender.

GUARANTEES

Loans shall be guaranteed by the business and personally by the Borrower and personal guarantors. Nonprofit organizations are only required to provide corporate guarantees. In addition, the Borrower shall agree to subordinate all officer debt and defer monthly payments to all officers to the City's loan. **Note that personal guarantors are liable to pay back the loan to the City even if the business fails.**

G. FINANCIAL DOCUMENTS

In addition to the Personal Financial Statement, the following financial documentation is required for loan consideration. Please submit copies electronically and keep the original documents.

Business Tax Information

For businesses established three or more years, corporate federal and state income tax returns for the previous three years, or for the years of operation.

Business Financial Information

For existing or operating businesses, provide audited (preferred) or unaudited/internally prepared corporate financial statements comprised of a profit and loss statement, and balance sheet for up to three years (or the number of years in operation), as well as the most recent month- end or quarterly financial statements.

Please be advised that some applicants may be asked to provide financial statements for related businesses or businesses in which the guarantors also have substantial ownership of, particularly if the business applying for a loan has been in existence for less than three years.

Personal Tax and Other Information

Three years of federal and state income tax returns including all schedules and W-2 forms are required for the member(s) of the legal structure of the business (sole proprietor, partners, and principal officers) who own more than 20% of the business, and each guarantor. If real estate is pledged as collateral, must also provide recent mortgage as well as evidence of value of collateral.

Location

Provide a copy of the existing or proposed lease agreement, or evidence of site control.

H. BUSINESS PLAN

Loan requests under $25,000 ("microloans") must provide at least an executive summary but may be required to provide a full business plan at the discretion of the Economic Development Division. All other loan requests over $25,000 must provide a full business plan. Please submit the business plan electronically by email to edloanfund@slcgov.com or as an attachment to this application.

A business plan serves as a company's road map defining a clear goal of what the company will become and how it is going to get there. The plan should convey a thorough understanding of the purpose of the business, who the market is, the competitive environment, and how the company will adapt to fulfill its objectives. The business plan should also include a complete analysis of the funds needed to meet its objectives including a current financial snapshot and projections. It is an extremely important tool for a business owner to evaluate strengths and weaknesses, areas of improvement, and financial objectives. While your business plan is necessary for your application for a loan through the EDLF, your plan can also be used to attract additional funding sources such as banks and investors. Your business plan should be typed and include the following:

1. **Business Plan Executive Summary.**
2. **Business/Product/Services Description.**
3. **The Market and Marketing Strategy.**
4. **Neighborhood/Human/Environmental (TRIPLE BOTTOM LINE) Impact.**
5. **Management Team.**
6. **Current Financial Situation and Forecast.**
    a. Operating Profit and Loss Statements:
    b. Balance Sheet:
    c. Pro Forma (3-year Projection of Income and expense):
7. **Financing Proposal/Sources and Uses.**
8. **Future Plans.**
9. **Other Considerations.**

I. CHECKLIST for EDLF APPLICATION

PRELIMARY EVALUATION
❒Fill out preliminary loan evaluation online at http://www.slcgov.com/economic-development/edloanfund
❒Include contact info for Credit Report for each personal guarantor
❒ Fill out Financial Data Summary including:
- ❒ Proposed loan amount and sources and uses of funds
- ❒ Proposed Loan Collateral (10% minimum, committee may require more; sliding scale points)
- ❒ Personal Financial Data
- ❒ Corporate Financial Data
- ❒ Job Creation

LOAN APPLICATION Fill out at the above website upon notice from SLC ED Division to proceed
❒Company Info including NAICS code and Federal Employer Tax ID Number (FEIN):
❒ Detail of Loan Collateral
❒ Business Liabilities and Obligations
❒ Personal Financial Statements **for all proposed loan guarantors**
❒ Final financing/Sources and Uses of Funds
❒ Certification/Signature page

BUSINESS PLAN
❒ Business Plan Executive Summary
❒ Product/Service Description
❒ Market & Marketing Strategy
❒ Neighborhood/Human/Environmental Impact
❒ Management Team (with bios or resumes)
❒ Current Financial Situation

FINANCIAL DATA
❒ Profit & Loss Statements previous year, and most recent quarter or month
❒ Balance Sheets from previous year, and most recent quarter or month
❒ 3 Year Financial Projections (proforma), may be part of business plan
❒Explanation of any derogatory credit report information

TAX RETURNS
❒ Personal-3 years tax returns (for all guarantors)
❒ For Existing companies, 3 years business tax returns or number of years filed

LOCATION/COLLATERAL
❒ Lease (copy of lease agreement) ❒ Own (Mortgage statement) ❒ Evidence of collateral value
LEGAL STRUCTURE
❒ Sole Proprietorship ❒ LLC ❒ Corporation ❒ Partnership ❒ Nonprofit
❒ Articles of Incorporation and by-laws

TRIPLE BOTTOM LINE (TBL) IMPACT
❒ Filled out TBLtool.org
❒ Considering becoming a Benefits Corporation

Submit all paperwork electronically to edloanfund@slcgov.com

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II. LOAN APPLICATION

Note: if you provide the information requested below in your business plan, please indicate page # where such is found.

A. COMPANY INFORMATION

Company Name: _____

Business Address: _____

Mailing Address (if different from business address): _____

Business Email: _____ Website: _____

Personal Applicants/Guarantors:

Name: _____ email: _____ Phone: _____

_____ email: _____ Phone: _____

_____ email: _____ Phone: _____

- Type of Business or Industry: _____
- If a New Business or an expansion/relocation, when is the business projected to open? _____
- If an Existing Business, when was the business established? _____

Type of Business Entity (provide copies of organizational documents, articles of incorporation, bylaws, etc):

☐ C-Corporation ☐ S-Corporation ☐ Limited Liability Company
☐ Non-profit Corporation, 501c3 Y / N ☐ Partnership ☐ Sole Proprietor

☐ Benefits Corporation (B Corp) ☐ If not a B Corp, mark if willing to become a B Corp

- Employer Identification Number (EIN): _____
- NAICS Code for your type of business: #_____ NAICS description: _____

- Is the company owned at least 50% by any of the following, mark all that apply—also fill out personal financial statement:

___Women ____Minority ____Person with disabilities _____Veteran

___ Low to Moderate Income (LMI) household (see HUD guidelines for LMI income limits at):
h ttp://www.huduser.org/portal/datasets/il/il14/ut.pdf

- Has the company been designated a disadvantage business enterprise (DBE) or similar by any state of federal agency, such as the Dept. of Transportation DBE program, SBA Section 8a, or HUD Section 3? Y / N (circle those that apply or write in):
  _____

- Is the business currently registered as an energy efficient (e2) Business with Salt Lake City's Sustainability Department? Y / N
  (for more information on becoming an e2 Business visit www.slcgreen.com)

B. SOURCES AND USES

Please fill out a Sources and Uses for the entire budget amount of the business project. Sources and Uses should equal each other. This info is also included in the Pre-app Financial Summary.

Project Sources of Funds:

This Loan (requested amount)$ _____
Owner Cash Equity _____
Other loans _____
Existing collateral/equipment _____
Other Equity or outside Investment _____
Other _____

Uses of Funds:

Land Acquisition $ _____
Construction—owned property _____
Construction—tenant improvement _____
Inventory _____
Furnishings, Fixtures, Equipment _____
Working Capital, marketing _____
Other _____

Total Sources of Funds: $_____

Total Uses of Funds: $_____

Narrative description of sources and uses:

_____
_____
_____

C. EMPLOYEE/JOB CREATION Information

Please fill out the following as if your loan gets approved; which info is also included in the Pre-app Financial Summary.

Job Creation				
Current # of employees	**Jobs created immediately**	**Jobs created within 1 year**	**Jobs created within 5 years**	
				Total Employees
				# of FT employees
				# of Full-time equivalent (hours worked per week divided by 40)
$	$ -	$ -	$ -	Avg. wages, all employees

a. Full-time equivalent (FTE) of owners working in the business: ____

b. Describe benefits offered to full-time employees (paid time off, health care, bonuses, day care, educational support etc.)_____

_____
_____

c. Describe benefits offered to part-time employees:

_____
_____

D. LOAN COLLATERAL

10% minimum collateral is required for all loans. Your application will be graded based on a sliding scale of 1-10 points with 10% collateral given 1 point and collateral of 100%+ given 10 points.

However, the loan committee at its discretion may require more than the minimum amount if the loan is deemed to be riskier than is acceptable to the City with just the minimum collateral, AND may adjust the values of the collateral. This info is also included in the Pre-app Financial Data Summary.

Description	Present	X	Value Rate		Amount Owed		Total
Commercial Real Estate	$	x	90%	-	$	=	$
Residential Real Estate	$	x	75%	-	$	=	$
Vehicles, personal property	$	x	50%	-	$	=	$
Equipment (wholesale), Inventory (COGS)	$	x	50%	-	$	=	$
Cash/Investments	$	x	100%	-	$	=	$
AR, contracts (face value)	$	x	75%	-	$	=	$
Other _____		x		-	$	=	$
Total Collateral							$

Real Property available as collateral

Include a tax parcel ID and recent mortgage statement.

Address: _____Address:_____

Parcel ID #: _____ Parcel ID #:_____

Vehicles available as collateral

Make, model, year, pictures, color and purchase price (title and key is required upon closing the loan).

_____

Equipment

Name, model #, serial #, purchase price, pictures, and date of purchase or attached paid invoices.

_____

_____

Inventory/Other

Description and number of items, pictures, estimated value, and location of items.

_____

_____

Describe at what point you would decide the business isn't working, and your plan to pay back the loan whether or not the business is successful:

_____
_____
_____
_____
_____

E. BUSINESS DEBT/OBLIGATIONS

The following is to review all other business obligations that your company has. Do not include any personal obligations in this section. Those should be listed on the Personal Financial Statement. Use additional sheets if necessary.

Creditor/Equity holder:_____ Original Date: _____

Original Amount:_____ Present Balance: _____

Interest Rate:_____ Monthly Payment:_____ Maturity Date: _____

Collateral, if any:_____

Describe the terms such as 2nd position, delayed repayment, relationship of creditor (bank or family), and status of the loan:

_____

_____

Creditor/ Equity holder:_____ Original Date: _____

Original Amount:_____ Present Balance: _____

Interest Rate:_____ Monthly Payment:_____ Maturity Date: _____

Collateral, if any:_____

Describe the terms such as 2nd position, delayed repayment, relationship of creditor (bank or family), and status of the loan:

_____

_____

Creditor/Equity holder:_____ Original Date: _____

Original Amount:_____ Present Balance: _____

Interest Rate:_____ Monthly Payment:_____ Maturity Date: _____

Collateral, if any:_____

Describe the terms such as 2nd position, delayed repayment, relationship of creditor (bank or family), and status of the loan:

_____

_____

Other persons able to discuss this loan (e.g. Manager, banker, accountant, attorney, etc.) …….and contact info:

_____ _____

_____ _____

_____ _____

_____ _____

III. PERSONAL FINANCIAL STATEMENT

Salt Lake City Economic Development Loan Fund Application

Complete this form for: (1) each owner, or (2) each general partner, or (3) each limited partner who owns 20% or more interest, or (4) each shareholder owning 20% or more of the stock, or (5) any person or entity providing a guaranty on the loan. Make additional copies if needed. Demographic information will not be used to approve or deny the loan application.

Personal Name	**Primary Personal Phone**		
Residence Address	**Other Phone**	**Email**	
City, State, and Zip Code	**Social Security Number:**		**Joint tax return? Y N**
Business Name:	**Position/title in the business**		**_____% ownership**

Gender:_____Race:_____Veteran: Y / N Disabled: Y / N Low-mod income: Y / N

ASSETS	**(Omit Cents)**	**LIABILITIES**	**(Omit Cents)**
Cash on hand & in Banks	$ _____	Student Loans/ Notes Payable	$ _____
Savings Accounts	$ _____	Credit Cards, Accounts Payable & Installment	$ _____
Accounts & Notes Receivable	$ _____	(Describe in Section 2)	
(Describe in Section 6)		Loans on Life Insurance	$ _____
Life Insurance –Cash (Surrender Value Only).	$ _____	Mortgages on Real Estate	$ _____
Stocks and Bonds	$ _____	(Describe in Section 4)	
(Describe in Section 3)		Unpaid Taxes	$ _____
Real Estate	$ _____	(Describe in Section 7)	
(Describe in Section 4)		Car Loans/Other Debt	$ _____
Automobile – Present Value	$ _____	(Describe in Section 8)	
Other Vehicles/ Personal Property	$ _____	**Total Liabilities**	$ _____
(Describe in Section 5)			
Other Assets	$ _____	**Net Worth (liabilities minus assets)**.	$ _____
(Describe in Section 6)			
Total Assets.	**$** _____		

Section 1. Income and Expenses (Provide copy of 3 years personal tax returns)	**Contingent Liabilities**
Salary/Wages. . . . . $ _____	As Guarantor, co-signer on other loans. . . . . $ _____
Net Investment Income . . . . . $ _____	Legal Claims & Judgments . . . . . $ _____
Real Estate/Other Income . . . . . $ _____	Other contingencies . . . . . $ _____
Total Income . . . . . $ _____	
Monthly expenses- Housing . . . . . $_____	
Monthly expenses- Food. . . . . $_____	
Monthly expenses- Other. . . . . $_____	
Total monthly expenses. . . . . $_____	

Description of Items Listed above in Section 1.

Section 2. Credit Card Debt, Accounts Payable and Installment Accounts

Name of Creditor	Original Balance	Current Balance	Payment Amount	Terms (Monthly, etc.)	How Secured or Endorsed Type of Collateral

Section 3. Stocks and Bonds Owned

Number of Shares	Name of Securities	Name of Exchange	Current Quotation	Date of Quotation	Market Value

Section 4. Real Estate Owned (List each parcel separately. If necessary, attach supplemental sheets and date and sign.)

Type of Property/ Address of Property	Title in Name of	Date Purchased	Original Cost	Present Value	Mortgage Balance	Payment Amt. Current? (Y/N)

Section 5. Other Personal Property (Describe)

Section 6. Other Assets (Describe)

Section 7. Unpaid Taxes (Describe as to type, to whom payable, when due, amount, and if any liens have been filed)

Section 8. Vehicle Loans/Other Liabilities (Describe)

Section 9. Life Insurance Held (Give face amount of policies, name of company and beneficiaries)

I/We hereby certify that all statements in this personal financial statement are true and complete and are made for the purpose of obtaining credit. I/We fully understand that it is a federal crime punishable by fine or imprisonment or both to knowingly make any false statements concerning any of the above facts, as applicable under the provisions of Title 18, United States Code, Section 1014. I/We authorize and request all persons listed and all credit reporting agencies to furnish Salt Lake City Corporation opinions and credit information on or affecting me for this application, and I/we authorize Salt Lake City Corporation to report opinions and credit information on or affecting me to all credit reporting agencies or other financial institutions, and I/we agree to hold Salt Lake City Corporation harmless from any claims, direct or indirect, that may result from receiving or reporting such information.

Signature: Date:

2nd Signature if joint tax return: 2nd SSN if joint tax return: Date:

APPLICATIONCERTIFICATION

Please thoroughly read and sign the following:

1. The Applicant or Guarantor ("Borrower") is responsible for the following costs. Up front $100 loan application fee. The following costs can be paid in full by the Borrower or deducted from the loan amount: loan origination fee of 1.5% of the loan amount; appraisal cost, title insurance, recording fees, Title Company costs if the loan is being secured by real property.

2. The Applicant authorizes Salt Lake City Corporation to make inquires as necessary to verify the accuracy of the statements made and to determine the Applicant's creditworthiness (including, but not limited to, inquiring with individuals or groups familiar with the applicants, regular and investigative reports, credit reports, financial statements and other documents submitted by Applicant(s) in connection with this application). The statements made herein are made for the purpose of either obtaining a loan or guaranteeing a loan. By signing below, Applicant(s) understand that false statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 USC 1001).

3. Applicant understands that this completed and signed application is only an application and does not constitute a commitment on part of Salt Lake City Corporation to extend credit or offer a loan.

4. The Borrower agrees to comply with Federal and State laws which prohibit discrimination based on race, color, sex culture, social origin, sexual orientation, condition, or political or religious ideas.

5. Borrower represents that it has not: (1) provided an illegal gift or payoff to a City officer or employee or former City officer or employee, or his or her relative or business entity (see City Executive Order "Employee's Acceptance of Gifts"); (2) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, or brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (3) knowingly breached any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code; or (4) knowingly influenced, and hereby promises that it will not knowingly influence, a City officer or employee or former City officer or employee to breach any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

6. The undersigned agrees to notify Salt Lake City Corporation immediately in writing if any of the information contained in this application becomes inaccurate or misleading in any respect.

7. As a condition of considering the application and at any time once the loan is approved, Salt Lake City Corporation and its agents are granted the right to inspect the business facilities.

8. If the loan is approved, Salt Lake City Corporation may include the business and any information provided for public disclosure including in meetings, photographs of facilities, reports, on-site signs, newsletters, slide presentations, or other promotional or success story materials. As a public entity, certain aspects of the application may need to be disclosed to the public under GRAMA disclosure laws or similar, except private personal and corporate information will be redacted.

9. All information in this application and the attached exhibits is true and complete to the best of my/our knowledge and is submitted so Salt Lake City Corporation can decide whether to extend financing to the business.

Applicant(s) and Guarantor(s):

Signature Date	Signature Date
Signature Date	Signature Date