

Dauphin County Economic Development Small Business Loan Program Guidelines

I. Introduction

The Commissioners of Dauphin County, in a continuing effort to attract and retain businesses in Dauphin County that provide decent wages and stabilize our communities, have allocated grant funds for an Economic Development Small Business Loan program. This program is available County-wide and can be used by both new businesses and existing businesses that need assistance for expansion. Such businesses must be able to create jobs for lower income persons with limited job skill requirements. Loans can be made for the acquisition and rehabilitation or new construction for non-residential properties, or purchase of equipment, products, services and machinery. Loans may not be used to refinance existing debt nor for working capital.

A. Economic Development Loan Project

Purpose: The purpose of the Economic Development Small Business Loan Program is:

- ! To help business develop or expand
- ! To create and/or retain jobs
- ! To enhance the tax base

Area To Be Served: The Economic Development Loan Program is available County-wide.

Eligible Properties: Residential properties regardless of location are not eligible. Mixed use properties, commercial or industrial properties are eligible.

Maximum Assistance: Financial assistance to any one eligible shall be determined based on need. In no circumstance will the funds be used to finance more than 25% of the total project cost. The County will determine the actual amount of the loan based on the application for assistance. Requests for assistance in excess of \$100,000 may be funded through a HUD Section 108 Loan. Please speak to the County Economic Development Corp. Director if you have a very large project.

Terms of Loan:

Because the needs of each business is different and varies over time, a flexible loan package will be arranged that meets the needs of the business. Loans may be deferred or amortizing or funds may be used to write-down the interest on conventional financing. The term of the loan, however, shall not exceed 10 years.

Security For Loan: All loans will be secured by a mortgage, assets and or business inventory on the property assisted with Economic Development funds. The loan may be subordinated to all private debt. However, the total debt secured by the property cannot exceed 100% of the fair market value of the property as determined by an appraisal.

Eligible Uses of Loan Funds:

- (1) Acquisition of the Property - provided the owner has secured other financial resources make improvements to the building.
- (2) Building Rehabilitation provided the following criteria are satisfied:
 - (a) Funds must be used to remedy code violations.
 - (b) Exterior and interior improvements to satisfy the needs of the business.
 - (c) All improvements to buildings that are more than 50 years old or that are historically significant must conform to the Secretary of the Interior's Guidelines for the Rehabilitation of Historic Properties. (Tri-County Planning Commission)
- (3) New construction.
- (4) Infrastructure – water and/or sewer lines, pre-treatment facilities and other infrastructure that will assist in creating or expanding a business.
- (5) Purchase and installation of equipment, products, services and machinery

Ineligible Uses of Loan Funds:

- ! Refinance existing debt
- ! Soft costs such as title, recording, legal, architect, engineering transfer taxes and insurance
- ! Working Capital

Application For Funds: All applicants must complete and sign the attached loan application. All applicants must submit a business plan along with the loan application. Evidence of site control and other supporting documents must accompany the application.

**Please mail the original application and business plan along with 3 copies to:
George Connor, DCED
3211 N. Front Street, Suite 301-C
Harrisburg, PA 17110**

Applicants are encouraged to provide other information that will assist the County in determining the need for funds such as pro-forma, Bank commitment letters, leases with tenants title reports, appraisals, etc.

Required documents for Submittal

The below list of documents must be submitted along with the application and business plan.

1. Appraisal of the proposed purchased property or existing property that will be used as collateral for the loan.
2. A title search for the proposed purchase property or existing property.
3. Incorporation papers for the company applying for the loan.
4. A job creation projection sheet detailing the total number of jobs created from the project.
5. A copy of the mortgage.

Disbursement of Loan Funds: Loan funds will be disbursed on a proportionate basis to the total project costs and upon presentation of written invoices or other documentation of expenses.

Availability of Loan Funds: The County has limited funds for economic development loans. Owners and Developers are cautioned that if the County Economic Development Loan funds are not available, the County cannot grant loan approval to any project regardless of its scope or impact on the County.



DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT

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Loan Application

Company Information

Company Name
Address
City State Zip
Phone Fax County FEIN
Contact Person Title E-mail
Principal Product/Service Date Established

Number of Employees: Part-time Full-time SIC Code
Type of Business (check one)
Proprietorship Partnership LLC Non-profit
Corporation Years Incorporated S Corp C Corp
Minority Owned? Y N Woman Owned? Y N Veteran Owned? Y N

Company Ownership

Table with 4 columns: Name, Title, Social Security #, % Ownership

New Project Information

Address of Project City Zip County
Project Description

Proposed number of jobs created within the next two years as a result of this loan: Next three years

If the project involves real estate, who will be the owner?

What is the square footage of your existing building? New building/expansion?

What percentage of the building do you occupy? Percentage occupied in new building/expansion?

Total Project Costs

Table with 4 columns: Land purchase, Building purchase, New construction/expansion, Machinery and Equipment, Acquisition of existing business assets, Working Capital, Other, TOTAL PROJECT

TOTAL AMOUNT OF DAUPHIN COUNTY LOAN PROGRAM DOLLARS REQUESTED \$

Bank Information

Which bank do you currently have a relationship with? _____

Account Officer _____ Phone _____ Fax _____

What other banks have you contacted about this project? _____

Affiliated Businesses List any businesses owned by any owner with 20% or more ownership in operating company

Business Name	Owner	% Ownership
_____	_____	_____
_____	_____	_____
_____	_____	_____

Operating Company Profile

Describe the history of the business _____

What are your major products and/or services 1. _____
 2. _____
 3. _____

Geographic market area served _____

List your major customers (those who have 10% or more of your annual sales)

Name	City, State	% of Sales
_____	_____	_____
_____	_____	_____
_____	_____	_____

List your major competitors

Name	City, State
_____	_____
_____	_____
_____	_____

How do you market the products and/or services of your company? _____

How will this loan benefit your company? _____

List the members of your management or operating team

Name	Title	Age	Responsibilities
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Current Indebtedness

Name of Agency _____ Original amount of loan _____

Date of loan _____ Approved/declined _____ Current balance _____ Status Current Past Due

Name of Agency _____ Original amount of loan _____

Date of loan _____ Approved/declined _____ Current balance _____ Status Current Past Due

Name of Agency _____ Original amount of loan _____

Date of loan _____ Approved/declined _____ Current balance _____ Status Current Past Due

Have you or any officer of your company ever filed for bankruptcy? If yes, please provide details. Yes No

Are you or your business involved in any pending lawsuits? If yes, please provide details. Yes No

Does your business presently engage in export trade? Yes No

Do you have plans to begin exporting as a result of this loan? Yes No

Checklist Please provide the following documents and information that apply to your project

Business Information

- Business financial statements for last 3 years
- Federal tax returns for the last 3 years
- Interim financial statement dated within the last 60 days
- Projections -- Minimum 2 years; P&L and Balance Sheet
- Monthly cash flow for first 12 months (for start-ups)
- Aging of Accounts Receivable and Accounts Payable
- Affiliated company tax returns for the last 3 years
- Franchise information
- Articles of Incorporation/Partnership Agreement

Personal Information

- Personal tax returns for the last 3 years
- Personal Financial Statement/tax return
- Resumes of owners (along with key management)

Project Cost Information

- Real Estate Purchase Agreement
- Construction cost budget
- Asset Purchase Agreement
- Working Capital Projections

Other Information (as applicable)

- Bank Commitment Letter
- Partnership Resolution to Borrow

- | | |
|--|---|
| <input type="checkbox"/> Letter from company stating equity injection | <input type="checkbox"/> Board of Directors Resolution to Borrow |
| <input type="checkbox"/> Pre-project appraisal for construction projects | <input type="checkbox"/> INS verification on alien status |
| <input type="checkbox"/> Final appraisal | <input type="checkbox"/> Application for Federal Assistance |
| <input type="checkbox"/> Environmental site analysis | <input type="checkbox"/> Environmental Review (form attached) |
| <input type="checkbox"/> Photo of Project Site/Building | <input type="checkbox"/> Current Employee Household Income Surveys (forms attached) |
| <input type="checkbox"/> Copy of Lease Agreement | |

Credit Report Authorization

I declare that the information provided in this application is true and correct. I hereby authorize the release of any and all credit report and other information required in the processing of my loan application and as required in the servicing and/or during the term of my loan. I further authorize Dauphin County Industrial Development Authority, and its successors to release such information to any entity as required in the processing of my loan application.

I/We hereby certify that the enclosed information, including any attachments or exhibits provided here within or at a later date, is valid and correct to the best of my/our knowledge.

Signature of Applicant _____ Date _____

Printed Name and Title _____

Signature of Applicant _____ Date _____

Printed Name and Title _____

Signature of Applicant _____ Date _____

Printed Name and Title _____

Dauphin County Economic Development Personal Financial Statement

DATE: _____

Applicant(s) Name:	Name Of Business:	SSN#	Birth Date:
Home Address:			Home Telephone #:

Assets		Liabilities and Net Worth	
Cash on Hand & Deposits	\$	Loans Outstanding	\$
Marketable Stocks and Bonds	\$	Automobile Loans	\$
Notes Receivable (see schedule B on back of page)	\$	Credit Card Balances	\$
Cash Value of Life Insurance (see schedule C on back of page)	\$	Life Insurance Loans	\$
Deferred Compensation	\$	Real Estate- Residence Loans	\$
Pension Funds & IRA	\$	Real Estate- Residence Loans	\$
Real Estate Owned- Residence (see schd. D on back of page)	\$	Real Estate Investment Loans	\$
Real Estate Owned Investments (see schd. D on back of page)	\$	Other Debts- Lists:	\$
Vehicles Owned (List)	\$	Business Debts – Lists	\$
	\$	Total Liabilities	\$
Business Assets (if needed attach a list)	\$	Net Worth	\$
TOTAL ASSETS	\$	TOTAL LIABILITIES & NET WORTH	\$

Leases or Obligations	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Are Any Assets Pledged	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Are You More Than 60 Days in Arrears of Child Support Payment?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Are Their Any Liens Against You or Your Property?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Legal Claims?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Are You a Defendant in any Suits or Actions?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Other Special Debts?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Are there Any Judgements Unsatisfied Against You?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Provisions for Federal Income Tax Claim	<input type="checkbox"/> Yes	<input type="checkbox"/> No			

(See reverse side)

Schedule A: Marketable Stocks and Bonds?

Name/ Describe	Market Value
1.	\$
2.	\$
3.	\$
4.	\$
Totals	\$

Schedule B: Notes Receivable?

Name/Describe	Balance
1.	\$
2.	\$
3.	\$
4.	\$
Totals	\$

Schedule C: Life Insurance?

Issuer's Name	Face Value	Cash Value
1.	\$	\$
2.	\$	\$

Schedule D: Real Estate Owned?

Address / Purpose	Date Acquired	Purchase Price	Market Value	Loan Amount
	\$	\$	\$	\$
	\$	\$	\$	\$

Are you a co-maker, endorser or guarantor on any loans or contracts?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Have you declared bankruptcy in the last 7 years?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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My signature below assures and warrants the information contained herein is accurate and complete and that we have not willfully or knowingly omitted any information critical to the financial application.

Applicant Signature: _____

Date: _____

Applicant Signature: _____

Date: _____

Dauphin County Economic Development

Personal Budget Statement

Please tell us about your monthly household income and payment obligations.

Monthly Household Income		Monthly Expenses	
Gross Monthly Pay From Employ.	\$ _____	Mortgage/Rent Payment (Primary Residence)	\$ _____
+		+	
Gross Monthly Income From Other Jobs	\$ _____	Mortgage Payment (Investment Property)	\$ _____
+		+	
Spouse Gross Income if Joint Application	\$ _____	Second Mortgage/ Home Equity Loan	\$ _____
+		+	
Income from Government	\$ _____	Auto Loan Payment	\$ _____
Explain:		+	
_____		Credit Card Minimum Payment(s)	\$ _____
+		+	
Interest Income	\$ _____	Other Loan Payments to Lending Institutions	\$ _____
+		+	
Bonuses/Commission	\$ _____	Loan Payments to Friends/Relatives	\$ _____
+		+	
Rental Income	\$ _____	Alimony/ Child Support	\$ _____
+		=	
Alimony/ Child support	\$ _____		
+			
Other Income	\$ _____		
Explain:			

=			
Total Monthly Household Income	\$ _____	Total Monthly Payment Obligations	\$ _____

Signature

Date

Signature

Date