



CITY OF MACOMB ECONOMIC DEVELOPMENT REVOLVING LOAN PROGRAM

Introduction:

The city of Macomb's Economic Development Revolving Loan Program is designed to be used in conjunction with other funds to create new employment opportunities and to retain existing jobs. Funds for the revolving loan program are from proceeds of principal and interest from prior loans made available through grants from the Community Development Assistance Program (CDAP) of the Department of Commerce and Economic Opportunity (DCEO). of the Department of Commerce and Economic Opportunity (DCEO).

ELIGIBLE APPLICANTS :

Eligible applicants include any business, industry, or service related business locating or expanding in Macomb. Projects selected will attract sizeable private investment, have a solid commitment to create or retain permanent jobs, and demonstrate financial feasibility, and provide benefit to low and moderate income persons. rate financial feasibility, and provide benefit to low and moderate income persons;

USE OF LOAN PROCEEDS:

Loan proceeds may be used for the purchase of machinery and equipment, property acquisition, facility rehabilitation, and working capital.

Leverage Requirements:

Each application must show a leverage ratio of 1:1. For each dollar borrowed from the Macomb Revolving Loan Program, at least one dollar must be injected into the project from owner equity or conventional lending sources.

Loan Rate/Term:

The interest rate and term for all loans are determined by the Macomb City Council. The interest rate may vary from three to five percent, depending on the project. The maximum loan term is ten years.

Job Creation Criteria:

One full-time equivalent job (at least 1,950 hours per year) must be created or retained for every \$15,000 borrowed from the city. Job retention is defined as a job that would be lost due to re closure or relocation from McDonough County.

Benefit to Low and Moderate Income Persons:

Each applicant must document that a minimum of 51 percent of project funds will benefit low to moderate income persons. Employee income certifications will be used to document benefit. Low and moderate income is defined as eighty percent of the medium income as determined by the Department of Commerce and Economic Opportunity and the Department of Housing and Urban Development.

Project Evaluation:

Each project will be reviewed by the City of Macomb's Committee of the Whole. The committee will determine project eligibility and financial risk based on the aforementioned standards. The committee will make recommendations for loan approval or disapproval to the Macomb City Council.

Pre -Application Discussion:

Pre -application discussion and application assistance is available to potential borrowers from the City of Macomb. Applicants in need of such assistance should contact:

Community Development Coordinator
City Hall
232 East Jackson Street
P.O Box 377
Macomb, Illinois 61455
Voice: 309-833-4944
Fax: 309-837-1523
E-mail:cdc@city of macomb.com



City of Macomb , Illinois Revolving Loan Application

Business or Company Name: _____
Chief Executive Officer/Owner's Name: _____
Street Address: _____ City: _____
County: _____ State: _____ Zip Code: _____
Telephone Number: _____ Fax Number: _____
Contact Person(If different from Above): _____
Amount of Loan funds requested from the City:\$ _____
Total Cost of the Project:\$ _____
Total number of Full-Time Equivalent Jobs to be Created/Retained: _____
Loan Term Requested: _____

Important Notice
The city of Macomb is requesting disclosure of information that is necessary to accomplish the statutory purpose as outlined bu the the Illinois Department of Commerce and Community affairs as required under Illinois Rev, Stats. Chapter 127, Paragraph 46.1 est seq. Disclosure of this information is required. Failure to provide any information may result in this application not being processed.

Briefly describe your project, including a description of the product or service you will be producing or offering, an explanation on how you plan on using the loan funds from the city, and a description of your marketing plan.

Project Start-Up Date: _____

Source of Leverage/Matching Funds (Must equal 50% of Total Project Cost):

Owner Equity:
Source: _____ Amount:\$ _____

Conventional Bank Loan:
Name of Bank: _____ Amount:\$ _____
Address: _____ Telephone Number: _____
Loan Officer's Name: _____

Other Public Loan Funds:
Source: _____ Amount:\$ _____
Address: _____ Telephone Number: _____
Contact Person;s Name: _____

Job Creation And/Or Retention:

Please list and describe the jobs and/or positions to be created or retained by your project.

Job Description/ Position: _____

Number of Employees: _____ Hourly/Monthly wage:\$ _____ Hiring

Schedule: _____

New Job(s): Yes _____ No _____

Job Description/ Position: _____

Number of Employees: _____ Hourly/Monthly wage:\$ _____ Hiring

Schedule: _____

New Job(s): Yes _____ No _____

Job Description/ Position: _____

Number of Employees: _____ Hourly/Monthly wage:\$ _____ Hiring

Schedule: _____

New Job(s): Yes _____ No _____

Job Description/ Position: _____

Number of Employees: _____ Hourly/Monthly wage:\$ _____ Hiring

Schedule: _____

New Job(s): Yes _____ No _____

Description and Value of Collateral (All loans Must Be Secured):

Applicant Certification:

The applicant certifies that this project is anew business start-up, expansion or retention project, and that he/she will comply with all applicable laws and regulations prohibiting discrimination on the basis of race, sex, religion, national origin, martial status, age or disability status.

The applicant certifies that all information contained in this application, including all documentation, is true to the best of his/her knowledge and belief.

Signature of Owner or Chief Owner

SOURCE AND PROPOSED USE OF FUNDS FOR TOTAL PROJECT

	Owner Equity	Bank Loan	Other Govt Loans(s)	City of Macomb	Other	Total
Land	\$	\$	\$	\$	\$	\$
Building Const.						
Building Purchase						
Equipment						
Machinery						
Inventory						
Remodeling and/or Renovations						
Furniture and/or Fixtures						
Landscaping						
Land Improvements						
Workine Capital						
Other						
Totals	\$	\$	\$	\$	\$	\$

CITY OF MACOMB, ILLINOIS
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The following information is marked with an X is required and must be submitted along with your loan application.

_____ A. History of the Business: Submit a brief history of your business and past employment growth.

_____ B. Market information: Submit information on your products and/or services and identify existing and potential major costumers and competitors.

_____ C. Financial Statements: Submit historical financial statements for the part three years, including profit and loss statement, balance sheet, and disclosure of contingent liabilities.

_____ D. Three year Projections: Submit three year cash flow projections for your new or expanded business .

_____ E. Land and Building Information: Attach an appraisal and a copy of the purchase option or agreement for land and/or building acquisition. For building construction or renovation, provide contractor's or architect's estimates.

_____ F. 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 use machinery and equipment acquisition, provide and appraisal demonstrating that the fair market value is in line with the purchase price.

_____ G. Description of Working Capital: Provide a detailed explanation of the need and the use of the funds for working capital.

_____ H. Company Management: List those persons 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 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 the loan is approved.