

**Proposed Criteria
Revolving Loan Fund
January 25, 2012**

Current	Proposed
The project must be located in the town's planning jurisdiction. Priority will be given to downtown business district.	The project must be located within the town limits of Carrboro.
<p>The description of the project must include:</p> <ul style="list-style-type: none"> • A description of the location including size of the planned facility • The product service provided or manufactured • Start up activities and one year's production projections • Identification of other funds and firm financial commitments 	<p>Project description;</p> <ul style="list-style-type: none"> • Location , floor plans, and square footage • Type of service, retail, technology or manufacturing business proposed • First year's itemized initial start up cost • Three to five years estimated cost/revenues • Description of other sources of capital funding • Financial need to include specific need for revolving loan funds in addition to or in lieu of private financing
<p>Project need definition:</p> <ul style="list-style-type: none"> • To include specific need for revolving loan funds in addition to or in lieu of private financing • Relationship of jobs t to the revolving loan fund 	<p>Project benefit:</p> <ul style="list-style-type: none"> • Estimated annual sales • Number of jobs created and annual salaries • Improvement to Real Property
<p>Low and moderate income benefit statement:</p> <ul style="list-style-type: none"> • Total number of new jobs retained • Number and percent of low/mod income jobs • Schedule of employment 	<p>Describe how the project will serve the community, who are the targeted clients/customers, how are these needs not being met, and how will this project will satisfy those needs.</p>
<p>Financial line item budget</p> <ul style="list-style-type: none"> • How will the revolving loan funds moneys and private funds be spent 	<p>A detailed budget of startup cost and 3 to 5 years pro-forma cost/revenue analysis.</p>
<p>Agreement to comply to Title I requirements (environmental and Davis Bacon)</p>	<p>Applicants must comply with all applicable Fair Labor Wage laws. Jobs created should demonstrate living wage salaries (<i>living wage salaries are defined as a wage sufficient to meet the basic necessities and comforts essential to an acceptable standard of living</i>) and commitment to employee retention.</p>
<p>The project must use some private funds, preferably at least 50% of the project cost.</p>	<p>Project should be able to demonstrate commitment of at least 50% of start-up and 1st year operating expenses.</p>

Project must create or retain at least one job per \$10,000 of CRLF moneys. Fifty-one percent (51%) of the jobs must go to individuals of in the low moderate income category.	Project must create or retain at least one full-time position for every \$25,000 in loan request. At least 51% of the jobs created must be filled by persons who earned less than 80% of the median income for the county they lived in the previous 12 months.
Full commitment of all private funds (loan approved by financial institution, letter of credit from bank, or other source of capital)	Documentation of commitment of other sources of capital.
Applicant's ability to repay revolving loan fund and carry-out proposed project (as substantiated by financial statements submitted with loan application). This must include two years of historical statements for existing businesses and a minimum of one year of financial projections for new and existing businesses. Personal homes may be used as collateral on	The applicant must demonstrate an ability to repay loan with a personal credit report. Submitted with the application must be a personal (or business if existing business) financial statements and a deed for real property to adequately collateralize the loan
Priority is given to conforming projects in the downtown business district. The effects on existing businesses of the same type must also be considered prior to loan approval.	Projects must be consistent with Town policies and ordinances. Although competition is not viewed as a negative impact for existing businesses, data must be presented as to the need for duplication in existing services or products.
Financial need: <ul style="list-style-type: none"> • Applicant must be turned down by at least two banks • Must lack the internal cash necessary to finance improvements, new construction, equipment purchase • Must demonstrate that without this assistance the proposed activity would not be possible and the low moderate benefit requirement would not be met • Must state that minimum amount of CDBG assistance necessary to complete the project 	The Town of Carrboro wishes to attract sustainable business enterprises that are environmentally and socially responsible. Projects should to demonstrate the ability to be economically viable within a three year timeframe. Projects that serve the underserved, disadvantaged populations or that are mission driven and fulfill a social need are encouraged. Projects should demonstrate the project need and the benefits to the Town.
If after one year the applicant has not used the funds, a request for an extension of the loan would need to be reviewed by the Board of Aldermen.	Loan funds may be allocated on a defined schedule, if after one year the applicant has not used the funds. A request for an extension of the loan would need to be reviewed by the Board of Aldermen.
A loan may not be made until funds are available to cover its entire amount.	Loans are subject to availability of Revolving Loan Funds.
An individual may receive only one loan from the fund.	

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TOWN OF CARRBORO – REVOLVING LOAN FUND

Revised January 9, 2012

1. The project must be located within the town limits of Carrboro.
2. Project description; <ul style="list-style-type: none"> • Location , floor plans, and square footage • Type of service, retail, technology or manufacturing business proposed • First year's itemized initial start up cost • Three to five years estimated cost/revenues • Description of other sources of capital funding • Financial need to include specific need for revolving loan funds in addition to or in lieu of private financing
3. Project benefit: <ul style="list-style-type: none"> • Estimated annual sales • Number of jobs created and annual salaries • Improvement to Real Property
4. Describe how the project will serve the community, who are the targeted clients/customers, how are these needs not being met, and how will this project will satisfy those needs.
5. A detailed budget of startup cost and 3 to 5 years pro-forma cost/revenue analysis.
6. Applicants must comply with all applicable Fair Labor Wage laws. Jobs created should demonstrate living wage salaries (<i>living wage salaries are defined as a wage sufficient to meet the basic necessities and comforts essential to an acceptable standard of living</i>) and commitment to employee retention.
7. Project should be able to demonstrate commitment of at least 50% of start-up and 1 st year operating expenses.
8. Project must create or retain at least one full-time position for every \$25,000 in loan request. At least 51% of the jobs created must be filled by persons who earned less than 80% of the median income for the county they lived in the previous 12 months.
9. Documentation of commitment of other sources of capital.
10. The applicant must demonstrate an ability to repay loan with a personal credit report. Submitted with the application must be a personal (or business if existing business) financial statements and a deed for real property to adequately collateralize the loan.
11. Projects must be consistent with Town policies and ordinances. Although competition is not viewed as a negative impact for existing businesses, data must be presented as to the need for duplication in existing services or products.
12. The Town of Carrboro wishes to attract sustainable business enterprises that are environmentally and socially responsible. Projects should demonstrate the ability to be economically viable within a three year timeframe. Projects that serve the persons of low/moderate income, underserved and disadvantaged populations or that are mission driven and fulfill a social need are encouraged.

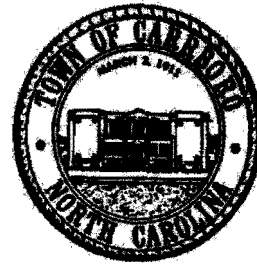
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TOWN OF CARRBORO – REVOLVING LOAN FUND

Revised January 9, 2012

Projects should demonstrate the project need and the benefits to the Town.

13. Loan funds may be allocated on a defined schedule, if after one year the applicant has not used the funds. A request for an extension of the loan would need to be reviewed by the Board of Aldermen.
14. Loans are made at the discretion of the Town Board of Aldermen and subject to loan pool availability.
15. Micro Loans may be made available in amounts from \$5000 - \$10,000 without a requirement for job creation or security of real property under the following conditions;
 - Emergency capital needs
 - Signage or façade improvements
 - Capital infusion for expansion or product growth.

Town of Carrboro, NC
Business Revolving
Loan Fund Application



INSTRUCTIONS: Please read the Business Revolving Loan Description and Criteria before completing this application. It is important that you fill out all sections of this application completely. ***Please be advised that this application and the information submitted with it are considered to be public records subject to disclosure in accordance with N.C. General Statutes Chapter 132; information which is considered "trade secret" as defined by law and marked as such (or as "confidential") may be withheld from public disclosure as provided by law.*** Questions regarding this application or the application process should be directed to the Town's Economic and Community Development Director.

NAME OF APPLICANT (S): _____

APPLICANT MAILING ADDRESS: _____

PHONE: _____ EMAIL: _____

NAME OF BUSINESS: _____

NUMBER OF YEARS
IN OPERATION: _____ CORPORATION _____ PARTNERSHIP _____ SOLE PROPRIETORSHIP _____ LLC _____

FED TAX ID# _____ PRIVILEGE LICENSE # _____

PHYSICAL LOCATION OF BUSINESS: _____

PHONE: _____ EMAIL: _____

1. FINANCIAL INFORMATION:

CAPITAL NEEDED FOR START UP AND FIRST YEAR OPERATING EXPENSES: _____

LOAN AMOUNT REQUESTED: _____

Town of Carrboro, NC
Business Revolving
Loan Fund Application



- A. List other sources of capital and financing to be involved, including equity contributions from the applicants resources. Project must demonstrate at least 50% funding for start-up and first year operating expenses. _____

- B. Describe the financial need to include specific need for the Revolving Loan Funds in addition to or in lieu of private financing. _____

2. PROJECT DESCRIPTION:

Describe the type of service, retail, technology or manufacturing business that is being proposed.

3. PROJECT BENEFIT TO THE COMMUNITY:

Town of Carrboro, NC

Business Revolving

Loan Fund Application



- A. What are the estimated annual sales/revenue projections? Detail any improvements to real property.

- B. How will the project benefit or serve the community or targeted populations? Why are these needs not currently being met and how will this project satisfy these needs? _____

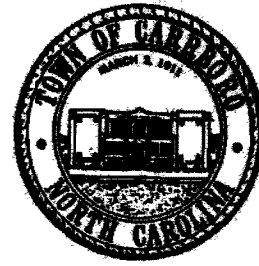
4. JOB CREATION AND RETENTION:

How many jobs will be created or retained in this project? What are the estimated number of hours and salaries for these positions? What types of benefits or policies are proposed to ensure employee retention?

5. BACKGROUND, BUSINESS PLAN AND MARKET ANALYSIS

- A. What is your previous business experience or education? _____

**Town of Carrboro, NC
Business Revolving
Loan Fund Application**



B. What are the market trends and who are you trying to

serve?

C. Have you developed a business plan and/or a market analysis? Either attach copies of the business plan and market analysis or briefly describe.

D. Describe your facility, size and location. Also attach any building elevations, floor or facility plans.

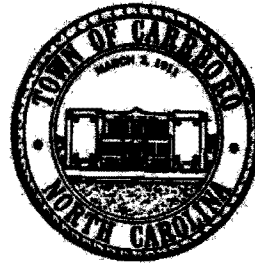
E. If you are leasing, describe the terms of your lease.

6. PLEASE ATTACH THE FOLLOWING DOCUMENTATION:

- A. Detailed budget of start-up cost, first year operating expenses, and 3 to 5 years pro-forma cost/revenue projections.
- B. Documentation of other capital revenue sources.
- C. Personal or business financial statements.
- D. Personal credit report.
- E. Documentation of real property that will be used for collateral, any outstanding liens and tax values.

I (we) the undersigned certify that the information provided in this application, documents and attachments provided are true and complete to the best of my knowledge. I further commit to the following actions;

Town of Carrboro, NC
Business Revolving
Loan Fund Application



- A) I understand that the Town is not obligated to any project and that funding is fully at the discretion of the Board of Aldermen and limited on available funds. fund based
- B) Undertake and carry out the project as described in the application and documents as submitted.
- C) Agree to create/retain jobs as described in the application. I understand and that 51% of the jobs created must be filled by persons who earned less than 80% of the median income for the county they resided in the previous 12 months.
- D) Submit annual employment reports to the Town showing the number of jobs created or retained which would otherwise have been lost.
- E) Make all relevant records available to the Town or State available upon request for reporting purposes.
- F) I understand that the Town is not committed to provide funding until loan documents have been fully executed and the release of any other conditions have been satisfied by the applicant.
- G) Project must be completed by _____.
- H) Secure and obtain additional loan funds in the amount of \$_____ as described in this application, and provide \$_____ in equity for the applicants own resources for the project.
- I) Be responsible for any cost overruns.

PARTNERSHIP AND SOLE PROPRIETORSHIPS	CORPORATIONS
SIGNED: _____	NAME OF CORPORATION: _____
TITLE: _____	SIGNED BY: _____
DATE: _____	ATTEST: _____ (seal)

Town of Carrboro, NC
Business Revolving
Loan Fund Application



	DATE: _____
LLC	
NAME OF LLC: _____	
SIGNED: _____	
TITLE: _____	
DATE: _____	