

A RESOLUTION TO APPROVE CHANGES TO THE CRITERIA  
FOR THE CARRBORO REVOLVING BUSINESS LOAN FUND  
Draft Resolution No.165 /2011-12

WHEREAS, the Economic Sustainability Commission (ESC) is tasked with administering the Carrboro Revolving Business Loan Fund; and

WHEREAS, the ESC has reviewed the existing criteria and is recommending changes to the criteria that are reflective of the current economic conditions, trends and funding practices.

NOW THEREFORE BE IT RESOLVED, that the Carrboro Board of Aldermen approves of the changes as submitted and recommended by the ESC.

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TOWN OF CARRBORO – REVOLVING LOAN FUND

Revised March 8, 2012

Revised May 29, 2012

1. The project must be located within the town limits of Carrboro.
2. Project description; <ul style="list-style-type: none"> <li>• Location , floor plans, and square footage</li> <li>• Type of service, retail, technology or manufacturing business proposed</li> <li>• First year's itemized initial start up cost</li> <li>• Three to five years estimated cost/revenues</li> <li>• Description of other sources of capital funding</li> <li>• Financial need to include specific need for revolving loan funds in addition to or in lieu of private financing</li> </ul>
3. Project benefit: <ul style="list-style-type: none"> <li>• Estimated annual sales</li> <li>• Number of jobs created and annual salaries</li> <li>• Improvement to Real Property</li> </ul>
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 <sup>st</sup> 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 <b>locally owned</b> sustainable business enterprises that are environmentally and socially responsible. <b>Projects Businesses</b> should demonstrate the ability to be

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<p>economically viable within a three year timeframe. <b>Projects Businesses that are locally owned and</b> that serve persons of low/moderate income, underserved and disadvantaged populations or that are mission driven and fulfill a social need are encouraged.</p>
<p>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.</p>
<p>14. Loans are made at the discretion of the Town Board of Aldermen and subject to loan pool availability.</p>
<p><del>15. Micro Loans may be made available in amounts from \$5000 – \$10,000 not to exceed \$10,000, at the Board of Aldermen’s discretion for the following purposes; on for without a requirement security of real property under the following conditions;</del></p> <ul style="list-style-type: none"> <li><del>• Emergency capital cash needs</del></li> <li><del>• Signage or façade improvements</del></li> <li><del>• Capital infusion for Expansion or product growth</del></li> </ul>
<p>16. Loan recipients will not discriminate against any individual on the basis of race, color, religion, sex, gender, national origin, disability, sexual orientation or gender expression/identity in any of business activities or operations whether financed in whole or in part by funds received by the Town.</p>