

ELIGIBLE ACTIVITIES*:

- The acquisition of land, buildings, and fixed assets.
- Site preparation and the construction or reconstruction of buildings or the installation of fixed equipment.
- Clearance, demolition, or the removal of structures or the rehabilitation of buildings and other such improvements.
- The payment of assessments for sewer, water, street, and other public utilities if the provision of the facilities will directly create or retain jobs.
- Working capital (inventory & direct labor costs only).

(*Funding for some activities may require a business to comply with additional federal requirements, such as Davis-Bacon Prevailing Wages.)

INELIGIBLE LOAN ACTIVITIES:

- Refinancing or consolidating of existing debt.
- Reimbursement for expenditures prior to loan approval.
- Specialized equipment that is not essential to the business operation.
- Residential building construction or reconstruction (unless such reconstruction is intended to convert the building to a business or industrial operation.
- Routine maintenance.
- Professional services such as feasibility and marketing studies, accounting, management services, and other similar services. Legal services incurred in the closing of a RLF loan are eligible.
- Other activities that the Loan Review Committee may identify during the administration of the program.



APPLICATION

Applications may be submitted at any time and will be processed in the order received. Applications should include the following items:

- **Application Form.**
- **Business Plan**, including company history, industry trends, marketing/sales plans, identification of customers, suppliers & competitors.
- **Information on Principals.** Resumes & personal financial statements for all principal owners.
- **Financial History**, including profit & loss statements, balance sheets, cash flow statements and accounting notes for the preceding 3-year period (and interim periods as necessary.)
- **Financial Projections**, including proformas (balance sheet, income statement, and cash flow analysis) for the next three years.
- **Commitments for Private Financing.** Documentation shall include loan conditions and terms (amount, interest rate, term and security)
- **Environmental Assessment** (if necessary) Mandated by the National Environmental Policy Act (NEPA) for all projects which are not exempt or categorically excluded.
- **Other Information**, such as specific information on assets to be acquired, construction estimates, etc.

REVIEW PROCESS

Preliminary Review. The Program Administrator will review the application for completeness, eligibility, accuracy and creditworthiness.

Business Plan Review. The Small Business Development Center will review the business plan for project feasibility.

Committee Review. The Green County Revolving Loan Fund Committee (GCRLFC) will review loan applications and make recommendations to the Finance Committee of the Green County Board.

Formal Approval. The Finance Committee will meet to formally consider all recommended applications. The Finance Committee Green County Board of Supervisors, as recommended by the GCRLFC, determines final terms of the loan agreement.

Green County

Revolving Loan Fund



**For more information,
or to request an application contact the
Program Administrator:**

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Monroe, WI 53566
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Through its participation in the Wisconsin Community Development Block Grant for Economic Development Program, Green County has capitalized a Revolving Loan Fund (RLF). The County's RLF is designed to help businesses that locate, expand or retain jobs in Green County.



Minimum Requirements for Green County RLF Loan

To be eligible, the proposed project must meet all of the following requirements:

Private Fund Leveraging. Must leverage at least one dollar of private funds for every dollar of RLF funds requested.

Job Creation. At least one permanent Full-time Equivalent (FTE) position must be created or retained for every \$20,000 of RLF funds requested. Further, at least one (1) of the jobs created must be a full-time, permanent position with an hourly wage equal to or greater than the mean hourly wage for that occupation. (Contact the RLF Administrator for more information.)

Employment. At least 51% of the jobs created or retained must be made available to persons of low to moderate income (LMI) as defined by the Federal government.

Equity. In general, at least 10% of the project should be funded by owner equity. (Under certain circumstances, this may be reduced or waived.)

Location. Activities financed under the RLF must be located within Green County or within a municipality partially located within Green County.

Feasibility. Applicant must demonstrate the project is viable & the ability to repay the loan.

Project Completion. Projects shall be completed within 24 months from the date of loan approval.

GENERAL LOAN CONDITIONS

Whenever possible, loans funded by the RLF shall be made by a private lender pursuant to a participation agreement between the County and the lender.

Loan Amount. Loan amounts are always subject to availability of funds. There is no set minimum or maximum but generally loan requests should be for amounts greater than \$20,000.

Interest Rate. The rate may be fixed or graduated on a fixed schedule. In no case shall the rate be greater than two percent above the Wall Street Journal prime rate at time of closing.

Loan Term. In no case will the term of the loan be longer than the term of private financing.

- Working capital loans - maximum term of seven (7) years.
- Loans for machinery, equipment and fixtures - maximum term of 10 years
- Real estate loans - maximum term of 12 years with an amortization of 20-years, with the option of refinancing for an additional eight years.

Repayment. Amortization schedules shall be set up for monthly payments. Interest and/or principal payment may be deferred for up to one year if justified in the loan proposal.

Collateral. The County will seek adequate security for all loans. Collateral must be sufficient to cover the loan amount. The RLF may take a subordinate position to participating primary lenders, and will generally share collateral with other lenders such as local RLF's when they participate. When business assets are insufficient to secure the RLF, personal assets may be pledged.

Personal Guaranties. In most cases owners will be required to personally guarantee the RLF.

ELIGIBLE BORROWERS

The fund may make loans for the following types of projects: **(1) start-up businesses** or firms with short operating histories (three years or less) which can demonstrate growth potential in the short term, and provide significant economic benefits to the region or specific locality in the long term; **(2) expanding employers** which demonstrate substantial economic benefits for the region or locality; and **(3) attraction of new employers** when used as an incentive and where there are excellent economic benefits.

In addition, the following apply:

- Above average starting wages for the type of business or industry is generally required. A good benefit package is generally needed.
- Start-ups must provide potential for good wages and employee benefits, and must have some potential for growth.
- For expanding local firms, strong economic benefits to the region must be shown. Certain eligibility standards apply.
- All firms must provide linkages with employment and training providers.
- Potential adverse impacts on the sales of existing businesses in the area may be evaluated.

INELIGIBLE BORROWERS

- Speculative investment companies.
- Real estate investment companies.
- Lending institutions.
- Gambling operations.
- Non-public recreation facilities.
- Service and retail businesses, unless the business clearly fills a need within the community that is not currently being met.
- Other businesses not serving the interests of the County.

