

## ELIGIBLE ACTIVITIES\*:

- The acquisition of land, buildings, and fixed equipment.
- 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 City Administrator will review the application for completeness, eligibility, accuracy and creditworthiness.

**Committee Review.** The Monroe Revolving Loan Fund Committee will review loan applications and make recommendations to the Common Council of the City of Monroe.

**Formal Approval.** The Common Council will meet to formally consider all recommended applications. The City of Monroe Common Council will determine the final terms of the loan agreement.

5/2007

# City of Monroe Revolving Loan Fund



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

City Administrator  
City of Monroe  
1110 18<sup>th</sup> Avenue  
Monroe, WI 53566  
Phone: 608-329-2527  
Email: [mvahsling@cityofmonroe.org](mailto:mvahsling@cityofmonroe.org)

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



### Minimum Requirements for the City of Monroe RLF Loan

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

**Private Fund Leveraging.** A minimum of at least one dollar of private funds for every dollar of RLF funds requested. Higher leverage may be required for some projects.

**Job Creation.** At least one permanent Full-time Equivalent (FTE) position must be created or retained for every \$20,000 of RLF funds requested.

**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.

**Location.** Activities financed under the RLF must be located within the City of Monroe.

**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

Loans funded by the RLF are made by a private lender pursuant to a participation agreement between the City and the lender.

**Loan Amount.** Loan amounts are always subject to availability of funds. There is no set minimum or maximum.

**Interest Rate.** The rate will be established on an individual project basis.

**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 out for up to one year if justified in the loan proposal, but will accrue interest.

**Collateral.** The City 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.

## ELIGIBLE BORROWERS

1. Applications may be submitted by sole proprietor, partner or CEO of any business wishing to establish a new operation, expand an existing operation or retain jobs threatened to be lost in the City. An applicant shall be eligible for a loan based solely on the retention of existing jobs and the applicant shall not be required to prove that jobs will be lost in the applicant's business if the business for which the application is made is located within a geographically defined area of the City for which the Monroe Common Council has by resolution made the following findings ("Jobs Preservation District"):
  - a. There exists a substantial probability that, due to economic forces bearing upon such geographic area, jobs currently existing in such area will be lost, and
  - b. Loans made to businesses within such geographic area using funds from the Revolving Loan Fund can be reasonably expected to preserve jobs that would otherwise be lost within such area.
2. No member of the Monroe Common Council, the Committee, or any other official, employee, or agent of the City who exercises decision-making functions or responsibilities in connection with the implementation of the Monroe RLF program is eligible for financial assistance under this program.
3. No Monroe RLF program loans will be made which are in conflict with Section 946.13 of the Wisconsin Statutes (Private Interest in Public Contract Prohibited).
4. Applicants shall not be disqualified based on age, race, religion, color, handicap, sex physical condition, developmental disability, as defined in Section 51.05 (5) of the Wisconsin Statutes, sexual orientation or national origin.

## INELIGIBLE BORROWERS

- Speculative investment companies.
- Real estate investment companies.
- Lending institutions.
- Gambling operations.
- Non-public recreation facilities.
- Businesses not serving the interests of the City.