Platteville Redevelopment Authority
Revolving Loan Fund Manual

“Underutilized Space” Loan Program
Façade Improvement Program

Created and Approved: November 14, 2011
TABLE OF CONTENTS:
Table of Contents 2

Introduction 3

Program Objectives:
   Underutilized Space Program 3
   Eligible Uses 3
   Façade & Exterior Improvement Program 3
   Eligible Uses 4

Process for Loan Approval 4
   Revolving Fund Loan Authority 4

Terms and Conditions 4
   Confidentiality 4
   Fees 4
   Terms 5
   Collateral 5
   Matches and Loan Packaging 6
   Eligibility 6

Loan Servicing 6
   Loan Closings 7
   Loan Payments 7
   Late Payments/ Loan Default 7
   Fund Maintenance 7
   Site Visits/Inspections 7
   Rejected or Incomplete Applications 8

Documentation 8

Forms
   Filled out for City of Platteville
   RLF Application 9
**Introduction**

Enclosed in this packet are the guidelines for qualifying for the revolving loan fund, the application process, and all the necessary forms that need to be submitted to the Redevelopment Authority of Platteville. Please take your time in reading through the materials and be sure to ask for assistance if you have any questions.

**Program Objectives: Underutilized Space Improvements**

The Objective of this revolving loan fund is to make capital available for remodeling of properties that may otherwise be considered underutilized by the Redevelopment Authority. For example:

- Properties with vacant or unused space in the City’s downtown.
- Properties that could/should be remodeled to increase the functionality of the space for additional income generation.
- To enhance the redevelopment of a blighted building and property, or fill vacant structures for commercial use.
- To create jobs for the unemployed and under-employed or to save existing jobs.
- To increase available City tax base.

The RDA may negotiate and require terms designed to ensure each project meets the program objective(s), for example, increasing interest rates where objective(s) are not satisfied and confirmation on the creation of jobs where applicable. Loans will be made on the strength of the application and not on a “first come, first serve” basis.

**Eligible Uses**. The eligible uses of funds include:

1. Real property acquisition.
2. Construction or renovation costs.
3. Equipment purchase and operating expenses.
4. Loan application, review, and closing costs may be wrapped into the loan.
5. Other expenses approved by the Redevelopment Authority.

**Program Objectives: Façade & Exterior Improvements**

The Objective of this RLF is to make capital available for remodeling the facades or make exterior improvements to commercial properties within the Redevelopment District as established by the Redevelopment Authority.

The RDA may negotiate and require terms designed to ensure each project meets the program objective(s), for example increasing interest rates where objective(s) are not...
satisfied and confirmation on the creation of jobs where applicable. Loans will be made on the strength of the application and not on a “first come, first serve” basis.

Eligible Uses. The eligible uses of funds include:
1. Designing Improvements to the building façade or exterior of a property.
2. Construction or renovation costs associated with improving the façade of a building or exterior improvements to the property.
3. Loan application, review, and closing costs may be wrapped into the loan.
4. Other expenses approved by the Redevelopment Authority.

Process for Loan Approval

Redevelopment Authority
RLF is managed by the Redevelopment Authority. This is a seven person board created by the City of Platteville with authority to review applications and to make loans.

Applications shall be made on the attached form and filed with the Redevelopment Authority Executive Director. All applications must be preliminarily approved by the Redevelopment Authority before a financial evaluation is completed.

Terms and Conditions

Confidentiality
Information divulged to the Redevelopment Authority in open session should not be considered confidential. Such information may be open to the public under Wisconsin Law. Please do not provide information you wish to have remain confidential.

A third party may be hired to review the financial information and credit of each applicant.

Fees
The Redevelopment Authority shall charge an application fee of $250 to all loan applications over $5,001 and a fee of $50 for those under. Applications will not be reviewed until after the application fee has been paid.

Applicants will be expected to cover the costs of a financial review if a third party financial review is required by the Redevelopment Authority. The Third Party will analyze financial data and assist the Redevelopment Authority. The Authority may require the applicant to deposit the estimated costs with the City. The Authority may also require the applicant to pay or reimburse the City for any costs relating to negotiating or documenting the applicant’s loan.
Terms
1. All loan rates will be set near the City’s borrowing rate, plus or minus, depending on the benefits of the applicant’s proposal to the Redevelopment Authority.
2. All loans shall be paid in full within a period set by the Authority, but not more than ten (10) years. The Authority may approve amortization schedules up to twenty-five (25) years with a balloon payment not later than year ten.

Collateral
1. The repayment of RLF loans used to purchase real estate shall be secured by a mortgage interest in such real property. The combined total of the RLF loan and any other liens having priority over the RLF loan shall not exceed ninety percent (90%) of the fair market value of the mortgaged property.

2. The RDA may require that repayment of a RLF loan used for purposes other than purchasing real property be secured by a mortgage interest in real property or a security interest in other property. In such cases, the loan to value ratio, the priority of the Authority’s security interest in the collateral, and other terms, shall be as determined by the Authority on a case-by-case basis.

3. The Authority requires that repayment of any RLF loan be secured by personal or corporate guarantees.

4. The applicant must provide such other documentation or evidence as the Redevelopment Authority may request to establish the fair market value of collateral. The applicant may also provide any evidence of value it wishes the Authority to consider.

5. The applicant must provide such title evidence and / or title insurance relating to collateral that the Authority may require on a case-by-case basis.

6. The Authority shall require that collateral be insured, and that the proceeds of insurance be used to repair or replace any damage to collateral, or paid to the Authority.

7. Projects must be started within 60 days of approval and completed within 180 days. Extensions to the 180-day completion period may be granted for inclement weather, complex projects, or the ordering of special building materials. The applicant must request an extension in writing.

The Redevelopment Authority may consider releasing collateral during the term of the loan so long as the Authority’s investment of public funds is protected. In order to protect the investment of public funds, the Redevelopment Authority may also seek additional collateral at renewal of the loan.
Matches and Loan Packaging
Except as otherwise provided below, all Redevelopment Authority loans must be matched with funding from other sources. At least one dollar ($1) of private funds must be provided for every one dollar ($1) of RLF money. For loans of less than $5,000, the match shall be set by the Redevelopment Authority. Eligible matches may include funding from:

1. Banks
2. Savings Institutions
3. Credit Unions
4. Small Business Administration
5. WHEDA
6. Other Economic or Community Development Authorities or Lending Institutions.
7. Women’s Business Initiative
8. Equity from Borrower

A Redevelopment Authority representative and the City Manager will review lien waivers or other means of verification, and compare them to cost estimates before disbursing funds.

Eligibility
1. Loans must be used to expand or create enterprises located, or to be located, within the City’s downtown, or to remodel existing buildings in the downtown area, as established by the RDA Redevelopment Authority.
2. A project is not eligible if a member of the City Council or Redevelopment Authority, the Third Party, or any other official, employee, or agent of the City who exercises decision-making functions or responsibilities in connection with the implementation of the Revolving Loan Fund program, has a financial interest in the project, or if the project would otherwise create or appear to create a conflict of interest.
3. No loans shall be made that are in conflict with Wis. Stat. § 946.13 (Private Interest in Public Contract Prohibited).
4. Applicants shall not be disqualified based on age (provided the applicant has the ability to contract), race, religion, color, national origin, sex, handicap, physical condition, development disability (as defined in Wis. Stat. § 51.01(5)), sexual orientation, marital status, or derivation of all or part of the applicant’s income from any public assistance program.

Loan Servicing
The Redevelopment Authority Executive Director shall prepare a loan analysis memorandum for the Authority to review and approve. This memo shall serve as a basis for the City Attorney to draft loan documents.
Loan Closings
Applicant shall sign a commitment letter furnished by the Redevelopment Authority within fifteen (15) days of the Redevelopment Authority’s approval. The applicant shall inform the City whether it accepts the terms of the commitment within fifteen days, and shall reimburse the City for any costs incurred by the City after such acceptance if the loan does not close within sixty (60) days from the date of the signed commitment letter, or such additional time as the parties may agree. All necessary documents must be signed at the closing.

Loan Payments
Loan Payments must be electronically deposited in an account to be established at the time of loan closing. The City Finance Director or his/her staff, will record each payment made and ensure that deposits are made in a timely manner into the “RLF” Account. Loan Payments must be received as per the scheduled due dates.

Late Payment / Loan Default
Payments received five (5) or more days after the due date will be subject to a penalty of one hundred dollars ($100). Loans left unpaid for forty five (45) days may be turned over to a collection agency for the collection of the remaining loan balance and will be reported to credit agencies, with approval of the Redevelopment Authority. The City Finance Director is responsible to ensure that collection of loan defaults are pursued to the fullest extent of the law. Legal fees and costs associated with collections shall be at the borrower’s expense.

Fund Maintenance
The Platteville Redevelopment Authority understands that upon rare occasions there will be loans that fall into default or are unable to be paid back. The RDA will perform all steps necessary to recover loans in default and will collect all collateral possible to ensure the maximum amount of loan repayment.

All principal and interest payments shall be returned to the fund for the benefit of fund growth. When that occurs, the Redevelopment Authority may use the interest earned and application fees to cover administrative costs associated with maintaining the fund.

Site Visits / Inspections
The City may perform site visits to ensure that collateralized equipment is still present and to inspect the property. The applicant shall agree in writing to such inspections as part of the loan documentation.
Rejected or Incomplete Applications
As part of the application review, the Redevelopment Authority Executive Director shall conduct research regarding the applicant’s credit worthiness and advise the RLF of any concerns generated about the applicant. The City shall retain all rejected and incomplete applications for a period of one (1) year after the date on the application.

Documentation
The City of Platteville shall maintain a file on each loan awarded that includes the necessary forms and payment history, as well as documentation of loan compliance. Applicant will be expected to sign documents to secure the loan, i.e. loan agreements, promissory notes, mortgage or other security instruments, any USDA reporting documents, or other documents as required by the Redevelopment Authority.
Platteville RDA - Revolving Loan Fund Application

I. Applicant Information - Please provide the information requested. "You" refers to the proprietor, general partner, or corporate officer signing this form.

Name:
Address:
City, State, Zip Code:
Telephone(s):
Email:

II. Information about Your Business - Please provide the information requested. "You" refers to the proprietor, general partner, or corporate officer signing this form.

Name of Business:
Address of Business:
City, State, Zip Code:
Type of Business:
Telephone:
Number of Employees:
IRS Employer ID Number:
Bank Where Your Business Has An Account:

III. Information about Management (please list owners with 20% or more)

<table>
<thead>
<tr>
<th>Name</th>
<th>% Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name</th>
<th>% Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name</th>
<th>% Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name</th>
<th>% Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name</th>
<th>% Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name</th>
<th>% Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

IV. Type of Loan Program

- ☐ Underutilized Space
- ☐ Façade/ Exterior Improvement

V. How do you Plan to Use the Financing - If your intended use of the financing fits one of these categories, please fill out this section. If you use "other" submit a list on a separate sheet of paper.

<table>
<thead>
<tr>
<th>Building: $</th>
<th>Amount for New Building: $</th>
</tr>
</thead>
<tbody>
<tr>
<td>New</td>
<td>Purchase</td>
</tr>
<tr>
<td>Equipment: $</td>
<td>New: $</td>
</tr>
<tr>
<td>Equipment Repair: $</td>
<td>Working Capital: $</td>
</tr>
<tr>
<td>Notes Payable: $</td>
<td>Accounts Payable: $</td>
</tr>
<tr>
<td>Other: $</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL AMOUNT REQUESTED: $
REQUESTED INTEREST RATE: %
TERM (YEARS) REQUESTED:
VI. Summary of Collateral - If your collateral consists of (A) land and buildings, (B) Inventory, and/or (C) Accounts Receivable, fill in the appropriate blanks. If you are using (D) Machinery and Equipment, (E) Furniture and Fixtures, and/or (F) Other (Please also provide an itemized list).

<table>
<thead>
<tr>
<th>Collateral Type</th>
<th>Current Value</th>
<th>Depreciation for Loan Term</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Land and Buildings</td>
<td>$</td>
<td>- $</td>
<td>= $</td>
</tr>
<tr>
<td>B. Inventory</td>
<td>$</td>
<td>- $</td>
<td>= $</td>
</tr>
<tr>
<td>C. Accounts Receivable</td>
<td>$</td>
<td>- $</td>
<td>= $</td>
</tr>
<tr>
<td>D. Machinery/Equipment</td>
<td>$</td>
<td>- $</td>
<td>= $</td>
</tr>
<tr>
<td>E. Furniture and Fixtures</td>
<td>$</td>
<td>- $</td>
<td>= $</td>
</tr>
<tr>
<td>F. Other</td>
<td>$</td>
<td>- $</td>
<td>= $</td>
</tr>
</tbody>
</table>

**TOTAL COLLATERAL** $ 

VII. Additional Considerations - Please add anything additional you believe should be considered when review this application. (Attach additional pages if needed)

VIII. Exhibits – Please provide Exhibits A and B with the initial application.

- **Exhibit A** - A personal resume for each person, e.g. owners, partner, major shareholder.
- **Exhibit B** - A brief history of your company and a paragraph describing the expected benefits the borrower and the lender will receive from this financing.

The Redevelopment Authority may request the additional exhibits below.

- **Exhibit C** - Articles of Incorporation (S & C Corp.), Operating Agreement (LLC), and corresponding borrowing resolution.
- **Exhibit D** - A Cash Flow Projection and Earnings Projection for the next two years for the business.
- **Exhibit E** - A personal balance sheet, two years of personal taxes, child support or maintenance, current credit report for each stakeholder with 20% or more ownership interest.
- **Exhibit F** - A current business balance sheet, two years of previous years federal tax returns, and a list which states the origination date, amount, mortgagee, present balance owed, interest rate, periodic payment, maturity, and security for each loan or debt that your business currently has. Please also indicate if any loans are delinquent.
- **Exhibit G** – A Purchase Contract.
- **Exhibit H** – Business Plan. A tool to help create one can be found at http://web.sba.gov/busplante...BizPlanStart.cfm

I hereby acknowledge that the information provided on this application and corresponding Exhibits is true to the best of my knowledge.

________________________________________  ________________________
Registered Agent/Applicant                  Date