

City of Tuscaloosa

SMALL BUSINESS REVITALIZATION LOAN PROGRAM

Community Development Block Grant – Disaster Recovery

APPLICATION

Administration Division
Infrastructure and Public Services

2201 University Boulevard, Tuscaloosa, Alabama, 35401 • (205) 248-5700 • www.tuscaloosa.com



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Purpose

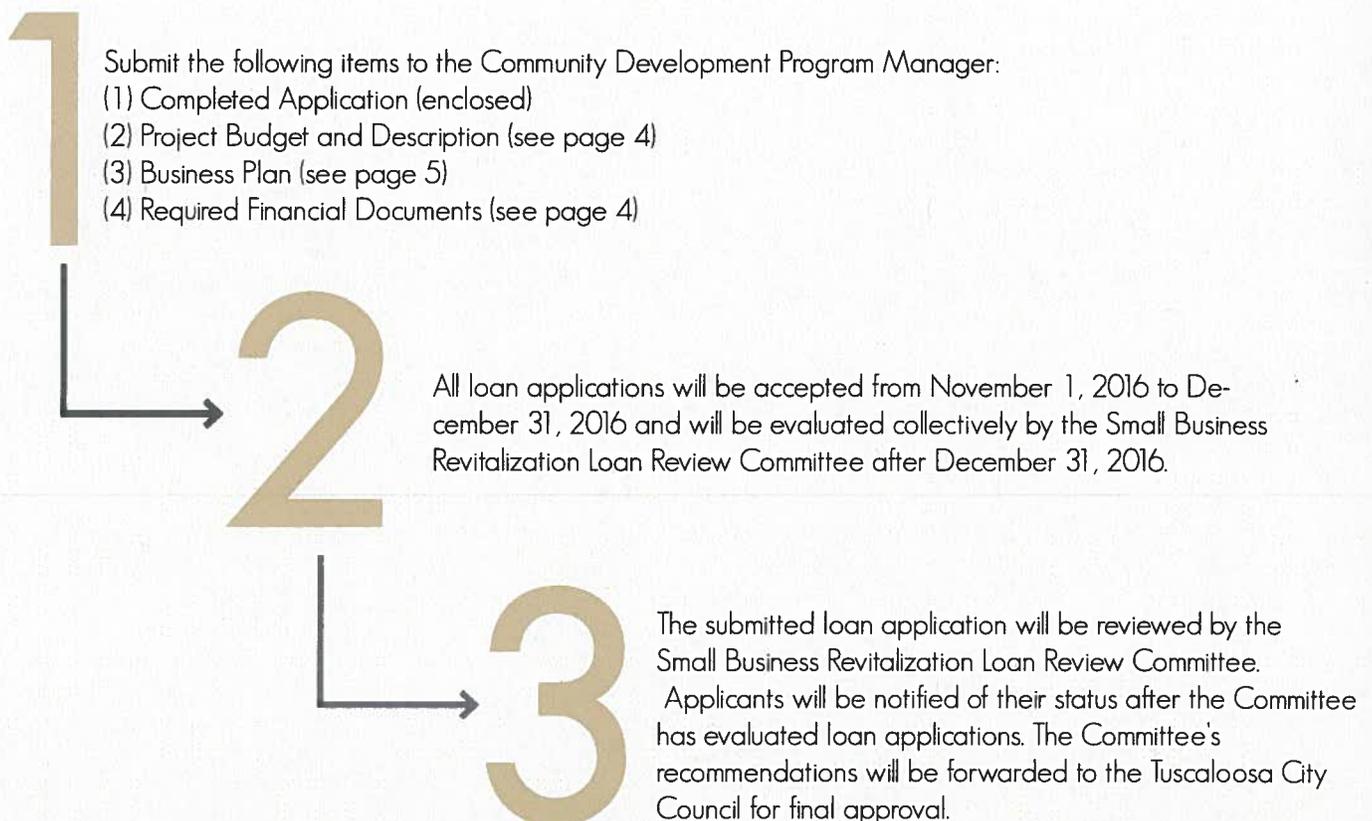
The City of Tuscaloosa's Small Business Revitalization Loan Program's purpose is to provide economic development assistance for businesses that create and/or retain low to moderate income jobs, to encourage business development and expansion, and to stimulate private investment in the recovery area.

Eligibility

Businesses must be located, relocating, or developing in the recovery area as defined by the Small Business Revitalization Loan Program Eligibility Map (see map on page 18). Please contact the Community Development Program Manager if you have questions about location eligibility. Any funds loaned must be used for the business located within the recovery area and cannot be used for any other locations.

Please note: Nonprofit agencies, 501(c)(3) organizations, single-family and multifamily developments, and religious/civic institutions are not eligible.

The Loan Process





Loan Amount, Terms, and Conditions

Borrowers may request a maximum amount of \$50,000.*

All loans will be subject to a monitoring process to determine compliance with the U.S. Housing and Urban Development and related regulations. If the project remains in compliance over the term of the loan agreement which shall be at a minimum, one year, the loan will be deemed forgivable. If the project is determined to be in non-compliance, the loan will be due immediately in full.

The project must commence within 60 days of receiving the loan proceeds. Those receiving loans must be able to show that at least 51% or more of the job positions at the business are either known to be currently held by low to moderate income persons at the time the loan is received or are not currently held by low to moderate income persons but could be reasonably expected to transition to low to moderate income persons within two years.

The Small Business Revitalization Loan Review Committee reserves the right to hold the applicant in default if the loan proceeds are not spent in accordance with the approved project description.

Collateral and Guarantees

Applicants will be required to provide 100% of collateral equal to the loan value. Collateral may be provided through business assets or personal assets. Collateral offered to secure the loan will be detailed on pages 10-11 of the loan application.

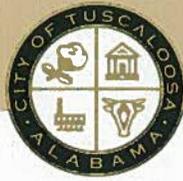
For all applicants using personal assets as collateral value, the City will require a personal guarantee by the borrower(s), as well as submission of personal financial statements to prove personal financial stability. In addition, the Borrower(s) shall agree to subordinate all officer debt and defer monthly payments to all officers to the City's loan.

Use of Loan Funds

Loan funds may be used for the following:

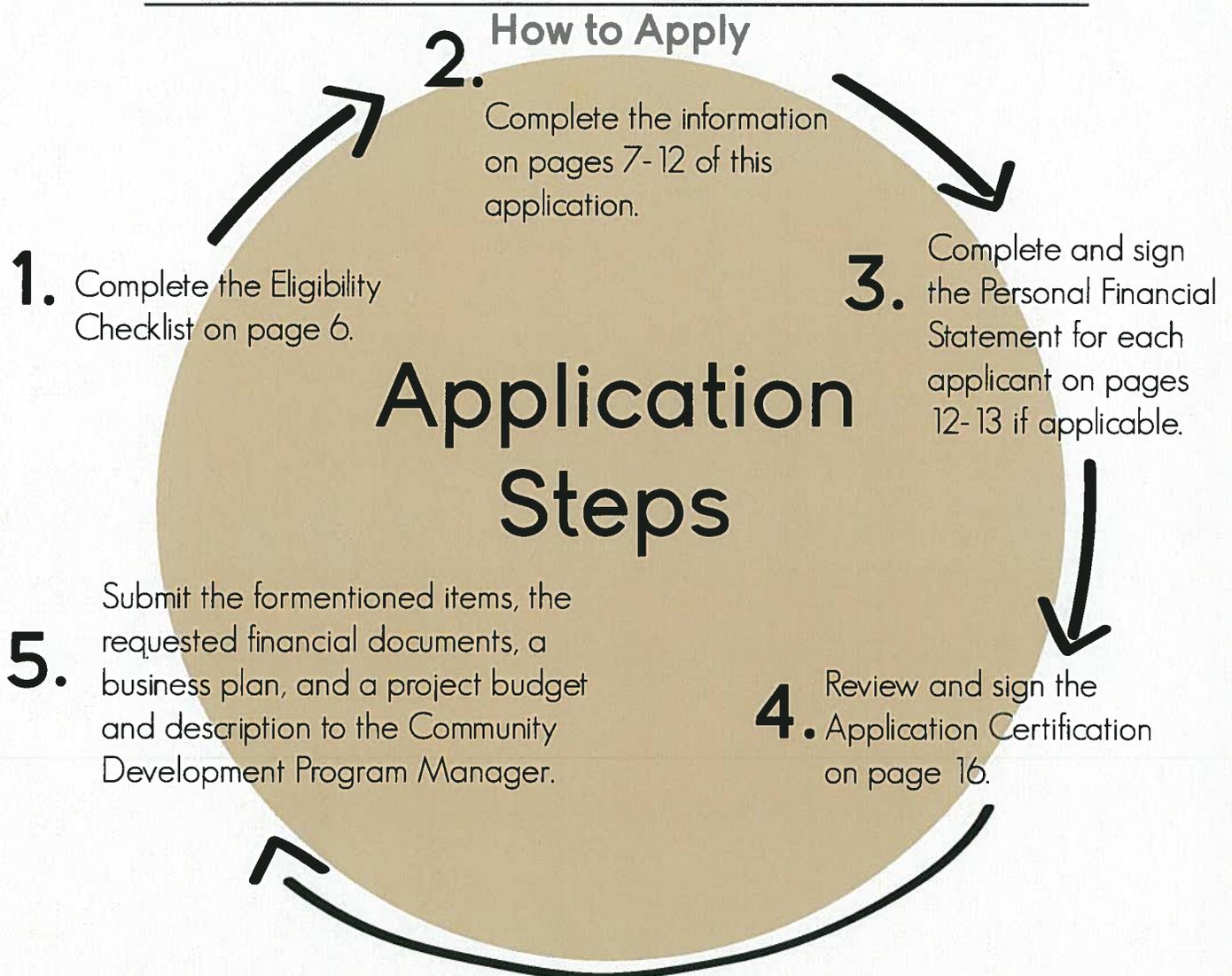
- Land, building purchase and/or improvement
- Machinery and equipment purchase and/or installation
- Leasehold improvements
- Working capital
- Inventory purchase
- Refinancing of existing debt

*Please refer to loan zone map for eligibility requirements (page 17)



Loan Application Evaluation

The Small Business Revitalization Loan Review Committee will evaluate all loan applications based on the following criteria: (1) neighborhood impact, (2) job creation and retention, (3) ability to start the project within 60 days and (4) the ability to repay the loan should non-compliance occur. Special consideration will be given to minority or women owned businesses, businesses that are new to the Tuscaloosa market, and businesses that provide a missing service or retail opportunity to a specific sector of the City. Please note that applications received in the November 1, 2016 to December 31, 2016 time period will be reviewed collectively by the Small Business Revitalization Review Committee following December 31, 2016. Due to the limited amount of funding allocated to the loan program, applications will be reviewed collectively, ranked and awarded based on ranking approval.



Please make a copy of all items submitted for your records. Note that if approved, the award process may take several weeks.



Project Budget and Description

Please supply a narrative that includes the following information:

- The dollar amount of the loan you are requesting
- A general description of how the loan funds will be used by your business
- Details of how the funds will be used and how they will enhance the activities of your business
- A proposed project completion schedule

If applicable, please include the following in your narrative:

- Cost estimates of any purchases planned with loan funds along with backup of estimates
- Any other financing secured through private financing or other public funding that will be used for your project
- A listing and copies of architectural renderings, building permits issued, lease agreements or mortgage information for business location

Financial Documents

The following financial documentation is required for loan consideration. Please submit copies and keep the original documents.

Business Financial Information

Business tax returns - For an established business of three or more years, corporate federal and state income tax returns for the previous three years. For businesses established for one to two years, corporate federal and state income tax returns for the years of operation along with personal federal and state income tax returns for the remainder of the full three year picture.

Personal Financial Information

Personal tax returns - Federal and state income tax returns including all schedules for the members of the business that own more than 20% of the business equity are required for the years for which no business tax return is available to complete the three year picture as listed above.

Personal financial statement - If less than 100% of collateral from the business is offered to secure the loan requested or if the business has been in operation for less than three years, then please complete the Personal Financial Statement section of the application on pages 12-13.



Business Plan

"A business plan is an essential roadmap for business success. This living, breathing document generally projects 3-5 years ahead and outlines the route a company intends to take to reach, maintain and grow revenues. A well thought out plan also helps you to step-back and think objectively about the key elements of your business venture and informs your decision-making." - SBA.gov

Your business plan is a requirement for The City of Tuscaloosa's Small Business Revitalization Loan Program. It can also be used to procure additional funding from sources such as banks and investors.

All applications must include a typed business plan that contains the following items:

Business Description. Your business description should include a company history, the current industry trends, customers and market potential, short and long-term goals, and future plans.

Neighborhood Impact. Will your business create or retain jobs? How many of those jobs will be low to moderate income level (80 percent of area median income)? How will your business improve the community? Give a description of how your business will contribute to the City in addition to answering the questions above. Check out <http://www.tuscaloosa.com/Assets/Recovery-Operations/Small-Business-Loan/FY%202016%20Income%20Limits%20Summar1.pdf> to see H.U.D. income limits for Tuscaloosa County.

Product/Service Description. Give a detailed description of your product or service, and please explain product lines, equipment, suppliers, materials, pricing, etc.

Management and Business Operations. Provide a description of your management structure and describe your existing or proposed location, workforce, hours of operation, and accounting methods.

Current Financial Situation and Financing Proposal. Provide a detailed snapshot of your current financial situation.

Additional Information. Please include a table of contents and a list of references for any external documents that are included. Feel free to include items such as menus, promotional items, or brochures that help explain your business.

Resources

- Small Business Administration (SBA)
www.sba.gov
- SCORE
www.score.org
- The Chamber of Commerce of West Alabama
<http://tuscaloosachamber.com/>
- The Edge - Center for Entrepreneurship and Innovation
800 2nd Avenue, Tuscaloosa, AL 35401



Eligibility Certification

1. Is your business currently located, locating, or developing in the recovery area as defined by the Eligibility Map? Yes No
2. Is the requested loan amount \$50,000 or less? Yes No
3. Does your proposed use of loan funds meet the standards outlined on pages 1 and 2 of this application? Yes No
4. Does your proposal create or retain low to moderate income jobs? Yes No
5. Will you be able to track and report all low to moderate income jobs created or retained if your loan is approved? Yes No
6. Do you have collateral sufficient to meet the requirements outlined on page 2 on this application? Yes No
7. Will you be able to compile and submit a business plan meeting the requirements on page 5 of this application? Yes No
8. Are you willing to sign a personal guarantee if applicable? Yes No
9. Are you willing to submit lease information, mortgage documents, or any other information needed by the Small Business Revitalization Loan Review Committee to evaluate your application? Yes No
10. If selected, will your project be able to start within sixty days as defined by the Small Business Revitalization Loan Review Committee? Yes No

Signature

Date



Company Information

Company Name: _____

Contact Person(s): _____ Phone: _____

_____ Phone: _____

Business Address: _____

Mailing Address: _____

Email: _____ Website: _____

Type of Business: _____

New Business: _____ (not yet opened)

Start-up: _____ (less than three years)

Existing: _____ (three years or more)

If a New Business, what is the estimated opening date? _____

Type of Business Entity:

Corporation Date of Incorporation _____

S Corporation

Limited Liability Company

C Corporation

Partnership

Sole Proprietor

Employer Identification Number: _____

Current Number of Employees: _____ Average salary or wage: _____

Number of employees to add immediately: _____

Number of employees to add within 1 year: _____

Projected number of employees in 1 year: _____



Company Information Continued

Complete this section for any person who owns 20% or more of the business.
Use additional sheets if necessary.

Name: _____

Home Address: _____

Home Phone: _____ Work Phone: _____

Mobile Phone: _____ Email: _____

Position in Business: _____ Percentage of Ownership: _____

Name: _____

Home Address: _____

Home Phone: _____ Work Phone: _____

Mobile Phone: _____ Email: _____

Position in Business: _____ Percentage of Ownership: _____

Name: _____

Home Address: _____

Home Phone: _____ Work Phone: _____

Mobile Phone: _____ Email: _____

Position in Business: _____ Percentage of Ownership: _____



Company Information Continued

Please complete the following questionnaire.

- 1. Are you current on all business and personal taxes? Yes No
- 2. Have you or any officers of your company ever filed bankruptcy?
If yes, explain below. Yes No
- 3. Have any personal or business bank accounts had checks returned NSF
in the last three months? Yes No
- 4. Do you owe any outstanding child support? If yes, explain below. Yes No
- 5. Will your credit report show that you have been current with creditors
for the past year? If no, explain below. Yes No
- 6. Do you have any derogatory statements on your credit report?
If yes, explain below. Yes No
- 7. Are you, any guarantor, or your business involved in any pending or current lawsuits? Yes No
- 8. Do you or any officers of your company have any outstanding police,
public, or legal issues? Yes No
- 9. In your opinion, does your business qualify as minority or woman owned? Yes No

Explanations

Please enter your explanations so that they correspond with the items above. Attach additional sheets if necessary.

Item #	Explanation
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____



Loan Collateral

Applicants will be required to provide 100% of collateral equal to the loan value. Collateral may be provided through letters of credit, unencumbered property and equipment (only to be purchased with loan proceeds). If you have a question about whether the proposed collateral is sufficient for the purposes of this program. Please contact the Community Development Program Manager at 205-248-5700.

Real Property

Street Address, City, State: _____

Street Address, City, State: _____

Street Address, City, State: _____

Equipment

Name, model #, serial #, price, and invoices.



Business Obligations

The following is to review all other business obligations that your company has. Do not include any personal obligations in this section. Those should be listed on the Personal Financial Statement if applicable. Use additional sheets if necessary.

Creditor: _____ Original Date: _____

Original Amount: _____ Present Balance: _____

Interest Rate: _____ Monthly Payment: _____ Maturity Date: _____

Collateral, if any: _____ Status (C or D): _____

Creditor: _____ Original Date: _____

Original Amount: _____ Present Balance: _____

Interest Rate: _____ Monthly Payment: _____ Maturity Date: _____

Collateral, if any: _____ Status (C or D): _____

Creditor: _____ Original Date: _____

Original Amount: _____ Present Balance: _____

Interest Rate: _____ Monthly Payment: _____ Maturity Date: _____

Collateral, if any: _____ Status (C or D): _____

Creditor: _____ Original Date: _____

Original Amount: _____ Present Balance: _____

Interest Rate: _____ Monthly Payment: _____ Maturity Date: _____

Collateral, if any: _____ Status (C or D): _____



City of Tuscaloosa Small Business Revitalization Loan Program
PERSONAL FINANCIAL STATEMENT
As of _____

Complete this form only if: (1) project budget and description proposes securing the requested loan with collateral that is less than 100% of the value of the loan OR (2) your business has been in operation less than three years.
Complete this form for each owner, general partner, limited partner and/or shareholder owning 20% or more of the equity in the business.

Name	Business Phone
Residence Address	Residence Phone
City, State, and Zip Code	
Name of Business	

ASSETS	(omit cents)	LIABILITIES	(omit cents)
Cash on Hand & in Banks	\$ _____	Accounts Payable	\$ _____
Savings Accounts	\$ _____	Notes Payable & Installment Accounts (Describe in Section 2)	\$ _____
Accounts & Notes Receivable (Describe in Section 6)	\$ _____	Mortgages on Real Estate (Describe in Section 4)	\$ _____
Life Insurance - Cash (Surrender Value only)	\$ _____	Loans on Life Insurance	\$ _____
Stocks and Bonds (Describe in Section 3)	\$ _____	Unpaid Taxes (Describe in Section 7)	\$ _____
Real Estate (Describe in Section 4)	\$ _____	Other Liabilities (Describe in Section 8)	\$ _____
Automobile(s) - Present Value (Describe in Section 5)	\$ _____	Total Liabilities	\$ _____
Other Personal Property (Describe in Section 5)	\$ _____	Net Worth (Total Assets Minus Total Liabilities)	\$ _____
Other Assets (Describe in Section 6)	\$ _____		
Total	\$ _____	Total	\$ _____

Section 1. Source of Income	Contingent Liabilities
Salary (per month)	As Endorser or Co-maker
Net Investment Income (per month)	Legal Claims & Judgements (pending)
Real Estate Income (per month)	Provision for Federal Income Tax
Other Income (Describe below)	Other Special Debt (Describe below)

Description of Items in Section 1.

Section 2. Notes Payable and Installment Accounts (Including Credit Cards)

Name of Creditor	Original Balance	Current Balance	Payment Amounts	Terms (Monthly, etc.)	How Secured or Collateral Type



Section 3. Stocks and Bonds					
Number of Shares	Name of Securities	Name of Exchange	Current Quotation	Date of Quotation	Market Value

Section 4. Real Estate Owned (List each parcel separately. If necessary, attach supplemental sheets with a signature and date.)						
Type of Property/ Address of Property	Title in Name of	Date Purchased	Original Cost	Current Value	Mortgage Balance	Payment Amount Current? (Y/N)

Section 5. Vehicles and Other Personal Property (Describe, and if any is pledged as security, address if lien holder, amount of lien)

Section 6. Other Assets (Describe in detail)

Section 7. Unpaid Taxes (Describe as to type, payable to whom, when due, amount, and if any liens have been filed)

Section 8. Other Liabilities (Describe in detail)

Section 9. Life Insurance Held (Give face amount and cash surrender value of policies, name of holding company and beneficiaries)

I/We herby certify that all statements in this application are true and complete and are made for the purpose of obtaining credit. I/We authorize and request all persons listed and all credit reporting agencies to furnish the City of Tuscaloosa opinions and credit information on or affecting me for this application, and I/we authorize the City of Tuscaloosa to report opinions and credit information on or affecting me to all credit reporting agencies or other financial institutions, and I/we agree to hold the City of Tuscaloosa harmless from any claims, direct or indirect, that may result from receiving or reporting such information. I/We understand that FALSE statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 U.S.C. 1001).

Signature:	Date:	Social Security Number:
Signature:	Date:	Social Security Number:



Proposed Business Location _____

Street Address, City, State: _____

Other Funding Sources _____

For all funding sources, please provide documentation.

SBA (Small Business Administration)

Have you received disaster recovery assistance from the SBA? Yes _____ No _____

If yes, what is the amount of the loan?

If no: Did you decline a SBA loan? Yes _____ No _____

What was the amount of the loan? _____

Why was the loan not accepted? _____

FEMA (Federal Emergency Management Agency)

Have you received disaster recovery assistance from FEMA? Yes _____ No _____

If yes, what is the amount of the funding?

If no: Did you decline FEMA funding? Yes _____ No _____

What was the amount of funding? _____

Why was funding not accepted? _____

INSURANCE

Have you received disaster recovery assistance from insurance? Yes _____ No _____

If yes, what is the amount? _____

OTHER

Have you received disaster recovery assistance from any other agency? Yes _____ No _____

If yes, explain agency and funding received: _____



Job Creation/Retention

Those receiving loans must be able to show that at least 51% or more of the job positions at the business are either known to be currently held by low to moderate income persons at the time the loan is received OR are not currently held by low to moderate income persons but could be reasonable expected to reach this percentage within one year.

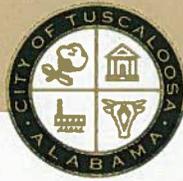
*A classification of low to moderate income standards for Tuscaloosa County can be found on the City of Tuscaloosa's website at <http://www.tuscaloosa.com/Assets/Recovery-Operations/Small-Business-Loan/FY%202016%20Income%20Limits%20>

Jobs currently retained

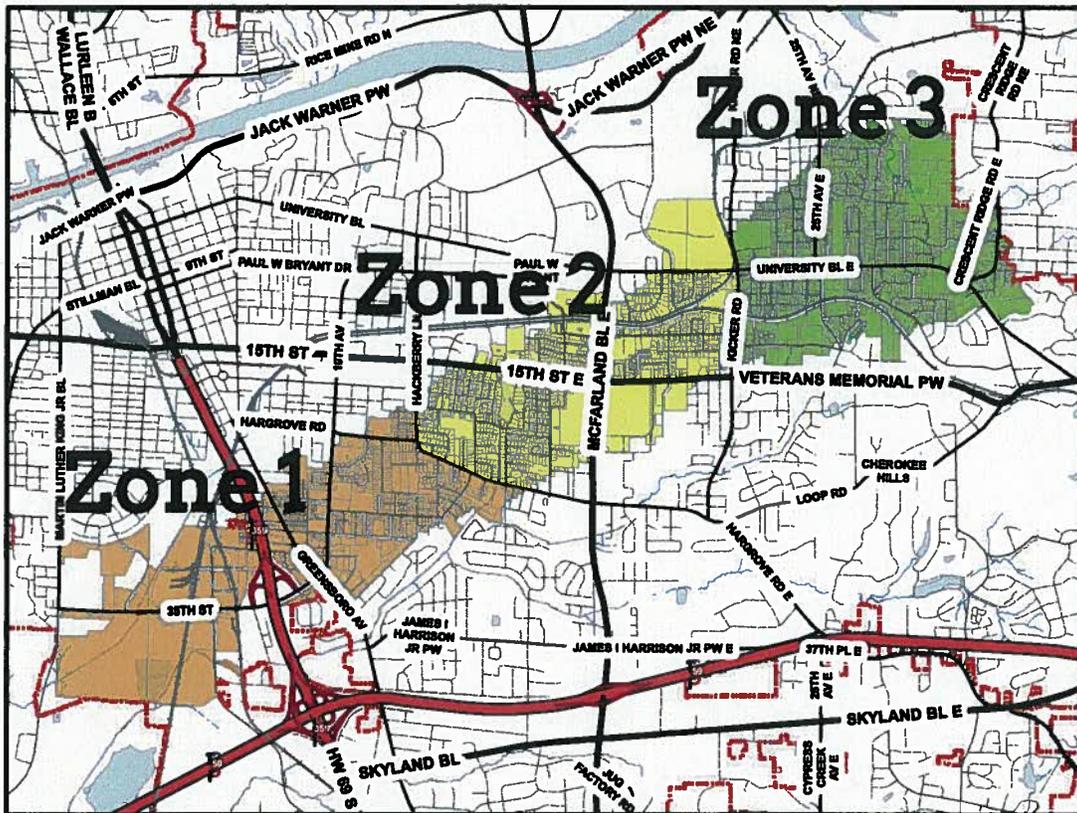
Postition	Hours/Week	Hourly Wage/Salary

Jobs to be created

Postition	Hours/Week	Hourly Wage/Salary



Small Business Revitalization Loan Eligibility Map



Loan amounts:

Zones **1** & **3** - \$50,000

Zone **2** - \$20,000

Please contact Caramyl Drake at (205) 248-5700 for questions.