

APPLICATION PROCESS

The City shall administer each SBDL in the same fashion. The following are basic steps in pursuing a SBDL:

1. Applicant meets with City Planning Department staff to see if proposal qualifies for SBDL assistance. Applicant must provide: statement describing nature of the proposal, itemized list of costs for building improvement and/or equipment, a five-year cash flow projection, a compiled profit and loss statement for the past three years, and personal financial statement(s) for use in connection with applicant's equity requirements. The SBDL guidelines contain the complete list of submissions.
2. An architectural and engineering analysis is required for all projects that involve rehabilitation or building modification. 80% of the cost of this analysis may be reimbursed by the City.
3. The Small Business Development Loan Committee will review and take action on qualifying applications. All loan documents shall be executed by the Mayor and the City Clerk on behalf of the City. Processing will take a minimum of 60 days from date of submission of a complete application. Projects involving historic structures will take longer.
4. After the Environmental Review process has been completed and loan documents executed, activities may begin. Bills for completed work will be submitted to the City Planning Department and checked by the City Finance Department for approval and payment.

FURTHER INFORMATION

For more information and/or a complete loan application package, contact the City Planning Department at City Hall, 400 La Crosse Street, La Crosse, WI 54601. Telephone: (608) 789-7512 or via email at kabatt@cityoflacrosse.org. Forms are also available at the City's website: www.cityoflacrosse.org.

10/04



CITY PLANNING DEPARTMENT
CITY HALL
400 LA CROSSE STREET
LA CROSSE WI 54601

SMALL BUSINESS DEVELOPMENT LOAN PROGRAM



SMALL BUSINESS DEVELOPMENT LOAN PROGRAM SUMMARY

BACKGROUND INFORMATION

SCOPE OF ACTIVITIES

LOAN REQUIREMENTS

FUNDING REQUIREMENTS

LOAN TERMS/CONDITIONS

APPLICATION PROCESS

FOR MORE INFORMATION: 608.789.7512
WWW.CITYOFLACROSSE.ORG

BACKGROUND INFORMATION

The Small Business Development Loan Program (SBDL) is under the authority of the Community Development Block Grant regulations. The SBDL is overseen by a Committee that is the loan approval and policy making body. The program's purpose is to assist businesses which have both viable business expansion plans and demonstrated financial need. Loans can be provided to small businesses under the condition that they will create new jobs for low and moderate-income persons.

SCOPE OF ACTIVITIES

The SBDL can be used for the acquisition of real estate, acquisition of equipment, rehabilitation of buildings for commercial use, construction of new buildings for commercial use, and architectural services to implement any of the above. Working capital is not available.

LOAN REQUIREMENTS

SBDL is designed to provide loans for small businesses with less than 100 existing employees within La Crosse. Non-profit organizations and lending/ investment entities are excluded from participation, and all loans must be used for taxable property. No publicly-owned land or buildings may be used, and no loans will be made for mixed use projects when the cost of residential improvements exceeds 35% of the total project cost. Any building being purchased or rehabilitated must meet building code standards. Historic buildings affected by SBDL funds must be dealt with in a manner that is consistent with the Secretary of Interior's Standards on Historic Preservation.

FUNDING REQUIREMENTS

SBDL is federally funded; therefore, federal requirements must be appropriately addressed.

1. Environmental Review Procedure (24 CFR, Part 58) provides for assessing the relationship between proposed development projects and their effect on the environment, including impact on historical structures.
2. Federal Labor Standards include certain regulations and conditions on federally-assisted projects.
3. Federal Equal Employment Opportunity regulations require non-discrimination and equal employment opportunity.
4. Federal regulations regarding fair and open competition in the procurement of equipment and services.
5. One job for a low-moderate income person must be created for each \$35,000 of public investment.
6. At least 51% of all persons benefiting must be from low-moderate income households.



LOAN TERMS/CONDITIONS

The SBDL is designed to leverage lender's funds to make projects economically feasible. Loan terms are tailored to the needs of the individual project.

1. Interest rates will be based on demonstrated financial need.
2. Amortization periods will be based on reasonable public underwriting principles.
3. Loans may be granted for up to 60% of the total project cost on the basis that a new permanent, full-time position for low- and moderate-income persons must be created for every \$35,000 of public investment. Maximum loan limit is \$200,000.
4. Applicant must invest equity in the amount of 10% of the total project cost.
5. Loans will be secured by mortgage or note in favor of the City of La Crosse.
6. Construction must start within six months of committee approval.
7. A \$250 fee is required for loan application up to and including \$70,000 of requested funds. A \$500 fee is required for applications over \$70,000 in funds. Loans may be pre-paid without penalty or additional costs.

