

# **CITY OF OLEAN**

## **OLEAN REVOLVING LOAN FUND**

### Guidelines and Application

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## OLEAN REVOLVING LOAN FUND

Purpose. The Olean Revolving Loan Fund (ORLF) has been designed to assist business development and expansion, to increase employment, and to improve the tax base of the City of Olean by offering low interest financing to existing or new concerns in conjunction with conventional financial institutions, public agency assistance or private equity. Loans are not available to residential projects.

Application Procedure. Any firm that meets the guidelines in this pamphlet is encouraged to complete and submit one (1) original and five (5) copies of the attached application to the Department of Community Development, Municipal Building, P.O. Box 668, Olean, New York 14760.

### General Terms and Conditions.

No fee is required to submit an application under this program.

1. Funds can be used to update, renovate, expand, construct or equip a business.
2. ORLF funds are not available to refinance existing loan obligations.
3. ORLF funds cannot exceed twenty-five percent (25%) of the total amount borrowed.
4. Funds can be used for working capital for major projects if the applicant meets all of the following conditions:
  - a. Loan is secured to the satisfaction of the City;
  - b. The total investment is in excess of one million dollars (\$1,000,000);
  - c. The project has an equity contribution in excess of five percent (5%) of the total project cost;
  - d. The project creates at least fifteen (15) jobs.
5. The term of the loan will be based upon the information that has been provided with the application, and generally will not exceed seven (7) years.
6. The rate of interest will be fixed for the life of the loan. Generally, the rate will be lower than the prime rate, and will be established based on the specifics of the individual project.
7. The maximum amount that can be borrowed is as follows:

<u>Project Size</u>	<u>Loan Maximum</u>
Less than \$1,000,000	\$25,000
More than \$1,000,000	\$50,000

The minimum loan request is five-thousand dollars (\$5,000).

8. Adequate security, collateral or other appropriate assurance of repayment will be required.
9. No funds shall be used to assist a business in which an elected or appointed officer of the City or a member of their family has an interest.
10. All City, School and County taxes must be paid to date.
11. A business is permitted to have only one ORLF loan at any one time.
12. A late payment fee of \$20 will be imposed for payments received ten (10) business days after the loan's due date.
13. The City of Olean will prosecute to the fullest extent of the law any attempts to defraud the City by supplying false information to circumvent the criteria of these guidelines.

Processing. Applications will be processed in the order in which they are received. In the event that the amounts requested exceed the available funds, applications that meet one or more of the following criteria will receive a higher ranking.

- Those that create or retain the number of jobs at the lowest cost per job.
- Private, for-profit concerns.
- Manufacturing projects.
- Projects that have a potential for further job creation.
- Project that have a regional impact.
- Projects that create the greatest improvements to the City's tax base.
- Projects that have a greater ratio of other funding to the ORLF funds.

The Olean Revolving Loan Committee will review applications and conduct such analysis as it deems appropriate on a confidential basis and make recommendations to the Mayor and Common Council members who will make the final decision on each loan. This committee will be made up of at least two representatives of local financial institutions and a representative of an accounting firm.

Approved Loans. Once approved, the City Attorney will prepare closing documents and close as expeditiously as possible, and the Department of Community Development will service the loans, or, in certain instances, outside legal and financial assistance will be obtained. The cost of servicing the ORLF will be financed through the interest earned from loan repayments.

The Department of Community Development will prepare an annual report for the Mayor and Common Council as to the status of the Revolving Loan Fund.

It is the expressed goal of the ORLF to preserve the repayment income, both principal and interest, in the fund account, in order for the fund balance to increase and provide additional loan funds.

*CITY OF OLEAN*

**Olean Revolving Loan Fund Program**

**LOAN APPLICATION FORM**

**PART 1. APPLICANT INFORMATION**

Name of Applicant: \_\_\_\_\_  Corporation Year\_\_\_\_ State\_\_\_\_

Business Address: \_\_\_\_\_  Partnership Year\_\_\_\_ State\_\_\_\_

\_\_\_\_\_  L.L.C. Year\_\_\_\_ State\_\_\_\_

Contact Person: \_\_\_\_\_  L.L.P. Year\_\_\_\_ State\_\_\_\_

Federal ID #: \_\_\_\_\_  Sole Proprietorship Year\_\_\_\_

Telephone: ( ) \_\_\_\_\_ FAX: ( ) \_\_\_\_\_ E-Mail: \_\_\_\_\_

Nature of Business: \_\_\_\_\_  
\_\_\_\_\_

Company Attorney: \_\_\_\_\_ Accountant: \_\_\_\_\_

Firm Name: \_\_\_\_\_ Firm Name: \_\_\_\_\_

Address: \_\_\_\_\_ Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_ Telephone: \_\_\_\_\_

Are the real estate taxes on the property proposed for improvement current? Yes No

Is the company delinquent in the payment of any income tax obligation? Yes No

Is the company delinquent in the payment of any loans? Yes No

Is the company currently in default on any of its loans? Yes No

Are there currently any unsatisfied judgments against the company? Yes No

Are there currently any unsatisfied judgments against any of the company's principals? Yes No

Has the company ever filed for bankruptcy? Yes No

Have any of the company's principals ever personally filed for bankruptcy or in any way sought protection from creditors?

Yes  No

If the answer to any of the questions above is "Yes," please provide additional comments in the space below and on additional pages if necessary.

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**PART 2. PROJECT INFORMATION**

Summary of Project Description and details regarding other project financing including status of other loan applications, terms, conditions, and security for all financing, sources of equity capital, and current lien status for all company assets:

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**Project Costs**

Land \$ \_\_\_\_\_  
 Site Work \$ \_\_\_\_\_  
 Construction/Renovation \$ \_\_\_\_\_  
 Machinery/Equipment \$ \_\_\_\_\_  
 Soft Costs (legal, engineering, etc.) \$ \_\_\_\_\_  
 Other \$ \_\_\_\_\_

**Sources of Funds**

Private Financing \$ \_\_\_\_\_  
 Public (other than ORLF) \$ \_\_\_\_\_  
 Private Equity \$ \_\_\_\_\_  
 Other \$ \_\_\_\_\_  
 Subtotal \$ \_\_\_\_\_  
 ORLF Funds \$ \_\_\_\_\_  
 Total \$ \_\_\_\_\_

**PART 3. EMPLOYMENT INFORMATION**

If Company is in existence give current employment:

	<u>Male</u>	<u>Female</u>
Full Time		
Part Time		
Seasonal		

Estimate employment after project completion:

	<u>Male</u>		<u>Female</u>
	1 <sup>st</sup> yr.	2 <sup>nd</sup> yr.	1 <sup>st</sup> yr.    2 <sup>nd</sup> yr.
Full Time			
Part Time			
Seasonal			

