

CITY OF ELMIRA COMMERCIAL LOAN PROGRAM

PROGRAM DATA SHEET

PROGRAM PURPOSE:

To create and retain employment opportunities for low-moderate income citizens of the City of Elmira.

PROGRAM DESCRIPTION:

The program assists in the revitalization of Elmira commercial areas, by providing fixed rate, low interest loans for the acquisition of fixed assets, in conjunction with private financing. 40% of the total project cost, which includes acquisition, construction or renovation of real property and acquisition of furniture, fixtures and equipment, can be financed with EEDP and/or other public funds. Maximum loan amount is \$50,000.

ELIGIBILITY CRITERIA:

Any administrative office, retail, wholesale, commercial or professional business located within the City of Elmira is eligible. **Companies must prove they can create jobs and commit to hiring low-moderate income citizens of the City of Elmira in at least 51% of newly created positions. Priority will be given to applicants who demonstrate an ability to substantially benefit a target group of unemployed persons.**

QUALIFIERS:

Jobs: Must create full-time or full-time equivalent jobs for low-moderate income individuals (50% of all new jobs). Generally loan at a ratio of \$15,000 per new job.

Rates: Prime rate minus 2%, as published in the Wall Street Journal on the date of Loan Committee approval.

Terms: Co-terminus with private financing or seven (7) years, whichever is less.

Conditions:

- A minimum of 50% private funding is required. A minimum of 5% cash equity is required.
- Public funding shall not exceed 40%

Collateral: All loans must be secured. Personal guarantees will be required from any principal with 20% or more ownership.

Qualifications: Must be located in the City of Elmira.

Prohibition: Refinancing of existing debt.

APPLICATION MATERIALS:

All of the following are required:

- Historical financial information covering three (3) years prior to the application date (income tax statements).
- Personal financial statements of each individual owning 20% or more of the company.
- A three (3) year financial projection.
- A description of the company's product or service, market area, competition, suppliers and customers.
- The history and nature of the company and a list of principals.
- A description of the loan request.

FEES, COSTS OR EXPENSES:

A \$250 fee must accompany the application. **A 1% commitment fee will be levied by STEG. STEG's legal fees are paid by the applicant at closing.**

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