

**Salt Lake City
Business Revolving Loan Fund**

loan application



Economic Development Division
Robert Farrington, Director
Salt Lake City Corporation
451 South State Street, Room 404
PO Box 145484
Salt Lake City, Utah 84114
www.slcgov.com/ED

purpose

The Salt Lake City Business Revolving Loan Fund's purpose is to stimulate small business development and expansion, encourage private investment, promote economic development, and enhance neighborhood vitality.

eligibility

Businesses that are eligible must be located in or relocating to Salt Lake City and have a Salt Lake City business license. Start-up businesses and those with less than three years operating history and established businesses with at least three years operating history are eligible for the loan.

Businesses must be located within the City boundaries. Please include a list of other locations of your business, if any, with the corresponding address. Any funds loaned must be used for business within the City and cannot be used for other locations. Conditions might apply for businesses with other locations.

See the Loan Criteria for more information.

the loan process

1. Complete and submit the Preliminary Evaluation application.
2. If the Preliminary Evaluation is approved, submit the following:
 - ⊙ A completed Loan Application (enclosed);
 - ⊙ A Business Plan that includes the information outlined on the following pages;
 - ⊙ The required financial documents.
3. Call the Small Business Development Manager at 801-535-7941 to set up a time to review the completed application.
4. Your submitted loan application will be reviewed and corresponding documents will be distributed to the City's Loan Committee. The Loan Committee meets on the first and third Fridays of each month to review loan requests. At the meeting, you will have the opportunity to meet with the Committee to present your business plan and answer any questions. After your presentation, the Loan Committee will meet to evaluate the loan. You will be notified within 3-5 days by mail of the Loan Committee's decision.



loan amounts and terms

Up to \$100,000 for start-up businesses and those with less than three years operating history and established businesses with at least three years of operating history.

Loans greater than \$100,000 are available for established businesses with three years of operating history provided they meet all criteria.

Loan terms are typically 5 years, but can be up to 7 years for equipment and 20 years for acquisition of land and building construction.

collateral and cash requirements

Start-up businesses and those with less than three years of operating history must provide collateral sufficient to secure at least a minimum of 25% of the loan and make a cash injection of 10% of the City's loan amount.

Established businesses with at least three years of operating history requesting up to \$100,000 must provide collateral sufficient to secure at least a minimum of 25% of the loan.

Established businesses with at least three years of operating history requesting more than \$100,000 must provide a 2-to-1 ratio of other financing to City funds and fully collateralize the loan.

interest rate

The interest rate for all loans shall be the current prime rate fixed for the term of the loan.

guarantees

Loans shall be guaranteed by the business and personally by the Borrower. In addition, the Borrower shall agree to subordinate all officer debt and defer monthly payments to all officers to the City's loan.



other requirements

A loan evaluation matrix shall be used by the City's Business Loan Committee to rank loan applications based on an applicant's credit history, ability to repay the loan, management ability and business experience, neighborhood impacts of the business, and fiscal impacts of the loan relating to job creation and retention, leverage of public to private funds, and impact on the City's tax structure in addition to the collateral requirements enumerated above. The loan evaluation matrix has a total of 100 points, and a loan application must receive at least 70 points to be recommended to the Mayor for final approval.

Existing businesses are also evaluated in terms of any crime issues relating to the business. Based on a Police Department report, a loan will be denied to any business that has crime issues which the City is not satisfied that it is working to control.

lender participation

The City encourages participation of private lending institutions and looks favorably at providing funds to fill the gap between the owner's equity and conventional financing. The City may subordinate its security interest to the private lender.

use of funds

Loan funds may be used for the following:

- ⊙ acquisition of land and buildings
- ⊙ new construction
- ⊙ facade and building renovation
- ⊙ landscape and property improvements
- ⊙ machinery and equipment
- ⊙ working capital

Refinancing of existing business debt will only be considered as part of a business expansion.

Loans may be prepaid, in part or whole, at any time without penalty.



how to apply

To apply for a loan through the Salt Lake City Business Revolving Loan Fund, you will need to complete the following steps. Please keep in mind that an incomplete loan application may result in delay. Any person who owns 20% or more of the business or is a guarantor must submit a Personal Financial Statement.

Application Steps

1. Complete the information on pages 7 - 16 of this application.
2. Complete and sign the Personal Financial Statement for each applicant.
3. Read and sign the Application Certification.
4. Submit the above items, the requested financial documents (see below) and a complete business plan to the Small Business Development Manager.

Please make a copy for your records of all items submitted.

financial documents

In addition to the Personal Financial Statement, the following financial documentation is required for loan consideration. Please submit copies and keep the original documents.

Business Tax Information

For businesses established three or more years, corporate federal and state income tax returns for the previous three years. Businesses established for one to two years, corporate federal and state income tax returns for the years of operation.

Personal Tax Information

Three years of federal and state income tax returns including all schedules and W-2 forms are required for the member(s) of the legal structure of the business (sole proprietor, partners, principal officers) who own more than 20% of the business.

Location

Provide a copy of the existing or proposed lease agreement.



business plan

A business plan serves as a company's road map defining a clear goal of what the company will become and how it is going to get there. The plan should convey a thorough understanding of the purpose of the business, who the market is, the competitive environment, and how the company will adapt to fulfill its objectives. The business plan should also include a complete analysis of the funds needed to meet its objectives including a current financial snapshot and projections.

Your business plan is an essential part of the evaluation process for consideration of a loan through the Business Revolving Loan Fund. But it is also a guide as you operate your business and should be referred to regularly and modified as necessary. It is an extremely important tool for a business owner to evaluate strengths and weaknesses, areas of improvement, and financial objectives.

While your business plan is necessary for your application for a loan through the Business Revolving Loan Fund, your plan can also be used to attract additional funding sources such as banks and investors.

Your business plan should be typed, bound, and include the following:

A Business Plan Summary. This summary should be brief, but include contact information, a business description, the purpose of your business plan, your product or service, critical factors to the success of the business, customers and market potential, and a financial snapshot.

A Business Description. The Business Description will give a thorough picture of your company including goals and objectives. Describe what your business does or what it will do. Include a company history, the current industry trends, why your company is unique, and short and long-term goals and objectives.

The Market and Marketing Strategy. Give a detailed analysis of your market, who they are, where they come from, and their needs and interests. Be sure to document your sources of information. Describe your marketing strategy and how you intend to reach and capture your market through advertising or other means.

Neighborhood Impact. This section should describe how your business will or currently impacts the community. How will your business create or retain jobs? What will your business do to improve the community? In addition to answering these questions, give an overall description of how your business contributes to the city.

Product/Service Description and Production. Describe your product and service in understandable terms. Explain your product lines, offerings, equipment, materials, and suppliers.



business plan continued

Management. Write a description of your management structure, who is on your team and the experience they bring. Indicate your legal business structure, such as a corporation, limited liability company, sole proprietor, or partnership. Explain why this team will make it possible for you to reach your objectives. Attach resumes if possible and names of those on the Board of Directors if applicable.

Business Operations. In this section explain how you intend to operate or how you are currently operating your business. Describe your location and facilities, your workforce and hours of operation, and your methods of record keeping and accounting.

Current Financial Situation and Forecast. Give a detailed analysis of your current financial situation if you are an existing business. Be sure to include notes and explanations on any items that need clarification. All applicants must include:

- ⊙ Operating Profit and Loss Statements: If the business has been in operation for three years or more, three years of operating cash flow statements are required. If less than three years, submit every year of operation. A current interim statement less than 60 days old is also required for all businesses except start-up businesses.
- ⊙ Balance Sheet: If the business has been in operation for three years or more, three years of operating cash flow statements are required. If less than three years, submit every year of operation. Start-ups must submit a pro forma balance sheet for the first year of operation.
- ⊙ Pro Forma (3-year Projection of Income): This statement shows projected profits and losses for the three years after the loan is granted.

Financing Proposal. Indicate the dollar amount and describe the purpose of the loan you are seeking. Explain in detail how the funds will be used and how they will impact your business. If you are seeking any funds for working capital, be descriptive as to how those funds will be used.

Future Plans. Now that you have given a clear picture of where you are and what you need, describe where you see your company in the future. Explain how all the components, from marketing to financing, will get you to that point.

Other Considerations. As you write and assemble your business plan, you might want to consider including a table of contents and a list of references for any external information. Also include items you think explain your business such as menus, brochures, promotional materials or other items that will strengthen your financial position and the ability to borrow.



company information

Company Name: _____

Contact Person(s): _____ Phone: _____

_____ Phone: _____

Business Address: _____

Mailing Address: _____
(if different from Business 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, when will the business open? _____

If a Start-up or Existing Business, when was the business established? _____

Type of Business Entity:

Corporation Date of Incorporation _____
_____ S Corporation
_____ C Corporation

Limited Liability Company

Partnership

Sole Proprietor

Employer Identification Number: _____

Current number of employees: _____ Average salary or wage: _____

Is the business currently registered as an e2 Business with Salt Lake City's Sustainability Department? _____
(for more information on becoming an e2 Business visit www.slcgreen.com)

If the loan is approved:

Number of employees to add immediately: _____

Number of employees to add within 5 years: _____

Projected number of employees in 5 years: _____



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: _____

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. Have you previously received a loan from Salt Lake City? Yes No
If so, from whom and for what amount? _____
- 2. Did your business make a profit last year? Yes No
- 3. Are you current on all business and personal taxes? Yes No
- 4. Have you or any officers of your company ever filed bankruptcy? If yes, explain below. Yes No
If yes, has the bankruptcy been discharged? Date: _____
- 5. Have any personal or business bank accounts had checks returned NSF in the last 3 months? Yes No
- 6. Do you owe any outstanding child support? If yes, explain below. Yes No
- 7. Will your credit report show that you have been current with creditors for the past year? Yes No
If no, explain below.
- 8. Have you addressed any derogatory statements on your credit report? If no, explain below. Yes No
- 9. Are you, any guarantor, or your business involved in any pending or current lawsuits? Yes No
If yes, explain below.
- 10. Do you or any officers of your company have any outstanding police, public, or legal issues? Yes No
If yes, explain below.

Explanations

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

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



loan collateral

New, start-up and existing businesses applying for \$100,000 or less must provide collateral sufficient to secure at least 25% of the loan. Existing businesses applying for more than \$100,000 must fully collateralize the loan.

Description	Present Value	X	Advance Rate	-	Amount Owed	=	Total
Real Property	\$	x	100%	-	\$	=	\$
Vehicles (Used)	\$	x	50%	-	\$	=	\$
Vehicles (New)	\$	x	80%	-	\$	=	\$
Equipment	\$	x	50%	-	\$	=	\$
Cash	\$	x	100%	-	\$	=	\$
Investments	\$	x	100%	-	\$	=	\$
Other (describe)	\$	x		-	\$	=	\$
Total Collateral							\$

Please describe your collateral below.

Real Property

Include a legal description and recent mortgage statement.

Street Address, City, State: _____

Street Address, City, State: _____

Vehicles

Make, model, year and purchase price (title is required upon closing the loan).



loan collateral continued

Equipment

Name, model #, serial #, purchase price and date of purchase or attached paid invoices.

Inventory

Description and number of items, estimated value, and location of items.

Other

Describe in detail other items you are pledging as collateral. Please indicate value.



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. 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): _____

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 Interest Rate: _____ Monthly Payment: _____ Maturity Date: _____
 Collateral, if any: _____ Status (C or D): _____



**Salt Lake City Revolving Loan Fund Application
PERSONAL FINANCIAL STATEMENT**

As of _____

Complete this form for: (1) each owner, or (2) each general partner, or (3) each limited partner who owns 20% or more interest, or (4) each shareholder owning 20% or more of the stock, or (5) any person or entity providing a guaranty on the loan.

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...	\$ _____
Accounts & Notes Receivable	\$ _____	(Describe in Section 2)	
(Describe in Section 6)		Loans on Life Insurance	\$ _____
Life Insurance –Cash (Surrender Value Only).....	\$ _____	Mortgages on Real Estate	\$ _____
Stocks and Bonds	\$ _____	(Describe in Section 4)	
(Describe in Section 3)		Unpaid Taxes	\$ _____
Real Estate	\$ _____	(Describe in Section 7)	
(Describe in Section 4)		Other Liabilities	\$ _____
Automobile – Present Value	\$ _____	(Describe in Section 8)	
Other Personal Property	\$ _____	Total Liabilities	\$ _____
(Describe in Section 5)		Net Worth	\$ _____
Other Assets	\$ _____	Total	\$ _____
(Describe in Section 6)			
Total	\$ _____		

Section 1. Source of Income	Contingent Liabilities
Salary	As Endorser or Co-Maker
Net Investment Income	Legal Claims & Judgments.
Real Estate Income	Provision for Federal Income Tax.
Other Income (Describe Below)	Other Special Debt

Description of Items Listed in Section 1.

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

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



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 and date and sign.)						
Type of Property/ Address of Property	Title in Name of	Date Purchased	Original Cost	Present Value	Mortgage Balance	Payment Amt. Current? (Y/N)

Section 5. Other Personal Property (Describe)

Section 6. Other Assets (Describe)

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

Section 8. Other Liabilities (Describe)

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

I/We hereby certify that all statements in this application are true and complete and are made for the purpose of obtaining credit. I/We fully understand that it is a federal crime punishable by fine or imprisonment or both to knowingly make any false statements concerning any of the above facts, as applicable under the provisions of Title 18, United States Code, Section 1014. I/We authorize and request all persons listed and all credit reporting agencies to furnish Salt Lake City Corporation opinions and credit information on or affecting me for this application, and I/we authorize Salt Lake City Corporation 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 Salt Lake City Corporation harmless from any claims, direct or indirect, that may result from receiving or reporting such information.

Signature: _____ Date: _____ Social Security Number: _____

Signature: _____ Date: _____ Social Security Number: _____



checklist

Complete the following checklist to assemble items for loan consideration.

Required Information	Mark When Complete
1. Preliminary Evaluation Approval	<input type="checkbox"/>
2. Completed and signed pages 7-16 of this application.	<input type="checkbox"/>
3. Business Plan	<input type="checkbox"/>
4. Required Financial Documents	
⊙ Business tax information	<input type="checkbox"/>
⊙ Personal tax information	<input type="checkbox"/>
⊙ Location	<input type="checkbox"/>

self-evaluation

Complete the following evaluation scoring yourself on a scale from 1 (lowest) to 10 (highest).

1. Does your business have a clear objective and realistic short and long-term goals? _____
2. Based on tax returns, financial statements, and projections, does your company have the ability to cover all of its business debt obligations? _____
3. Does your business create or retain jobs? _____
4. Do you meet the collateral requirements? _____
5. If required, do you provide private investment into your company? _____
6. Does your business meet a need or provide a service that is not currently available in your area? _____
7. How would you rate the financial strength of your business? Of the officers, partners, or owners? _____
8. Does your business plan clearly address your objectives, marketing, management, and financial assessment of the business? _____



business plan resources

Small Business Administration (SBA): Help in writing a business plan as well as links to other resources.

<http://www.sba.gov/smallbusinessplanner/index.html>

SCORE: Free counseling service for small business. The site includes templates for business plans, financial forecasts, cash flows, etc.

http://www.score.org/template_gallery.html

Entrepreneur.com: Descriptions of key points of a business plan.

<http://www.entrepreneur.com/businessplan/>

Inc.com: How-to guide for writing a business plan.

http://www.inc.com/guides/write_biz_plan/20660.html

business resources

Please refer to the **Salt Lake City Small Business Resource Guide** for additional resources.

Miller Business Resource Center: A comprehensive resource including a Small Business Development Center.

801-957-5200

<http://www.slcc.edu/mbrc/>

Pete Suazo Business Center: Targeted towards the Latino/Hispanic community, helping businesses with feasibility discussions, preparing funding requests, and obtaining legal licenses and permits.

801-521-1709

<http://www.petesuazocenter.org>

SCORE (Service Corps of Retired Executives): A volunteer organization that provides free business counseling at every stage of business development.

801-746-2269

<http://www.score.org>



