



TOWN OF BENNINGTON COMMUNITY DEVELOPMENT DEPARTMENT

BENNINGTON REVOLVING LOAN PROGRAM (BRLP)

PURPOSE

Bennington is a rural community providing the commercial and industrial center for the county and the surrounding region. During recent years; however, its downtown area has suffered deterioration both in its activity and in its building integrity. The Town recognizes a need to offer incentives to the downtown merchants to revitalize and expand the activities in the Central Business District through a loan program. This assistance can be achieved by offering attractive and affordable financing.

Highlighting this program is the potential for facade improvements. The 19th and early 20th century architecture which predominates the Central Business District has, in some instances, been radically altered, covered over, or simply allowed to decay. Incentives to improve and renew this visual aspect are required to help revitalize the "face" of Bennington's downtown.

The potential to improve the interior spaces of many Central Business District businesses would continue the renovative activity envisioned in this program. Incentives to improve pedestrian and shopper movements, employee activities and sales areas will coincide with the exterior revitalization effort to provide an effective, living downtown environment.

Additionally, the Town recognizes the need for small businesses throughout the Town to access at risk capital for start-up and expansion programs. The Town will therefore, provide this revolving loan program to small businesses, which meet its criteria as provided in this document.

By creating a feeling of rebirth and life in the downstreet area, Bennington will reap the benefits of a vital downtown; an exciting area to shop and react with others, a living streetscape of occupied structures and a strong commercial base to anchor the existing historical, commercial and industrial activities of the community.

Except for access to these funds, businesses which are assets to the Town may not be realized or be lost and potential new jobs not created, or existing jobs may be lost.

OBJECTIVES

1. To enhance the commercial vitality of the Community.
2. To renew and enhance the architectural integrity throughout the Town.
3. To enhance employment opportunities.
4. To improve the environment in the Community.

Projects that can and will go forward successfully with private financing will not be funded by the Revolving Loan Fund. Loan funds are extremely limited and we will be looking to assist projects that will have the maximum impact per dollar of public funds invested. Conversely, we are here to assume risks and provide assistance on terms that a private lender might not consider.

ELIGIBILITY CRITERIA

- A. Any for-profit corporation, partnership, or proprietorship located in the Town of Bennington.
- B. Small businesses, meeting SBA requirements (i.e., less than \$6 million) and its average profit after taxes during the last two years is less than \$2 million.
- C. Applications must demonstrate that access to alternative sources of financing that is limited or without the assistance of our lower interest loan the project would not be financially feasible.
- D. A business is not eligible if it:
 - has a record of police problems.
 - operates without necessary Town or State permits.
 - is delinquent in tax payments or Town service charges.
 - otherwise places unusually high demands on Town services.

LOAN TERMS

Maximum \$25,000
Minimum 2,000

Term: \$ 2,000 - \$ 5,000 2 years
 5,001 - 10,000 8 years amortization with 4 year balloon
 10,001 - 15,000 10 years amortization with 5 year balloon
 15,001 - 25,000 15 years amortization with 5 year balloon

Interest: Fixed rte of 50% of prime interest rate at time of closing plus 2 points or no more than 7%.

COLLATERAL

Typically, a security position, usually subordinate to a first mortgage lender and/or liens on machinery, equipment and other business assets. Also, each loan must have personal guarantees by the principals.

FEES

A non-refundable fee of \$10 per \$1,000 of loan request will be paid to the Town upon formal submission of a request for financial assistance.

USE OF LOAN PROCEEDS

- A. Every loan must, in effect, create and/or retain permanent jobs. (non-construction)
- B. Exterior real property improvements
 - improvements with high public exposure
 - historic/architectural restoration
 - handicapped accessibility
- C. Interior permanent improvements
 - repair/upgrading of all code violations is mandatory
 - energy conservation/renewable energy improvements
 - handicapped accessibility
- D. Purchase of machinery, equipment, furnishings and fixtures
- E. Loans will not be made for refinancing purposes, nor for real estate acquisition or operating (working) capital.

FEDERAL REQUIREMENTS

Applicants must guarantee that they will not discriminate on the basis of race, creed, color, national origin, sex, age, or disability, in hiring or otherwise conducting business.

Under some circumstances, construction projects funded with the program and involving the services of other than one-person contracting firms are subject to federally mandated construction wage rates. Town may negotiate with the application on the specific uses of loan funds to minimize the impact of these wages on funded projects.

OTHER REQUIREMENTS

Forms: The applicant and Town will execute legally binding loan agreements to assure that the purposes of the program are followed and what the loan is adequately secured. These documents will be recorded with the Bennington Town Clerk. All loan funds will be placed in escrow for disbursement to Borrower/Contractor of Supplier.

LOAN TERMINATION

Loans under this program may be terminated and all outstanding balances become due if:

- the business relocates out of the Town of Bennington or out of the premises for which the loan assistance was given;
- the business fails to complete the improvements within the time specified in the loan agreements;
- the business is in persistent violation of State and Local building codes or ordinances;
- the business fails to obtain the necessary permits for the project funded with Town loan proceeds;
- the business defaults on two or more monthly loan payments (unless arrangements for deferral have been agreed to in writing by the Town);
- the business fails to pay Town real or personal property taxes.

For additional information, call or write: Scott M. Murphy, Economic and Community Development Department, Town Office Building, 205 South Street, Bennington, Vermont 05201 802-442-1037.

BENNINGTON REVOLVING LOAN PROGRAM (BRLP)

Employer ID # _____

Date Business Established: _____

1. Applicant

Legal Name of Business:

Business Address:
(both street and P.O. Box, if applicable)

Principals:

Social Security Numbers:

Home Addresses:
(if different from office or business address)

Telephone where applicant can be reached during the day:

2. Type of business requesting assistance (e.g. bookstore specializing in education books, fresh past production and sales, etc.): give a brief description of your business and what, if anything, makes it different from others or its type:

3. Proposed Use of Assistance: (e.g. storefront rehab, interior renovation, new sign).
If assistance is requested to fund one item of a total project, briefly explain the overall project; if more space is needed, use other side.

4. Specific Detail:	labor	\$ _____
(Check one)		
these figures are:	materials	_____
_____ preliminary estimated	equipment	_____
_____ informal quotes from contractors or suppliers	fixtures	_____
_____ firm bids from contractors/suppliers	land/bldg acquisition	

4. Specific Detail:
(check one)
these figures are:

- _____ preliminary estimated
- _____ informal quotes from
contractors or suppliers
- _____ firm bids from
contractors/suppliers

labor \$ _____
materials _____
equipment _____
fixtures _____
land/bldg acquisition _____
signs _____
fees for professionals _____
permits _____
other _____
TOTAL \$ _____

5. Proposed Sources:

Conventional Debt _____

Lender _____

Terms _____

Already approved? YES _____
NO _____

Cash Equity _____

BRLP (not more than 75% of project) _____

Loans from family, associates _____

Loan from principal(s) to business _____

Other (explain) _____

6. Amount of Loan Requested:

7. Terms Requested:

8. Interest Requested:

9. Proposed Collateral: (include estimate of cost or market value, whichever is lower)

10. As a result of this assistance and your private investment how many permanent jobs will you: (i.e. 40 hour per week equivalents)

<u>TOTAL</u>	<u>BENNINGTON</u>	<u>MINORITY</u>	<u>HANDICAPPED</u>
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Retain

Create

How many would you create or retain without this assistance?

11. How many of your principals and employees at this location walk to work?

12. Will you obtain all necessary Town and State permits before beginning any construction for your business?

_____ YES _____ NO

13. Tell us briefly, in your own words, how your project will contribute to community improvement in Bennington.

14. Time Flow Chart: (i.e., date of signing lease, date of loan closing, start renovations, move in, grand opening).

15. Required Financial Information

Existing Businesses:

Attach balance sheets, income statements, statement of changes in financial position, and any other financial statements available for the past three 3 years (or years of operation).

Indicate whether audited or unaudited.

(Note: business tax return is acceptable in lieu of income statement).

New and Existing Businesses:

- Attach:
- 1) Projected income statement for first (next) year of business on a monthly basis.
 - 2) Projected expenses for first (next) year of business on a monthly basis.
 - 3) Project income and expenses for second and third years on a yearly basis. (New businesses only)

(The attached formats are suggested only.)

(If you need guidance in preparing financial statements, contact BCDD)

Principals of the Business:

Complete personal/household financial statement for each partner in the business.

After reviewing the application, the Town may request additional information

Confidentiality

Please be aware that your application together with your business plan is considered public information and as such may be discussed in open session at Selectors meetings as well as being available to the media.

Any information from tax returns, personal financial statements or any business information which could put you at a competitive disadvantage is not considered public information and would not be discussed in open meetings nor available to the media.

All documentation provided is kept in confidence by the Community Development Office unless requested by the media or the Board of Selectors as outlined above. The Board of Selectors can review all information provided by you but must deal with protected information in executive session.

SIGNATURE OF APPLICANT

DATE

SIGNATURE OF APPLICANT

DATE RECEIVED BY COMMUNITY DEVELOPMENT: _____



PERSONAL FINANCIAL STATEMENT

U.S. SMALL BUSINESS ADMINISTRATION

As of _____, _____

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

Name	Business Phone
Residence Address	Residence Phone
City, State, & Zip Code	
Business Name of Applicant/Borrower	

ASSETS	(Omit Cents)	LIABILITIES	(Omit Cents)
Cash on hand & in Banks	\$ _____	Accounts Payable	\$ _____
Savings Accounts	\$ _____	Notes Payable to Banks and Others	\$ _____
IRA or Other Retirement Account	\$ _____	(Describe in Section 2)	
Accounts & Notes Receivable	\$ _____	Installment Account (Auto)	\$ _____
Life Insurance-Cash Surrender Value Only	\$ _____	Mo. Payments \$ _____	
(Complete Section 8)		Installment Account (Other)	\$ _____
Stocks and Bonds	\$ _____	Mo. Payments \$ _____	
(Describe in Section 3)		Loan on Life Insurance	\$ _____
Real Estate	\$ _____	Mortgages on Real Estate	\$ _____
(Describe in Section 4)		(Describe in Section 4)	
Automobile-Present Value	\$ _____	Unpaid Taxes	\$ _____
Other Personal Property	\$ _____	(Describe in Section 6)	
(Describe in Section 5)		Other Liabilities	\$ _____
Other Assets	\$ _____	(Describe in Section 7)	
(Describe in Section 5)		Total Liabilities	\$ _____
Total	\$ _____	Net Worth	\$ _____
		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 Other Income in Section 1:

*Allimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.

Section 2: Notes Payable to Banks and Others (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

Name and Address of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

Section 3. Stocks and Bonds. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)					
Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

Section 4. Real Estate Owned. (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)			
	Property A	Property B	Property C
Type of Property			
Address			
Date Purchased			
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance			
Amount of Payment per Month/Year			
Status of Mortgage			

Section 5. Other Personal Property and Other Assets. (Describe, and if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and if delinquent, describe delinquency.)

Section 6. Unpaid Taxes. (Describe in detail, as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)

Section 7. Other Liabilities. (Describe in detail.)

Section 8. Life Insurance Held. (Give face amount and cash surrender value of policies, name of insurance company and beneficiaries.)

I authorize SBA/Lender to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I certify the above and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of either obtaining a loan or guaranteeing a loan. I understand 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: _____

PLEASE NOTE: The estimated average burden hours for the completion of this form is 1.5 hours per response. If you have questions or comments concerning this estimate or any other aspect of this information, please contact Chief, Administrative Branch, U.S. Small Business Administration, Washington, D.C. 20416, and Clearance Officer, Paper Reduction Project (3245-0188), Office of Management and Budget, Washington, D.C. 20503. PLEASE DO NOT SEND FORMS TO OMB.

**BENNINGTON REVOLVING LOAN PROGRAM
DIAGRAM OF APPLICATION & REVIEW PROCESS**

