



CITY OF ONTARIO
BUSINESS LOAN FUND

APPLICATION

CONTACT INFORMATION
Ontario Finance Department
444 SW 4th Street
Ontario, Oregon 97914
(541) 881-3200
www.ontariooregon.org



CITY OF ONTARIO BUSINESS LOAN FUND

FUND REQUEST APPLICATION

APPLICANT INFORMATION

Name: _____		
Address: _____		
Phone: _____	Email Address: _____	
Contact Person: _____	Email Address: _____	
Type of Business: _____	Employer ID#: _____	
Bank Name: _____	Bank Account#: _____	
Bank Address: _____		
Bank Telephone: _____	Bank Contact (if avail.): _____	
Company Principles		
<u>Name:</u>	<u>Title</u>	<u>% Ownership</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Current Number of Employees (Full-time equivalent): _____		
Employee Income Levels: from \$ _____ to \$ _____ (per hour/week/month/year)		

PROJECT REQUEST SUMMARY

Project Costs (From Page 2 detail)	
Total Project Costs: _____	Total Amount of Request: _____
Description of Project: _____	

New Jobs Pledged (if applicable): _____	Salary Per Job: _____

PROJECT DETAIL

Project Costs:

	TOTAL COSTS	AMOUNT REQUESTED
Land:	_____	_____
Building Acquisition:	_____	_____
New Construction:	_____	_____
Improvements:	_____	_____
Machinery & Equipment:	_____	_____
Working Capital:	_____	_____
Other (specify):	_____	_____
TOTALS	_____	_____ <i>(Transfer to Project Request Summary)</i>

Construction Acquisition:

Project Address: _____ Land Area (acres): _____
 Building Area (ft²): _____ Zoning: _____
 Person or legal entity currently holding title: _____

Machinery & Equipment:

Describe equipment/machinery to be acquired and cost per item: _____

Other Sources of Financing for Project:

Source	Amount	Term	Rate
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
TOTAL	_____		

CONFIDENTIALITY

Confidentiality:

In general, application files are public records and are open to public inspection. However, Oregon law (ORS 192.500) exempts certain information from public inspection. For example, some personal and business information is exempt from public disclosure. Your application may contain information that you believe should be exempt from public disclosure under ORS 192.500. Applicants need to clearly identify information they consider personal or business information they do not want disclosed. Clearly identify that information in the area below:

The Certifying Officer for the City of Ontario Business Loan Fund may receive a request from a citizen to inspect your application file. If so, the Certifying Officer will decide if any or all of the information is exempt from public disclosure under the law. The person who wants to inspect the application has the right to appeal the Certifying Officer's decision. In the event of an appeal, the City Attorney will make a ruling.

ACKNOWLEDGEMENT & CERTIFICATION

Applicant hereby authorizes the review and investigation of this application by the City of Ontario and its agents and specifically consents to disclosure of information contained herein and in the attachments as may be deemed necessary by the City of Ontario and its agents for such review and investigation.

I hereby Certify, on behalf of the applicant stated in this application, that (1) all the information regarding the financial disposition of the business is valid and accurate; (2) new job creation and other qualifying criteria outlined in City of Ontario Resolution No.87-103 will be met; and (3) if funding is received, the applicant will comply with all applicable local, state and federal requirements, including standards established by the State of Oregon Intergovernmental Relations Division.

Applicant Signature

Date

Printed Name and Title

Applicant Signature

Date

Printed Name and Title

NOTE: Once the Business Loan Fund Committee reviews the application, it will move on to the Council for final approval. Following Council approval, the City's Finance Department will need to gather additional information, verify financial information, and prepare the final loan documents for signing. Funds will typically be available within two (2) weeks of Council approval, provided applicant provides adequate information to the City.

REQUIRED SUBMITTALS

In addition to a completed application, applicants must submit the following information in order to be considered for Ontario Business Loan Funds:

1. **Company Profile** (*One page maximum*). Describe the nature of the business, the principle product/service, market areas, major competitors and clients. Describe the development of the business including date of acquisition, ownership or significant management changes.
2. **Full financial statements of business for previous three years.** This should include an end-of-year balance sheet, and income statement. Financial statements must be signed by a company officer.
3. **Pro-Forma Cash Flow Projection for two years.**
4. **Personal Financial Statements for previous three years.** This should be submitted for each proprietor, partner, and stockholder with 20% or more of the business ownership. This includes W-2 copies.
5. **Current Credit Report.** This should be submitted for each proprietor, partner, and stockholder with 20% or more of the business ownership.
6. **Current Business Profile Report.** This is a credit report run on the business within the last 30 days.
7. **Current tax returns.** Prior three years for the principal owner/operators, and if it is a current business, of the business itself.
8. **Debt Information.** List of outstanding debts, including creditor, original date and amount, present balance, rate, monthly payment, maturity date, collateral, and status. Identification of all existing notes, mortgages, lines of credit, liens and judgments must be included.
9. **Insurance documentation.**
10. **Copies of third party contracts.**
11. **Copies of franchise agreements.**
12. **Copies of commercial leases.**
13. **Copies of UCC filings.**
14. **Articles of Incorporation.**
15. **Copy of corporation bylaws or LLC operating agreement.**
16. **Business licenses and registrations.**
17. **List of Collateral Offered.** This should include a description of the collateral, a value, and if there exists any existing claims on the collateral. If property is the collateral, a copy of the deed should be provided.
18. **Release Form.** This is a signed letter from you stating that you agree to allow the City to make any inquiries necessary regarding the loan and authorizing us to make those inquiries.
19. **Financing Information.** If seeking other financing, please indicate status of the loan, the contact person, and phone number.
20. **Complete business plan** for any business less than three years old.
21. **Bizcenter Acknowledgement.** Applicants are required to meet with the TVCC Bizcenter in developing their application and appropriate submittals. An applicant must submit a written acknowledgment from the Bizcenter that the applicant has developed their plan with the Bizcenter.



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INFORMATION & CRITERIA

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BUSINESS LOAN FUND INFORMATION AND CRITERIA

The purpose of the City of Ontario Business Loan Fund is to provide financing to: encourage economic and community development; create and retain jobs; and/or enhance the aesthetic appeal of properties located within the Ontario City Limits. The maximum utilization of the Business Loan Fund is encouraged.

CRITERIA

The following project criteria are priority items of the Business Loan Fund:

- a. Businesses that are a "qualified business firm" as defined by the Enterprise Zone section of the Oregon Revised Statutes and are located in the Ontario Enterprise Zone;
- b. Businesses that provide a high ratio of employment to funds borrowed;
- c. Existing businesses with fewer than one hundred employees;
- d. Businesses that provide employment to low and moderate income employees;
- e. Businesses making use of skills of displaced or unemployed workers;
- f. Assisting businesses that provide economic diversification;
- g. Businesses with significant owner equity;
- h. Business projects that will maximize participation by financial institutions and local development groups;
- i. Projects that are intended to bring about compliance with the City of Ontario required upgrades to on-site landscaping and/or parking improvements for business enterprises; and
- j. Businesses located in less commercially developed areas of the city.

ELIGIBLE ACTIVITIES

To be eligible for a loan, applicants must meet at least three of the criteria set forth above. In prioritizing loans among applicants, the city will give greater consideration to projects that meet the most criteria.

Loan funds may be used for necessary physical facility expenses including, but not limited to, the purchase of land, buildings, equipment, or the construction or installation of site improvements, or for any other legitimate business activity other than for activities that are listed below as ineligible.

INELIGIBLE ACTIVITIES

The following activities are ineligible for funding from the Business Loan Fund:

- a. Paying off a loan, investment, or advance to an employee, officer, partner, or stockholder of the business, or replenishing funds used for such purposes;
- b. Use of loan funds for investment purposes not related to the business, or for business purposes considered speculative;
- c. Use of loan funds to provide working capital for a business;
- d. use of loan funds by businesses located primarily outside of the Ontario City Limits; and
- e. Use of loan funds by businesses primarily involved in lending and/or investments.

LOAN TERMS

The following criteria shall apply to the terms of the loan:

- a. Applications must be made for loans in the amount of not less than \$10,000. Loans will be authorized to qualifying applicants on a first come, first serve basis, subject to availability of funds within the Business Loan Fund;
- b. The maximum loan term is ten years;
- c. The interest rate for a loan granted under the terms of this program shall be either three percent (3%) over the prime interest rate as determined at the time of final loan approval, or five percent (5%), whichever is greater. Interest shall accrue on a fixed, simple interest basis.
- d. All loans shall be subject to a loan servicing fee of 1½% of the principal loan amount, to be deducted from the loan proceeds;
- e. Loan funds from the city may be used to finance no more than twenty percent (20%) of the total project cost. At least ten percent (10%) of the total project cost shall be paid for from the personal funds of the applicant and not from any lender;
- f. No loans shall be approved unless there is sufficient collateral or adequate security given to allow repayment of the loan in the event of default, and unless personal guaranties are executed by all principals of the business. In taking collateral as security for a loan, the following shall apply:
 1. Whenever feasible, the city shall require that it be in a first lien position on collateral. The city may agree to subordinate its security interest in collateral to another lender on the project if the borrower has sufficient equity in the collateral taken by the city to provide adequate security for the loan amount.
 2. The city shall not rely on inventory as collateral in approving a loan, although it may take a security interest in inventory as additional security;
 3. In determining the value of collateral, the city shall not rely exclusively on estimates provided by the applicant, but shall take reasonable steps to independently verify the value of collateral whenever possible. Real market values of real property as determined by the county assessor may be used for this purpose. Equipment and other personal property offered for collateral shall be valued at no more than 50% of the current fair market value, to account for disposition expenses and depreciation.
 4. The city's security interest in collateral shall be perfected by appropriate filings with the Secretary of State of the County Clerk.

COLLECTION AGENCIES

The City of Ontario may require that the repayment of funds be made to a designated independent agent or escrow company, which shall serve as an agent for the city in the collection of loan funds.