

City of West Allis
Economic Development Loan
Program



Application Packet

**CITY OF WEST ALLIS
ECONOMIC DEVELOPMENT LOAN PROGRAM**

ELIGIBLE BUSINESSES	Industrial <u>and</u> Commercial.
ELIGIBLE COSTS	Acquisition of property and equipment; new construction or rehabilitation of existing facilities. No working capital loans. *
STRUCTURE	The City's program is intended to bridge the gap between the amount a conventional lender is willing to lend and the amount that is needed to finance the project. Lender participation must be at least 67%. *
MAXIMUM LOAN AMOUNT	\$150,000. *
MINIMUM LOAN AMOUNT	\$10,000.
REPAYMENT TERM	Matched to company's debt service capacity, maximum of 20 years.
INTEREST RATE	Market Rate.
FEES	1 percent of loan amount, minimum of \$500.00.
AVERAGE PROCESSING TIME	60 days.
SPECIAL REQUIREMENTS	<p>For this loan program the City uses federal funds, the purpose of which is to create job opportunities for low-to-moderate income workers. Borrower must guarantee that he/she will create at least one new job for every \$10,000 the City lends. At least 51 percent of these new jobs must be filled by a worker from a low-to-moderate income household.</p> <p>Any construction/rehabilitation work associated with these loan funds must comply with Federal Fair Labor Standards provisions of the Davis-Bacon Act; i.e. contractor must pay prevailing wage.</p> <p>Federal rules require the City to apply a "necessary and appropriate" test to all loan requests. This means that the applicant must provide evidence that he/she is unable to obtain all the financing needed for the project on affordable terms.</p>
CONTACT	Patrick Schloss, Department of Development (414) 302-8468

* In cases where the project will result in an extraordinary economic benefit to the community, the Common Council will consider waiving these guidelines on eligible costs, required lender participation and maximum loan amount.

Income Limits for Low-to-Moderate Income Households (worker's household income prior to taking the job with Economic Development Loan recipient).

FAMILY SIZE*	MAXIMUM TOTAL ANNUAL HOUSEHOLD INCOME**
1 Person	\$40,550/yr. or less
2 Persons	\$46,350/yr. or less
3 Persons	\$52,150/yr. or less
4 Persons	\$57,900/yr. or less
5 Persons	\$62,550/yr. or less
6 Persons	\$67,200/yr. or less
7 Persons	\$71,800/yr. or less
8 Persons	\$76,450/yr. or less

* "Family" means all persons residing in the same household.

** "Income" means that of all members of the family over 18 years of age. However, unearned income (such as income from trust funds or investments) must be included regardless of the age of the beneficiary. Income includes wages, pensions, social security benefits, rents and interest from any asset.

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Application Instructions and Required Supplementary Information

In addition to completing the attached form, the loan applicant is required to submit the following supplemental information:

- A. Business Plan containing the following:
1. Executive Summary that describes the project you are seeking to finance, and how the project relates to your company's strategic goals.
 2. A brief history of the company, including a description of its product/service.
 3. Brief biographies on the key managers of the company and their duties and responsibilities.
 4. Financial statements of the company for the past 3 years, including all schedules and notes to those statements, particularly debt schedules and aging reports on accounts payable and accounts receivable. If the last annual financial statement is more than 4 months old, please also supply an interim financial statement. Also include tax returns for the last 2 years.
 5. Financial PROJECTIONS (Operating Statement, Balance Sheet and Cash Flow projections) of company operations for the next 3 years. Projections should reflect the impact of the proposed project upon future company operations (e.g., new interest expenses, depreciation expenses, etc.). Include any relevant documentation to support these projections, such as market studies (including listing of competition), customer purchase orders, etc.
- B. Documentation of project costs, such as copy of accepted Offer to Purchase, Lease Agreement, supplier estimates for machinery and equipment, contractors' estimates for construction/remodeling, etc.
- C. If project involves purchase of used equipment, documentation on value of assets being acquired, such as a real estate appraisal or an equipment appraisal if project involves purchase of used equipment.
- D. Personal Financial Statements from each of the principals of the company.
- E. Letter from the bank indicating the bank's participation in the project. Letter should include specific terms being offered by the bank (loan amount, repayment term, interest rate, collateral required).

Submit the completed Application Form and all supplementary application materials to:

**Patrick Schloss
Department of Development
7525 West Greenfield Avenue
West Allis, Wisconsin 53214
(414) 302-8468**

FOR OFFICE USE ONLY			
Application Date:		Approval Date:	
Amount:		Treasurers Sign Off:	

**CITY OF WEST ALLIS
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Economic Development Loan Application Form

(Please provide all requested information and be sure to sign both the Application and the attached Assurances)

A. GENERAL INFORMATION

Date of Submission:			
Name of Applicant Business:			
Address:			
City:			
State:		Zip:	
Business EIN or SSN:			
DUNS #:		Brads #:	
Affiliates:			
Type of Business:			
Contact Person:			
Office Phone:		Cell Phone:	
Email Address:			

Legal Status of Applicant	Type	State Where Corp. is Registered	Year Formed

If business is owned by a corporation or partnership, give exact legal name of corporation/partnership:

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Indicate names of other businesses owned in whole or in part by this corporation/partnership:

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B. PROJECT COST SUMMARY – Summarize below the project costs. A more detailed description of the project should be provided in the Business Plan.

Acquisition of Real Estate:	
Construction/Remodeling:	
Moving and Related Costs (e.g., machinery setup):	
Working Capital (e.g., cash to carry receivables, inventory, etc.):	
OTHER PROJECT COSTS	
TOTAL:	

C. PROPOSED SOURCES OF FINANCING – Summarize below how you propose to finance these project costs. A more detailed description of the method of financing should be provided in the Business Plan.

LENDER	INT. RATE	TERM	COLLATERAL DESCRIPTION	AMOUNT
EQUITY	SOURCE (e.g. venture capital, stock offering, subordinated loan from officer, etc.)			
TOTAL:				

NOTE: Total project costs and total financing must balance

D. JOB CREATION INFORMATION

1. List below your **current** employment level:

JOB TITLE	# FULL TIME	# PART TIME	AVERAGE HOURLY WAGE
TOTALS:			

Does your company have a written Affirmative Action in Hiring policy?
 (If "Yes", please attach copy to this application)

2. List below your **projections** on the **new jobs** that will be created as a result of this project:

JOB TITLE	# FULL TIME	# PART TIME	AVERAGE HOURLY WAGE
TOTALS:			

I certify that the information contained in this application (including all supplementary material) is, to the best of my knowledge, true and correct.

Signature: _____ Title: _____

Print Name: _____ Date: _____

Be sure to read and sign the attached Assurances.

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ASSURANCES

The applicant hereby assures and certifies that:

1. The private development would not occur unless the public funding on which the development is based becomes available.
2. It possesses legal authority to apply for the loan and to execute the proposed program.
3. Its governing body has duly adopted or passed as an official act, a resolution, motion, or similar action authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.
4. Its chief executive officer or other officer of the applicant will cooperate with the City relative to the City's obligations under the National Environmental Policy Act of 1969 and under 24 CFR 58.1(a)(3), insofar as these provisions apply to this project, by:
 - a. Providing information necessary for the City to complete an environmental review of the project.
 - b. Consenting to undertake measures to mitigate any adverse environmental consequences, which the aforesaid environmental review determines may result from the project.
5. It will insure that the facilities under its ownership, lease, or supervision which shall be utilized in the accomplishment of the program are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify HUD of the receipt of any communication from the Director of EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.
6. It will comply with the requirements for historic preservation identification and review set forth in Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470), Executive Order 11593, and the Archeological and Historic Preservation Act of 1974 (16 U.S.C. 469a, et seq.), regulations of the Advisory Council on Historic Preservation at 36 CFR 801, and any other regulations promulgated pursuant to Section 121 of the Housing and Community Development Act of 1974, as amended.
7. Any construction, addition, remodeling, or renovating of any part of the project may be subject to federal Fair Labor Standards provisions in accordance with the Davis-Bacon Act, as amended, (40 U.S.C. sec. 276a-276a-5) and implementing regulations issued at 24 CFR 570.603; and, if so subject, it represents and warrants that any such work will be done in accordance with such laws and regulations. Preconstruction conferences will be held between the City, it, and the contractors.

8. It will comply with:
- a. Title VI of the Civil Rights Act of 1964 (Pub. L.86-352), and implementing regulations issued at (24 CFR Part 1), which provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives federal financial assistance and will immediately take measures necessary to effectuate this assurance.
 - b. Section 109 of the Housing and Community Development Act of 1974, as amended, and the regulations issued pursuant thereto (24 CFR 570.601), which provide that no person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds provided under 24 CFR Part 570.
 - c. Section 3 of the Housing and Urban Development Act of 1968, as amended, and implementing regulations at 24 CFR Part 135, requiring that to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area, and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in the area of the project.
 - d. Executive Order 11246, as amended by Executive Orders 11375 and 12066 and implementing regulations issued at 41 CFR Chapter 60, which provides that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of federal or federally-assisted construction contracts.
 - e. Executive Order 11063, and implementing regulations at 24 CFR Part 107, on equal opportunity in housing and nondiscrimination on the sale or rental of housing built with federal assistance.
 - f. Section 504 of the Rehabilitation Act of 1973, as amended, (Pub. L.93-112) and implementing regulations (when published for effect). Section 504 provides that no qualified handicapped person shall, on the basis of handicap, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity, which receives or benefits from federal financial assistance.
 - g. The Age Discrimination Act of 1975, as amended, (Pub. L.94-135) and implementing regulations (when published for effect).
 - h. The relocation requirements of Title II and the acquisition requirements of Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, implementing regulations at 24 CFR Part 42, and the special provisions of Section 570.457 concerning the relocation of residential tenants not covered by the Uniform Act.
 - i. The flood insurance purchase requirements of Section 102(a) or The Flood Disaster Protection Act of 1973 (Pub. L.93-234).
 - j. All requirements imposed by HUD concerning special requirements of law, program requirements and other administrative requirements approved in accordance with OMB Circular No. A-102 Revised.

9. It will not, in carrying out the project, discriminate against any employee because of race, color, religion, sex, handicap, or national origin. It will take affirmative action to insure that applicants for employment are employed, and that employees are treated during employment without regard to their race, color, religion, age, sex, handicap, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The applicant shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by HUD setting forth the provisions of this nondiscrimination clause. The applicant will, in all solicitations or advertisements for employees placed by or on behalf of the applicant, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, handicap, or national origin. The applicant will incorporate the foregoing requirements of this paragraph in all of its contracts for project work, except contracts for standard commercial supplies or raw materials or contracts covered under 24 CFR Part 570 subsection (c)(14)(ix)(E), and will require all of its contracts for such work to incorporate such requirements in all subcontracts for work done with funds provided under 24 CFR Part 570.
10. It certifies that it has not knowingly and willfully made or used a document or writing containing any false, fictitious, or fraudulent statement or entry. It is provided in 18 U.S.C. 1001 that whoever does so within the jurisdiction of any department or agency of the United States shall be fined not more than ten thousand dollars (\$10,000) or imprisoned for not more than five (5) years, or both.
11. It will give HUD and the Comptroller General through any authorized representatives, access to and the right to examine all records, books, papers, or documents related to the grant.
12. During the term of the project, it will provide the City annually with true and correct copies of its financial statements. All financial statements are to be prepared in accordance with generally accepted principles of auditing and accounting applied on a basis consistent with the accounting practices heretofore employed.
13. During the term of the project, it will use the name West Allis in its mailing address.

Signature: _____ Title: _____

Date: _____

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DESIGNATION OF TRADE SECRET INFORMATION

Applications for financial assistance received by the City of West Allis are subject to the Wisconsin Open Records Law. What this means is that citizens may request the opportunity to review a project file to see how their tax dollars are being spent. The City recognizes that applications may contain information the applicant deems **TRADE SECRET**. The City can only withhold information designated as **TRADE SECRET**. **TRADE SECRET** is defined as follows (definition is from Section 19.36[5], Wis. Stats.):

TRADE SECRET means information, including a formula, pattern, compilation, program, device, method, technique or process to which all of the following apply:

1. The information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.
2. The information is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.

Oftentimes, a business views its financial information as “confidential.” Confidential material cannot be labeled as Trade Secret unless it meets the definition above. If a business labels certain items in the financial information as Trade Secret, it must be aware that the following, at a minimum, will still remain part of the public record:

Total Assets	Net Sales	Total Equity
Total Liabilities	Net Income	

If only one item on a page is trade secret, only that item can be blacked out, not the whole page. Personal financial statements or any part thereof are not Trade Secret.

To facilitate compliance with the Wisconsin Open Records Law, the City of West Allis asks that the applicant specifically identify the text in the application that is to be treated as **TRADE SECRET** material. Please use the following chart to identify the material. If there is no information or material in the application that is **TRADE SECRET**, please make a statement to that effect.

SECTION	PAGE NUMBER	BASIS FOR CLAIM

If the above chart is blank, then all information provided as part of the application process will be open to examination and copying. In the event that material designated as **TRADE SECRET** is challenged, the applicant agrees to provide legal counsel to defend any action resulting from an Open Record Request for the designated material. Note: If the Basis For Claim needs more explanation, please attach it to this page.

This form must be signed by an authorized representative of the business.

Business Representative: _____ Date: _____