

WELD/LARIMER REVOLVING LOAN FUND POLICIES

Updated 7/19/96

The Weld/Larimer Revolving Loan Fund (RLF) is funded through state CDBG grant dollars. The intent is to develop this loan pool over a period of years to \$1.5 million, for use providing gap financing assistance to new and existing business expansions which result in job creation and improved economic conditions.

The policies of this program are presented below. This set of policies is designed as a guide to the Loan Committee in providing business assistance. We expect it to be changed often reflecting the creativity of the committee and the growth of the RLF fund.

The Greeley/ Weld Economic Development Action Partnership, Inc. (EDAP) has been designated to administer this RLF on behalf of Weld and Larimer Counties.

I. ELIGIBILITY REQUIREMENTS

A. The Company

1. Private, for-profit businesses.
2. Expansions of existing businesses and new business start-ups will receive equal consideration.
3. Priority will be given to base industry projects: manufacturing, wholesale, distribution, etc.
4. Retail projects are typically not eligible, but will be considered.
5. The company must be adding/retaining jobs.

B. Company Location

1. The company must be located, or considering a location, in the non-entitlement areas of Weld and Larimer Counties.
2. Non-entitlement areas include all of Weld and Larimer Counties except Greeley, Ft. Collins and Loveland.

II. FINANCIAL ASSISTANCE GUIDELINES

A. Loan Structure

Any variation from these guidelines will require a majority vote of the Loan Committee.

1. Minimum RLF loans will be \$10,000 and maximum loans should not exceed \$100,000. Requests in excess of \$100,000 will be considered for supplemental funding through the State.
2. At least 51% of all new employees hired due to RLF assistance MUST meet State developed low/moderate income criteria for each county. Our goal is that 70% meet this criteria.
3. A minimum of one FTE job will be created/retained for every \$20,000 of RLF assistance.
4. Participation in a project is targeted to those companies who have exhausted all other sources of gap financing. A typical loan package may be:

Owner Equity	10%
Other: Investors, Bank Financing Venture Capital, SBA, etc.	70%
Revolving Loan Fund	20%

Loan structure will be determined on a project-by-project basis by a majority vote of the Loan Committee.

