

**County of Oswego Industrial  
Development Agency**

**44 W. Bridge St.**  
Oswego, NY 13126  
(315) 343-1545

**Application  
for the  
IDA IRP Loan Program**

**3/2010**

## **IDA IRP LOAN PROGRAM**

### **Loan Review Criteria**

The IDA IRP Loan Program is designed to accomplish certain specific goals and objectives in order to enhance the County's overall economic well-being and to foster the creation and retention of job opportunities for the County's citizens. The IDA will attempt to ascertain to what extent each of the projects proposed for funding meet the following criteria:

#### **GOALS AND OBJECTIVES**

The primary goals and objectives of the Program are:

- (1) To create new employment opportunities through the expansion of existing or the creation of new businesses;
- (2) To retain existing employment opportunities;
- (3) To increase the County's tax base;
- (4) To help diversify the County's economic base;
- (5) To provide essential services or businesses generally lacking in the County;
- (6) To help leverage private and non-IDA IRP Loan Program public funds;
- (7) To make available funding for the working capital and machinery/equipment needs of new or existing businesses; and
- (8) To improve the quality of life in Oswego County.

Projects will be funded on a first come-first served basis. The program's parameters for funding will be at the discretion of the IDA, however, in general will be the lesser of 50% of total project cost or \$100,000. Funding participation will be subject to the availability of funds at the time of the loan review. Under special and unique circumstances, the Agency may consider in accordance with USDA guidelines, a loan up to \$250,000.

### **CREDIT WORTHINESS**

The applicant must be current on real property taxes, all mortgage payments, federal and state tax obligations and all other debts. Revolving loans (i.e., credit cards) must be a manageable size and be receiving sufficient payments. The borrower must be free from any unsatisfied judgements or other claims which interfere with the lender's rights in the collateral.

Non-compliance with any of the above will be considered an appropriate reason for loan refusal. The applicant will, however, have the opportunity to correct any of the above problems. Substantial non-compliance, however, will show a lack of credit worthiness and could be deemed a reason for loan refusal.

### **PROJECT FEASIBILITY / BUSINESS PLAN**

The applicant must provide information to the IDA concerning the feasibility of the project as well as its business plan. The feasibility of all areas of the project will be examined to include, but not to be limited to, the following: income projections, profit projections, and job projections. Questions with regard to the feasibility of a project will be considered an appropriate reason for loan refusal. Assistance to the applicant in developing a business plan and a feasible project will be provided or coordinated with the Small Business Development Center at SUNY Oswego.

### **JOB OPPORTUNITIES**

The loan applicant is encouraged to provide, to the greatest extent possible, opportunities for employment to lower income residents of the County and contracts for work to be performed with loan proceeds by businesses or persons which are located in the County.

### **ENVIRONMENTAL COMPLIANCE**

The applicant must complete the Short Environmental Assessment Form that is included with the application. Based upon the review of the Short Environmental Assessment Form, the applicant may have to complete the Long Form in order to comply with the New York State Environmental Quality Review Act (SEQRA). If SEQRA action has been taken relative to this project by another agency or municipality, a copy should be provided. The applicant must also complete Form RD 1940 – Request For Environmental Information as required by USDA.

### **ELIGIBLE USE OF LOAN PROCEEDS**

In terms of priority, as identified by the IDA, IRP loan proceeds may be used for the following: (1) purchase of machinery and equipment; (2) inventory; (3) soft costs; (4) start-up costs; and (5) working capital. Loan proceeds for the refinancing of existing debt is prohibited. In general, the loan shall not exceed 50% of total project cost or \$100,000 whichever is less.

In order to maximize the economic impact of the financing available, the following types of projects are eligible for assistance under the IDA IRP Loan Program:

- (1) Manufacturing Facilities;
- (2) Warehousing and Distribution Facilities;
- (3) Research and Development Facilities;
- (4) Service and Support businesses deemed essential for (1), (2), and (3);
- (5) Tourism related service businesses that are essential to the County's overall tourism development programs; and
- (6) Other economic development related projects deemed essential and necessary for the County's economic well-being.

### **INELIGIBLE USES OF LOAN PROCEEDS**

- (1) Housing projects;
- (2) Race tracks, golf courses;
- (3) Lending, Investment, and Insurance companies
- (4) Projects involving legalized gambling activities;
- (5) Any other types of projects determined ineligible by the USDA

### **SECURITY**

All loans will be secured. Security will be in real property, assets of a business and/or assets of the business owners or corporate officers. Additionally, loans will be secured by the equipment or materials purchased with the loan proceeds. Security in the form of account receivables may, in some instances, be used as collateral as well. The loan can be secured in a subordinate position, if required by the bank or other lender that is the primary lender. The IDA will determine what shall serve as collateral on each loan. Personal guarantees are normally required from all principals that own 20% or more of the business and may subject to underwriting be required from the spouses of the principals.

### **PROOF OF FINANCIAL COMMITMENT**

In reviewing the applicant's request, the IDA will address the availability of firm financial commitments for the non-IDA IRP Loan Program portion of the project. Applicants should bear in mind that all loans are contingent upon the nature and degree of the firm financial commitment from the non-IDA IRP Loan Program funding sources. Funding for the non-IDA IRP Loan Program portion can be in the form of: (1) bank financing, (2) other private financing, (3) equity and/or (4) public financing other than the requested loan. Applicants will be required to provide information on the financing commitment of the non-IDA IRP Loan Program portion of the project, including source, dollar amount, rate, term, annual payment and collateral.

**TERMS AND CONDITIONS**

The term of the loan shall, in general, be in accordance with the following schedule:

<b><u>Use of Loan Proceeds</u></b>	<b><u>Amortization (yrs.)</u></b>
Purchase Machinery and Equipment	5 to 7
Inventory	3 to 5
Soft Costs	3 to 5
Start-Up Costs	3 to 5
Working Capital	3 to 5

The IDA may increase the term of the loan under unusual conditions, and the applicant may pre-pay the loan without penalty.

Interest rates will be fixed for the term of the loan. The rate of interest will be between 5 – 8% based on credit worthiness. Repayment, principal and interest, will be on monthly installments and will be made directly to the County of Oswego Industrial Development Agency.

In cases where a draw-down procedure is required, for example - a machinery and equipment loan is approved and the firm acquires the equipment over a period of 3 to 6 months, interest will accrue upon the draw-down portion and is due prior to any subsequent draw-downs. Upon completion of the final draw-down, the entire principal amount will then be amortized per the loan documents.

Each loan’s terms and conditions will be reviewed to insure an adequate return on investment is possible and that sufficient cash flow is available to permit the project to be successful. Consequently, the IDA will retain a certain degree of flexibility and may deviate from the guidelines outlined when circumstances merit it.

Loans of \$100,000 or more will require a public hearing to be held in the municipality where the project is located. Loans will also require approval by USDA.

**NEED**

All projects must demonstrate a need for financing. The loans can serve as “gap” or “subsidy” financing. “Gap” loans are defined as those which provide funds which are needed to complete a total project which would otherwise not be available from other sources.

“Subsidy” financing is defined in the following context: Although sufficient funds are available from other sources, the cost of these funds are at a level as to render the total project financially unfeasible. Therefore, the IDA Loan Program funds including the IRP are required for a lower total project funding rate.

## **IDA IRP LOAN PROGRAM APPLICATION FORM**

<b>1.</b>	<b>Company Legal Name:</b>			
	<b>Address:</b>			
	<b>Telephone:</b>		<b>Fax:</b>	
	<b>Contact Person:</b>		<b>Title:</b>	

<b>2.</b>	<b>Employer I.D. Number:</b>			
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<b>3.</b>	<b>Legal Counsel:</b>			
	<b>Address:</b>			
	<b>Telephone:</b>		<b>Fax:</b>	

<b>4.</b>	<b>Accountant:</b>			
	<b>Address:</b>			
	<b>Telephone:</b>		<b>Fax:</b>	

<b>5.</b>	<b>Business Form:</b>					
	<b>Corporation:</b>		<b>Year Incorporated:</b>		<b>State:</b>	
	<b>Partnership:</b>		<b>Year Formed:</b>			
	<b>Sole Proprietorship:</b>		<b>Year Established:</b>			
	<b>LLC:</b>					
	<b>LLP:</b>					

<b>6.</b>	<b>Type of Business: (Describe products produced, services provided, etc.)</b>
	<b>N.A.I.C.S. CODE:</b>

**7. EMPLOYMENT PLAN - Please complete the following chart describing your projected employment**

**plan following receipt of IDA assistance. Employment numbers relate to the Project only, current (if any) and new jobs to be created.**

Permanent Occupations in Company	Current Jobs by Occupation			Projection of New Jobs to be Created Annually							
	Base Annual Salary or Hourly Wage	No. of Employees		1st Year		2nd Year		3rd year		Total New Jobs for 3 Yr. Period	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Professional											
Clerical											
Sales											
Service											
Construction											
Manufacturing:											
Skilled											
Semi-Skilled											
Unskilled											
Other (Describe)											
	TOTAL										
		<b>TOTAL:</b>									

**8. CONSTRUCTION EMPLOYMENT**

<b>Number of construction jobs to be created:</b>				
<b>Construction Time Schedule:</b>	<b>BEGIN:</b>		<b>END:</b>	

**9. LABOR UNION AGREEMENT**

<b>The employees of our firm are not</b>		<b>are</b>		<b>currently covered by a</b>
<b>collective bargaining agreement with:</b>				
<b>(Name of International Union and Local Union Number)</b>				
<b>Union Contact Person (address/phone):</b>				
<b>Contract expiration date:</b>		<b>No. of employees covered:</b>		

## 10. PROJECT COST AND DESCRIPTION:

REALTY COSTS	AMOUNT
Acquisition of Real Property	
Construction of New Building	
Renovation of Existing Building	
Expansion of Existing Building	
Other (specify):	
<b>TOTAL REALTY COSTS:</b>	

MACHINERY AND EQUIPMENT COSTS	AMOUNT
Acquisition of Machinery & Equipment	
Installation	
Other (specify):	
<b>TOTAL M&amp;E COSTS:</b>	

INVENTORY COSTS	AMOUNT
Description:	
<b>TOTAL INVENTORY COSTS:</b>	

WORKING CAPITAL COSTS (other than inventory)	AMOUNT
Description:	
<b>TOTAL WORKING CAPITAL COSTS:</b>	

<b>TOTAL PROJECT COST:</b>	
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**11. DEBT FINANCING SOURCES**

(Identify all sources of financing, excluding the IDA IRP Loan Program request, that will be used)

<b>Lender:</b>	<b>Amount:</b>	<b>Term:</b>	<b>Interest Rate:</b>	<b>Lien Position:</b>
<b>Purpose:</b>			<b>Collateral:</b>	

<b>Lender:</b>	<b>Amount:</b>	<b>Term:</b>	<b>Interest Rate:</b>	<b>Lien Position:</b>
<b>Purpose:</b>			<b>Collateral:</b>	

<b>Lender:</b>	<b>Amount:</b>	<b>Term:</b>	<b>Interest Rate:</b>	<b>Lien Position:</b>
<b>Purpose:</b>			<b>Collateral:</b>	

**12. EQUITY SOURCES (Identify all sources of equity to be invested in the project):**

Source	Amount	Purpose

**13. IDA IRP LOAN REQUEST**

Amount	Purpose	List of Collateral (estimate the value)
<b>Term (years):</b>		

# 14. ENVIRONMENTAL ASSESSMENT (SHORT FORM)

State Environmental Quality Review for UNLISTED ACTIONS Only.

## PART I Project information (To be completed by Applicant or Project sponsor)

1. Applicant/Sponsor:					
2. Project Name:					
3. Project Location.		Municipality:		County: Oswego	
4. Is proposed action		New:	Expansion	Modif/Alteration:	
5. Describe project briefly:					
6. Precise location (road intersections, prominent landmarks, etc. or provide map):					
7. Amount of land affected:		Initially _____ acres		Ultimately _____ acres	
8. Will proposed action comply with existing zoning or other existing land use restrictions?				Yes _____ No	
If no, describe briefly:					
9. What is present land use in vicinity of project?		Residential _____		Industrial _____	
Commercial _____		Agriculture _____		Park land/open space _____ Other _____	
10. Does action involve a permit/approval or funding now or ultimately from any other governmental agency (Federal, state or local)?					
YES:		NO:		If yes, list agency(s) and permit/approvals:	
11. Does any aspect of the action have a currently valid permit or approval?					
YES:		NO:		If yes, list agency and permit/approval type:	
12. As result of proposed action, will existing permit/approval require modification?				YES: _____ NO: _____	
I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE TO THE BEST OF MY KNOWLEDGE					
Applicant/sponsor name: _____ Date: _____					
Signature: _____					

**15. AGREEMENTS**

- (a) I/We agree that if the IDA approves this loan application, I/We will not, for at least two years, hire as an employee or consultant anyone that was a member of the IDA during the one-year period prior to the disbursement of the loan.
- (b) I/We agree that the project will adhere to all local, state and federal air and water pollution standards.
- (c) I/We agree that I/we will obtain required Flood Hazard Insurance.
- (d) I/We agree to submit annual financial reports to the County of Oswego IDA and/or, if specifically requested, I/we agree to submit quarterly or semi-annual financial reports.
- (e) I/We agree that verification of any information contained herein or to be provided in support of this loan request may be obtained and a formal credit check may be undertaken by any source deemed appropriate by the IDA.
- (f) I/We agree to abide by all State and Federal regulations regarding employment.
- (g) I/We agree to work with the appropriate agencies in recruiting and hiring for new employees.
- (h) I/We agree to make the best effort possible to hire local labor and to contract with local firms.

**16. CERTIFICATIONS**

- (a) I/We certify all information in this Application and Exhibits are true and complete to the best of my/our knowledge and is submitted to the IDA so the IDA can decide whether to participate in a loan to me/us.
- (b) I/We give the assurance that I/we will comply with Section 112 and 113 of Volume 13 of the Code of Federal Regulations. These Code Sections prohibit discrimination on the grounds of race, color, sex, religion, marital status, handicap, age, or national origin. These requirements are applicable to anyone who buys or takes control of the business. I/We realize that if I/we do not comply with these non-discrimination requirements the IDA can call, terminate, or accelerate repayment on my/our loan.

**17. AUTHORIZATIONS, COMPLIANCES AND WAIVERS**

- (a) I/We authorize disclosure of all information submitted in connection with this application to the financial institution agreeing to participate in the loan.
- (b) As consideration for any Management and Technical Assistance that may be provided, I/we waive all claims against the IDA and its consultants.
- (c) I/We realize that if I/we do not comply with these Agreements and Certification, the IDA can call, terminate, or accelerate repayment on my/our loan.

**18. CLOSING AGREEMENT AND CERTIFICATION**

- (a) I/We agree to pay all reasonable closing costs associated with the IDA loan including general counsel of the IDA. Closing costs will be detailed prior to loan closing. The applicant agrees to pay an administrative and processing fee of at least one percent (1%) of the loan proceeds or \$200, whichever is greater, at the time of closing. The applicant also agrees to pay an application fee of One Hundred Dollars (\$100.00) to be made payable to the County of Oswego Industrial Development Agency with the submission of this application.
- (b) I/We understand that this is not a legally binding document for purposes of receipt of loan monies. The loan request may be withdrawn at any time prior to formal closing of the loan. However, I/we understand that the initial application fee is non-refundable, that any legal costs incurred up to the point of withdrawal are the responsibility of the applicant, and that the applicant is submitting this application in good faith as a request for financial assistance. This application is for informational and analysis purposes only and shall not be construed as a loan agreement or commitment to enter into a loan agreement.

\_\_\_\_\_ **Date of Application**

\_\_\_\_\_ **Signature of Applicant**

\_\_\_\_\_ **Title of Applicant**

Sworn to before me this  
day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_ **Notary Public**

**CORPORATE SEAL  
(If applicable)**

“The following information is requested by the Federal Government in order to monitor compliance with Federal Laws prohibiting discrimination against applicants seeking to participate in this program. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, we are required to note the race/national origin of individual applicants on the basis of visual observation or surname.”

**Ethnicity:**  
**Hispanic or Latino** \_\_\_\_\_  
**Not Hispanic or Latino** \_\_\_\_\_

**Race: (Mark one or more)**  
**White** \_\_\_\_\_ **Black or African American** \_\_\_\_\_  
**American Indian/Alaska Native** \_\_\_\_\_ **Asian** \_\_\_\_\_  
**Native Hawaiian or Other Pacific Islander** \_\_\_\_\_

**Gender: Male** \_\_\_\_\_ **Female** \_\_\_\_\_

# **IDA IRP LOAN PROGRAM**

## **REQUIRED SUPPORTING INFORMATION FOR LOAN REQUEST**

The following is a list of information in support of a business's loan request. The applicant should note that this list may not be all inclusive and additional information can and will be requested at the option of the IDA. Should you have any questions concerning these requests, please contact the County of Oswego IDA at (315) 343-1545 or 44 W. Bridge St., Oswego, NY 13126.

- 1. Current Balance Sheet of Company (within last 3 months).**
- 2. Personal Balance Sheet for Sole Proprietor and all partners of Partnership (within last 3 months). The IDA has the option of requesting personal balance sheets from corporate officers. They are not required at this time.**
- 3. (a) Financial Statements of the company for the past two fiscal years;  
(b) Last two Federal income tax statements filed, personal and business tax statements are required from sole proprietors;  
(c) Partnerships shall provide personal income tax statements for all partners (for the last 2 years);  
(d) Corporations shall provide corporate income tax statements (for last 2 years);  
(e) Personal income tax statements from corporate officers having 20% or more ownership (for the last 2 years) along with a current personal financial statement.**
- 4. Description of complete project to include:**
  - (a) Detailed cost estimate of complete project: (1) private investment and non-IDA IRP funding and what they will be used for, and (2) IRP loan request funds and what they are to be used for.**
  - (b) Analysis of economic feasibility of project.**
  - (c) Projected income and cash flow statements for a minimum of three years.**
  - (d) Vendor estimates for all components to complete project - Loan applicants should provide written estimates wherever possible. For example, if the complete project involves purchase of two pieces of machinery to be funded by the loan and construction of loading dock to be privately funded, you should provide from your vendor written price estimates for the purchase of the machinery and written cost estimates for the dock construction. All cost or price estimates should be good for ninety (90) days. In the event written estimates cannot be provided, loan applicants should contact vendors for verbal update on estimates.**

**IDA IRP LOAN PROGRAM - REQUIRED SUPPORTING INFORMATION  
FOR LOAN REQUEST (continued)**

- 5. Personal and/or business collateral to be provided. If collateral is real property, specify location, mortgage holder, if any, and owner's equity in property. Other collateral provided will be verified and made a part of the loan agreement and incorporated in the loan note with appropriate UCC filing.**
- 6. Reiteration of jobs obligation per tentative agreement - number of jobs, timetable for hiring, salaries or wages for jobs and description of jobs. The loan recipient should remember that they are obligated to work with the appropriate training agencies for purposes of hiring targeted individuals.**
- 7. List of all properties owned by Corporation, partnership (all partners) and sole proprietorship within the County and their addresses. Corporations may be required to provide a list of properties owned by corporate officers. They are not required at this time.**
- 8. A list of credit references to include banks, suppliers and mortgages, if any. The applicant should note that credit references will be verified.**
- 9. Proof of funding for the non-IDA IRP Loan Program portion of the total project. Funding for the non-IDA IRP portion of the project can be in the form of (1) bank financing, (2) other private financing, (3) equity, and (4) public financing other than the requested loan. Proof of funding should include:
  - 1. source of funds**
  - 2. dollar amount**
  - 3. rate**
  - 4. term**
  - 5. annual payment**
  - 6. collateral****

**In the event the non-IDA IRP portion of the project will be funded with equity, the applicant should indicate in what form the equity will be and should include a certification that the equity is now available or will be available at the time the project is initiated.**

**Letters of commitment from the other funding sources MUST be submitted.**

- 10. Resume of management.**

**A completed business plan would include most of the information referenced above and it is highly recommended to submit a business plan along with the application. Assistance can be provided on developing a business plan from the Small Business Development Center in Oswego by calling (315) 312-5696.**