PASSED 9-0
Committee 5-0

RESOLUTION 91-05

TO AMEND THE PROGRAM GUIDELINES
FOR THE INDUSTRIAL INCENTIVE LOAN FUND.

WHEREAS, the Bloomington Redevelopment Commission recommended the creation of the Industrial Incentive Loan Program and adoption of Guidelines in Resolution 86-15, and

WHEREAS, the Bloomington Common Council created the Industrial Incentive Loan Program and adopted Guidelines in Resolution 86-6, and

WHEREAS, changes in the program Guidelines are now desired,

NOW THEREFORE, BE IT HEREBY RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

The Common Council amends the program guidelines to read as attached and made a part hereof (See Attachment A), and further that the changes are:

1. Add paragraph II. C. to read:

   C. Allowable Child Care Activities
   Section II B. notwithstanding, any existing business or consortium of businesses, in the city or two-mile fringe, can apply for a loan to buy, build, or renovate a building for use as a child care facility (for the children of employees of the business or consortium first and for the general public second). The facility may be at the business site or in near proximity as long as requirements of the zoning code are met.

2. Change paragraph III. B. to III. C.

3. Insert new paragraph III. B. to read:

   B. Loan proceeds for a child care facility loan may be used for the purchase of land, construction, or renovation of a building, or purchase of child care equipment.

4. Add paragraph VI.J. and VI.K. to read:

   In addition to the above criteria, the following two conditions will also be evaluated for proposed child care activities.

   J. The proposed financial involvement of the business in the child care program.

   K. The number of child care positions available in the facility.

PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 6th day of February, 1991.

JOHN FERNANDEZ, President
Bloomington Common Council

SIGNED and APPROVED by me upon this 7th day of February, 1991.

Tomilea Allison
TOMILEA ALLISON, Mayor
City of Bloomington

ATTEST:

Patricia Williams

PATRICIA WILLIAMS, Clerk
City of Bloomington

SYNOPSIS

This resolution amends the Industrial Incentive Loan Program to allow as an eligible activity loans for the purchase, building, or renovation of a building for a child care facility.

Revised

CITY OF BLOOMINGTON

INDUSTRIAL INCENTIVE LOAN FUND

PROGRAM GUIDELINES

I. PROGRAM DESCRIPTION

A. Purpose of Program

The Industrial Incentive Loan Fund was created as a revolving fund to be loaned to industrial, manufacturing, warehousing, and wholesale employers and/or industrial developers as an incentive to maintain and improve the economy of the city of Bloomington. The loan can be used for construction, expansion, or infrastructure improvements. The goals of the fund are to diversify the economy and to retain, provide, or increase permanent full-time industrial jobs.

B. History

The Industrial Incentive Loan Fund was created from funds paid to the City of Bloomington as a payment in lieu of annexation by industries located on the west side of Bloomington. In 1986 the City Council authorized the creation of the revolving loan fund not to exceed $400,000.

II. ELIGIBILITY

A. Geographical Restrictions

Use of the fund is limited to areas within the city's corporate boundaries or within the two-mile fringe. The area must be zoned and have adequate access to water, sewer, and roads.

B. Allowable Business Activities

The purpose of the fund is to encourage the expansion, development, or retention of basic manufacturing and industry. Therefore the use of the fund is targeted to manufacturing, wholesale, industrial development, and warehousing businesses.

C. Allowable Child Care Activities

Section II B. notwithstanding, any existing business or consortium of businesses, in the city or two-mile fringe, can apply for a loan to buy, build, or renovate a building for use as a child care facility (for the children of employees of the business or consortium first and for the general public second). The facility may be at the business site or in near proximity as long as requirements of the zoning code are met.

III. PERMITTED USE OF FUNDS

A. Loan proceeds may be applied to capital costs associated with the purchase of land, the construction or expansion of buildings, purchase of capital equipment, or construction of required infrastructure improvements.

B. Loan proceeds for a child care facility loan may be used for the purchase of land, construction, or renovation of a building, or purchase of child care equipment.

C. The loan may be used as a local match for state or federal funds. If the applicant is eligible for such programs, it is expected that the applicant will apply for those funds.

IV. TERMS AND CONDITIONS

A. Amount

The loan fund is available for projects where the total cost is a minimum of $250,000 or where the project creates five new, permanent jobs. The maximum loan amount is $100,000 or 20 percent of the total project cost, whichever is less.

B. Term
The maximum term is five years.

C. Rate
The interest rate will be the highest interest rate currently available for other city fund investments. Since the rate may change daily, the borrower's interest rate will be determined by the date the application is received by the Loan Specialist. The interest rate assigned to the borrower is good for a period of ninety days from date of application.

D. Payments
Principal and interest payments may be made monthly or quarterly. All monthly payments will be due on the first day of each month. Quarterly payments will be due on the first day of January, April, July, and October.

Payments received after the tenth day of the month due will be assessed 5 percent of the payment due as a penalty fee.

Loan payments will be processed by the Redevelopment Department and forwarded to the Controller's Office for deposit into the Industrial Incentive Loan Fund.

E. Location
The applicant must satisfy one of the following requirements:

1. Be located in the corporate boundaries.

2. Be contiguous and if eligible for annexation, the applicant must agree to voluntary annexation.

3. If ineligible or inappropriate for annexation, the applicant must sign a waiver of remonstrance against annexation and agree to sign an agreement in lieu of annexation which would include payment of fees.

F. Non-Relocation Clause
Unless specifically approved by the City Council, the borrower may not relocate the funded business activity (or a significant part of the business activity), nor may the borrower expand the funded activity beyond the geographical limits described in IIA. In determining compliance with this provision, the board shall consider as a prime factor the creation or preservation of jobs within the specified geographical area.

G. Default
The loan may be declared in default and become due and payable within thirty days of written notice to the borrower for any of the following reasons:

1. Failure of borrower to disclose any and all facts pertinent to loan approval or any misrepresentation of information.
2. Failure of borrower to make timely payments.
3. Failure of borrower to use loan funds as described in the loan application.
4. Failure of borrower to maintain mortgaged property, keep it insured and/or pay property taxes on it.
5. Failure to obtain specific approval of the City Council if the funded activity is to be relocated or expanded to another geographical location.

***This is not an all-inclusive list. Lien documents will specify further causes of default.

H. Equal Opportunity
The applicant must be an equal opportunity employer.

V. APPLICATION PROCEDURE

A. The applicant will apply to the Redevelopment Commission and then to the City Council.

B. The application is submitted to the Redevelopment Department's Loan Specialist along with a non-refundable application fee of $50.00. The Loan Specialist reviews the application for completeness; arranges a meeting with the borrower to discuss the project's eligibility, costs, scope of work; and processes the application for submission to the Redevelopment Commission.

C. If a loan is not approved by the Redevelopment Commission, the applicant will be notified and have the opportunity to discuss with the Loan Specialist and Redevelopment Director the reason for the Commission's decision.

D. If a loan is approved by the Redevelopment Commission, it will be forwarded to the City Council as a resolution.

E. If a loan is approved, the borrower will sign a loan agreement indicating commitment to the loan. The borrower is responsible for securing all necessary lien documents, insurance documentation and title insurance policies (if property is mortgaged). The Loan Specialist is responsible for preparing the promissory note and scheduling the loan closing. The City Corporation Counsel is responsible for the appropriate annexation or in lieu of annexation agreements.

VI. EVALUATION CRITERIA

Certain factors shall be considered when competitively reviewing any application against other current applications and future anticipated requests. These factors shall include, but are not limited to the following:

A. Strength of the business plan. Applicant will be expected to respond to the questions in the attached Business Plan Outline. The Business Plan must comment on the strength and experience of the proposed management team.

B. Net direct impact upon employment. "New" jobs shall be defined as "new" to Monroe County.

C. Net direct impact on area business and the local economy.

D. Net indirect impact upon employment.

E. Leverage of Fund upon other lending sources (ratio of Fund dollars to conventionally obtained capital).

F. Nature and extent of security/guarantees.

G. Repayment schedule and interest rate.

H. Tax base increases, decreases, and any proposed tax abatements which may result from this project.

I. Nature and extent of equity participation by principal owner(s).

In addition to the above criteria, the following two conditions will also be evaluated for proposed child care activities.

J. The proposed financial involvement of the business in the child care program.

K. The number of child care positions available in the facility.

VII. SECURITY

A. Acceptable collateral includes a mortgage against real estate with at least 20 percent equity remaining after total project financing is secured, a lien against the cash value of life insurance, and a lien against a Certificate of Deposit Account.

B. Loans will be secured to the extent that such security does not impair the ability of the Borrower to conduct its activities and may be subordinated to other financing, to and including a subordinated position on personal guarantees as long as the City's loan is adequately secured.

VIII. RELEASE OF FUNDS

A. Once City Council approval is granted, the Applicant must, within ninety (90) days, secure all supplemental loans, securities, and other conditional documentation or action. Failure to secure and furnish proof of these conditions within this period may result in nullification of the proposed loan.

B. All required documentation must be on file with the Department of Redevelopment prior to any release of funds.

C. Loan funds may be disbursed in one sum at the end of the project or if draws are made, interest will be charged to the borrower on those draws at the same interest rate as that of the loan. Lien documents for the total loan amount will be signed for each draw. A final promissory note showing the total loan amount will then be signed at the completion of the project.

D. Progress inspections on construction projects will be made before any release of funds.

CITY OF BLOOMINGTON

INDUSTRIAL INCENTIVE LOAN FUND

APPLICATION FORM

A. Name and location of business:

B. Contact person and telephone number:

C. Description of ownership and principal parties:

D. Brief description of products and/or services:

E. Brief history and overview of current situation:

F. Summary of financial needs and proposed uses of funds:

G. Attach personal financial statements for each owner or partner of the corporation using the form included in this package.

H. Attach a corporate financial statement if not already included in the Business Plan.

I. Each applicant must submit a Business Plan.

a do not leave any
tions unanswered

PERSONAL FINANCIAL STATEMENT

CONFIDENTIA

Submitted to: CITY OF BLOOMINGTON DEPARTMENT OF REDEVELOPMENT

Address _____

Address _____

u intend for this statement to show the joint assets and liabilities of yourself and another individual (including spouse), please so indicate abo
ing both names.

.S.C. 1014—Whoever knowingly makes any false statement or report, or willfully over-values any land, property or security, for the purp
fluencing in any way the action of . . . any bank the deposits of which are insured by the Federal Deposit Insurance Corporation . . . , upon a
cation, advance, discount, purchase, purchase agreement, repurchase agreement, commitment, or loan, or any change or extension of any of t
, by renewal, deferment of action or otherwise, or the acceptance, release, or substitution of security therefor, shall be fined not more th
00 or imprisoned not more than two years, or both.

SE PLACE AN X IN THE COLUMN TO THE LEFT HAND SIDE OF THE ASSET IF IT IS JOINTLY OWNED. ALL JOINTLY OWN
PERTY SHOULD BE ITEMIZED IN THE APPROPRIATE SCHEDULE IN THE REVERSE SIDE.

ASSETS	Thousands	Hundreds	Cents	LIABILITIES	Thousands	Hundreds	Cents
Cash on Hand				Notes Payable to Banks — Secured			
Cash in Banks — Checking				Notes Payable to Banks — Unsecured			
Cash in Banks — Savings				Notes Payable to Relatives			
U.S. Government Securities				Notes Payable to Others			
LISTED Securities				Real Estate Mortgages or Contracts Payable			
UNLISTED Securities				Unpaid Income Tax			
ccounts & Notes Receivable — Good				Other Unpaid Taxes & Interest			
Accounts & Notes Receivable — Doubtful				Accounts & Bills Due			
Real Estate Owned				Other Debts (Finance Companies, etc.) — Itemize			
Real Estate Mortgages or Contracts Receivable							
Automobile(s)							
Personal Property (Household Goods, etc.)							
CASH VALUE — Life Insurance							
Other Assets — Itemize							
				TOTAL LIABILITIES			
				NET WORTH			
TOTAL ASSETS				TOTAL LIABILITIES & NET WORTH			

SOURCES OF INCOME		
alary	$ _____	per _____
onus & Commissions	$ _____	per _____
ividends	$ _____	per _____
eal Estate Income (Net)	$ _____	per _____
ther Income (Itemize)	$ _____	per _____
_____	$ _____	per _____
OTAL	$ _____	per _____

PERSONAL INFORMATION
Employer Position
Length of time on present job:
Are you a partner or an officer in any other venture?
Social Security Number — —
Age Number of Dependents

CONTINGENT LIABILITIES	
s endorser, comaker or guarantor	$ _____
n leases or contracts	$ _____
egal Claims	$ _____

GENERAL INFORMATION
Are any of the assets listed above pledged as security for loan

Personal Financial Statement

SCHEDULE OF CH NG ACCOUNTS, SAVINGS ACCOUNTS & CE ICATES OF DEPOSIT

With Whom	Type of Account	Account Number	In Name Of	Balance

SCHEDULE OF STOCKS, BONDS & GOVERNMENT SECURITIES OWNED

Number of Shares or Face Value (Bonds)	Description	In Name Of	Market Value

SCHEDULE OF REAL ESTATE MORTGAGES and/or CONTRACTS RECEIVABLE

Description of Property	In Name Of	Balance Due	Loans	Maturity

SCHEDULE OF REAL ESTATE OWNED

Description of Property and Improvements	Date Acquired	Title In Name Of	Cost	Market Value	Mortgage Amount	Mortgage Maturit

SCHEDULE OF LIFE INSURANCE CARRIED, INCLUDING N.S.L.I. & GROUP INSURANCE

Face Value of Policy	Name of Company	Beneficiary	Cash Surrender Value	Loans

DESCRIBE ALL ASSETS, OTHER THAN THOSE PREVIOUSLY LISTED ABOVE, THAT ARE *JOINTLY* OWNED (AUTOMOBILES, MOBILE HOMES, ETC.)

Type of Asset	In Name Of	Value

SCHEDULE OF ASSETS PLEDGED

Description	Value	To Whom Pledged

GIVE NAMES OF BANKS OR FINANCE COMPANIES WHERE CREDIT HAS BEEN OBTAINED

Name	Date	High Credit	Basis

CITY OF BLOOMINGTON

INDUSTRIAL INCENTIVE LOAN FUND

BUSINESS PLAN OUTLINE

I. EXECUTIVE SUMMARY

Use Application Form

II. MARKET ANALYSIS

A. Description of Total Market

B. Industry Trends and Projections

C. Target Markets

D. Competition

E. Goals

III. PRODUCTS AND/OR SERVICES

A. Description of Product or Services

B. Proprietary Position (patents, copyrights, and legal and technical considerations).

C. Overview of Competitors Products or Services

IV. MARKETING STRATEGY

A. Overall Strategy and Goals

B. Pricing Policy

C. Sales Terms

D. Methods of Selling, Distributing, and Servicing Products

V. MANUFACTURING PROCESS

A. Materials

B. Source of Supply

C. Production Methods and Capacities.

VII. MANAGEMENT PLAN

A. Form of Business Organization

B. Board of Directors Composition

C. Officers: Organizational Chart and Responsibilities

D. Resumes of Key Personnel

E. Staffing Plan

F. Facilities Plan, Planned Capital Improvements and Scheduling.

VII. FINANCIAL DATA

A. Financial History (Five Years to Present)

B. Three Year Financial Projections (First Year by Month or Quarter)

1. Profit and Loss Statements

2. Balance Sheet

3. Cash Flow Chart

4. Capital Expenditure Estimates

5. Tax Statements (past three years)

C. Explanation of Projections

D. Sources and uses of funds; Summary of attempts to finance outside of City's fund, Effect of fund in leveraging other lending sources.

VIII. ADDITIONAL REQUIRED INFORMATION

A. Describe net direct impact upon Monroe County employment.

B. Describe net direct impact on area business and the local economy.

C. Nature and extent of available securities/guarantees (Collateral).

D. Proposed repayment schedule

E. Net impact upon tax base and proposed tax abatement action.

F. Nature and extent of equity participation (Personal financial statements may be requested).