



CITY OF ONTARIO  
BUSINESS LOAN FUND

INFORMATION AND APPLICATION

CONTACT INFORMATION

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## BUSINESS LOAN FUND INFORMATION AND CRITERIA

The City of Ontario has developed the "Business Loan Fund" (BLF) for the purpose of providing 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 City of Ontario Business Loan Fund is encouraged. The following project criteria are priority items of the City of Ontario Business Loan fund:

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

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.

The following activity is eligible for funding from the City of Ontario Business Loan Fund: Loan funds used for necessary physical facility expense 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.

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

1. Paying off a loan, investment or advance to an employee, officer, partner or stock holder of the business, or replenishing funds used for such purposes;
2. Use of loan funds for investment purposes not related to the business, or for business purposes considered speculative;
3. Use of loan funds to provide working capital for a business;
4. Use of loan funds by businesses located primarily outside the City limits; and
5. 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:

1. 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 City of Ontario Business Loan Fund.
2. The maximum loan term is ten (10) years.
3. 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 six percent (6%), whichever is greater. Interest shall accrue on a fixed, simple interest basis.
4. All loans shall be subject to a loan-servicing fee of 1 1/2% of the principle loan amount, to be deducted from the loan proceeds.
5. 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.
6. 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 all principals of the business execute personal guaranties. In taking collateral as security for a loan, the following shall apply:

- a. 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.
- b. 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.
- c. 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.
- d. Appropriate filings shall perfect the City's security interest in collateral with the Secretary of State or the County Clerk.

### 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. Show how the proposed project meets the purpose and criteria as set forth in the standing resolution;
2. Information indicating that the project is feasible and has a significant prospect of repayment;
3. Have the previous three years returns of the principle owner-operators, and if it is an existing business, of the business itself;
4. A 12-month cash flow projection for the business;
5. A release signed by the principal owner-operators authorizing the City to obtain a criminal history and credit report;
6. For any business less than three years old, a written acknowledgement from the TVCC Biz Center or other equivalent institution that the applicant has completed a business plan;
7. An identification of the collateral which is available and will be used to secure the City's interest in the loan, including whether there are any prior liens on the collateral;
8. All debt owed by the business and the principal owners, including credit card debt;
9. A statement from the City's Preliminary Development Advisory Committee that the proposed business activity meets State and local zoning and planning requirements;
10. Information indicating the source and approximate amounts of other funds which will support the project;
11. A statement signed by the applicant and other owners/operators of the business agreeing to take steps necessary to maintain the City's security interests in all collateral until the loan is paid in full.



## CITY OF ONTARIO BUSINESS LOAN FUND

### FUND REQUEST APPLICATION

#### APPLICANT INFORMATION

Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Contact Person: \_\_\_\_\_

Bank Name: \_\_\_\_\_ Bank Account#: \_\_\_\_\_

Bank Address: \_\_\_\_\_

Bank Telephone: \_\_\_\_\_ Bank Contact (if avail.): \_\_\_\_\_

Company Principles

<u>Name:</u>	<u>Title</u>	<u>Percent 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 below): \_\_\_\_\_

TOTALS \_\_\_\_\_ (Carry Forward to Page 1 Summary)

**Construction Acquisition:**

Project Address: \_\_\_\_\_ Land Area (acres): \_\_\_\_\_

Building Area (ft<sup>2</sup>): \_\_\_\_\_ 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.

## CERTIFICATION

### 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.10-102 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

\_\_\_\_\_  
Title

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

### Note:

Once an application has been received, the City Manager or designee will review the application for sufficiency of information. If the application qualifies, it will be forwarded to the Finance Director for review and approval. The Finance Director shall be responsible for conducting any investigations necessary to verify the information provided in the application. If approved by the Finance Director, the application shall be submitted to the Loan Committee for a recommendation of approval and disapproval. The Loan Committee shall recommend to the City Council approval or disapproval of each application. The City Council shall make the final decision on each application. The City of Ontario shall not discriminate against loan applicants on the basis of race, color, gender, religious preference or marital status. The City of Ontario reserves the right to turn down a loan application for any other reason.