

THE CITY OF RACINE SMALL BUSINESS REBUILDING FUND – FORGIVABLE LOAN PROGRAM

Legacy Redevelopment Corporation in partnership with the City of Racine are offering loans to small **for-profit** businesses that are owned and operated in the City of Racine.

Loans are eligible for forgiveness provided the borrower(s) participates in LRC's Blueprint Technical Assistance program. Apart of the program is working with LRC staff to assess business and business owner's needs, complete a minimum of twelve (12) TA sessions or the number of sessions established by LRC staff necessary to accomplish the goals of the initial assessment. Loan client will also be responsible for providing proof on how funds were used.

Loan Program:

- Eligible loan amount – minimum loan of \$5,000; maximum loan of \$15,000
 - Borrower must state what funds will be used for prior to approval
- Funds can only be used for company expenses: purchasing company PPE; inventory; equipment; paying mortgage payments or rent; payroll; build-out's
- No collateral required to qualify
- Deferred interest and principal payments for the period of technical assistance sessions
- Eligibility for forgiveness or loan repayment will be based as follows:
 - Borrower(s) will be required to submit verifiable proof of how funds were used (funds must be used for the original purpose requested) at the end of the final TA session
 - **IF** borrower(s) is unable to provide verifiable proof of fund usage and/or missing more than 3 sessions consecutively of the LRC Blueprint TA sessions (without approved excuse) the first payment for loan's repayment will beginning
 - The month following the 3rd missed session
 - *Maximum loan term of five years at 6% rate of interest

Eligibility:

- Business must be for profit (non-profits are not eligible)
- Business cannot be a start-up business (business must be 12+ mos. In operation from the current date)
- Business is a micro business with five or fewer employees, and owner earns less than 80% of the Racine County Area Median Household Income (MCAMHI) or
- Personal guarantee will be required for all business owners of 20% or more ownership interest
- Credit reports will be used in the underwriting process to assist in establishing credit worthiness (no minimum credit score required)
- No derogatory trade lines
 - – Open judgements **must be paid in full** prior to loan *closing* (funds from loan cannot be used to satisfy judgment(s)).
 - Open collection items – a payment plan must be in place prior to closing
- Business **must be** in good standings with the Wisconsin Department of Financial Institution
- Borrower(s) / Owner(s) **must be** current on all City of Racine property taxes

Required Documents:

- *Borrower(s) / Owner(s) must submit 2020 and 2021 business and personal tax returns with all schedules (if 2021 taxes have not been completed please submit 2019) & W'2 (if applicable)
- 2021 financial statements and/or YTD 2022
- *Borrower(s) must submit personal financial statement for all owners with a 20% or more ownership interest in the business
- *Proof of DUNS#
- *Proof of EIN#
- *Statement on how funds will assist in your business's success and what you'd like to learn in the Blueprint TA program (100 words or less)

The following business types are Not Eligible:

- Gambling or gaming establishments
- National franchises
- Adult entertainment establishments
- Pawn shops
- Payday loan or auto loan stores
- Not-for-profits
- Tobacco and liquor stores
- Gas Stations
- Banks
- Used Car Sales
- Financial Services
- Pharmacies
- Primarily in the business of renting real estate to others
- Passive real estate investments
- Firearm or other weapon dealers
- Rent a Centers
- Uber/Lyft, etc., drivers
- Business must be in a brick and mortar – no home based businesses

*Loan request will not be processed if information is not received with application request. All required documents must be submitted, complete and legible. Faxed copies will not be accepted. Once Legacy Redevelopment Corp., loan staff receives a "completed loan package" your request will be reviewed, underwritten and submitted for a loan decision.

**Documents will be required after approval but prior to loan closing.

Any questions please feel free to contact Terese Caro at (414) 343.3091 or email at tcaro@lrcmke.com



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Thank you for your interest in the Legacy Redevelopment Corporation (LRC) loan fund. Please complete and submit this application for consideration by our fund and feel free to contact us with any questions.

*There is also a nonrefundable \$25.00 loan application fee required to process your application paid via check payable to LRC.

FOR PROFIT: **APPLICANT INFORMATION**

Legal name of borrower _____
Legal name of organization (d/b/a if applicable) _____
TIN/ EIN/ Social Security Number _____ DUNS Number _____
Mailing address _____ City _____ State _____ Zip _____
Direct Contact _____
Direct Phone _____ Fax _____ Email _____
Website (if available) _____

Business Organized:

For-Profit Developer Sole Proprietorship Partnership Corporation LLC Other: _____

If a corporation, is there preferred stock or more than one class of stock? Yes No

Date of Incorporation/Organization: _____ State of Incorporation/Organization: _____

Did the present owners found the business? Yes No

If no, from whom and when was the business acquired?

Has the business ever changed its name or operated under any trade names? Yes No

Please list all trade names under which you do business:

How long has the current management operated the business? _____

Is there a written operating agreement, partnership agreement, or bylaws? Yes No

If an LLC, is the LLC managed by all members? Yes No

If no, who is the managing member?

What percentage of the business is owned by a minority? _____ Owned by a veteran? _____

BUSINESS/ORGANIZATIONAL INFORMATION –

Date established _____

Are your company's sales cyclical? _____

NAICS Code _____ SIC _____ Legal Entity _____

Entity is owned or led by (please check all that apply): Women Minority Individuals Low Income Individuals

JOB INFORMATION

Annual Wage Range Per Job	FULL-TIME	PART-TIME
	(over 32+ hours per week)	(16+ hours or less per week)
	Total # of Jobs	Total # of Jobs
\$0-7,500	_____	_____
\$7,500-15,000	_____	_____
\$15,000-25,000	_____	_____
\$25,000-50,000	_____	_____
\$50,000+	_____	_____
Total	_____	_____

How many employees are minorities? _____ How many employees are female? _____

How many employees live in the City of Racine? _____

Do you offer health insurance coverage to full-time employees? Yes No

____% Paid by employer

Estimated increase in jobs within two years? _____ Full-time _____ Part-time _____ Casual Part-time (less than 1-16 hours per week)

LOAN REQUEST

Requested Loan Amount \$ _____

Purpose of Loan _____

Date Needed _____

Sources of Repayment _____

All Financing Sources for Project/Business:

Source of Funds (Example: equity, CDBG, private foundations, fundraising)	Use of Funds	Amount	Commitment Date
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

FINANCIAL INFORMATION

List any outstanding obligations (loans), including tax liabilities, judgments, liens, defaults, bankruptcies, child support payments, garnishments or legal proceedings against owner (s), officer, or partner(s):

Description of Obligation	Current Balance	Initial Balance	Status
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	

Note: We may request additional information specific to the loan requested.

Legacy Redevelopment Corporation

Certification of Loan Application

This Certification must be completed and returned with the supporting attachments.

By my signature below, I certify that the information contained herein and submitted in support of this loan request is complete and accurate.

By signing this application, permission is granted to Legacy Redevelopment Corporation to talk with the applicant's creditors, lenders and potential lenders regarding any information relevant in considering this loan.

I further understand that if this loan request is approved and disbursed, this organization will be listed as a recipient of loan funds from Legacy Redevelopment Corporation and hereby agree to allow Legacy Redevelopment Corporation to use our name and/or images as part of its community marketing efforts. I grant Legacy Redevelopment Corporation, its representatives and employees ("LRC"), the right to take photographs of me and my property. I consent to the use of my name and any and all photographic or other images which have been taken of me, or in which I am included, by LRC and those acting with LRC's permission and authority. LRC may use my name and likeness for any lawful purpose (including for publicity and promoting LRC's business interests) in any and all media (now known or later developed). I waive any right to inspect or approve the finished images, advertising copy, or matter that may be used by LRC for such purposes. I understand that I am not entitled to receive any compensation or further consideration for the use of my name or likeness under this agreement. I release LRC and those acting with its permission and authority from any liability relating to any use of my name or likeness, including any alteration, whether intentional or otherwise, that may occur or be produced in connection with the images, or in connection with any processing, transmission, display or publication of the images. This agreement constitutes the sole, complete, and exclusive agreement between LRC and me regarding my name and likeness, and I am not relying on any other representation whether oral or written.

I UNDERSTAND THE TERMS OF THIS AGREEMENT AND AM VOLUNTARILY ENTERING INTO THIS AGREEMENT.

Signature

Date

Print Name and Title

SCHEDULE OF EXISTING DEBT

Company Name (Complete for each business entity): _____ Date: _____

Include all debts except accounts payable and accrued expenses. This schedule must be current on the above date, and the present balance and total must agree with the latest balance sheet submitted. Mortgages with related real estate holding companies.

CREDITOR	LOAN PURPOSE	ORIGINAL AMOUNT	ORIGINAL LOAN DATE	PRESENT BALANCE	INTEREST RATE	MATURITY DATE	MONTHLY PAYMENT AMOUNT	COLLATERAL SECURING THE LOAN	ARE THE LOAN PAYMENTS CURRENT?	TO BE PAID BY LOAN PROCEEDS?
									YES / NO	YES / NO
									YES / NO	YES / NO
									YES / NO	YES / NO
									YES / NO	YES / NO
									YES / NO	YES / NO
									YES / NO	YES / NO
									YES / NO	YES / NO
									YES / NO	YES / NO
									YES / NO	YES / NO

NOTES: