

City of Lauderhill's Economic Development Division: Micro Loan Program



About the Program

Goals/Objectives:

To provide loan funding to start-up, newly established, and/or small businesses for the purpose of establishment, relocation, or expansion of operations within the City.

Eligible Area: Our commercial corridors, including:

- Tier 1. NW 38th Avenue
- Tier 2. State Road-7 (US-441) and Oakland Park Boulevard
- Tier 3. Broward Boulevard and NW 31st Avenue
- Tier 4. University Drive and Commercial Boulevard

Eligible Businesses:

Companies with no more than five (5) full-time employees, the part-time equivalent, or a combined equivalent, may apply. The City may modify the list of eligible businesses at its discretion. Currently, eligible businesses include, but are not limited to:

- Restaurants
- Brewery or Distillery
- Commercial Entertainment as per the municipal code
- State of Florida's "Qualified Target Industries." *Please refer to Appendix for definition of Qualified Target Industries.*

Eligible Expenditures:

- Equipment and machinery
- Furniture and fixtures
- Working capital (inventory, receivables, operating capital, etc.)

Please refer to Appendix for information on expense restrictions.

Benefits and Requirements:

The Micro Loan is a first-come-first-served revolving loan, which approved applicants may use to elevate their business functions. Those approved may receive a maximum award of \$25,000.

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APPLICATION PROCESS

Step 1: Application Process

- a. Schedule an appointment with Lauderhill Economic Development Staff to schedule your application submittal. Please call (954) 730-3041, or (954) 714-3128.
- b. Submit a completed application to Lauderhill's Economic Development Division for review. Incomplete applications will not be considered for funding until a complete application, including all supporting documents, are received by the Economic Development Division. Applications must be signed by the owner of the business of record; staff members and committee members are ineligible to participate in the Program and are prohibited from filing an application on behalf of an owner, unless authorized in writing by the business owner. Applicants who are approved would be required to pay a non-refundable processing fee of \$100.00 via check made payable to the City of Lauderhill.
- c. Economic Development Staff will complete the application submittal meeting and notify Applicants of any missing information or deficiencies in terms of eligibility for the Program.
- d. Upon determination of completeness and eligibility, Economic Development Staff will place the Application on the next available agenda for consideration by the Micro Loan Finance Committee.
- e. Applicants not approved may apply again with modifications. A fully executed and accepted Program Loan Agreement between the City of Lauderhill and the Applicant, together with the legal documents (restrictive covenants) shall be executed within 30 days of the Micro Loan Finance Committee approval and shall serve as a Notice to Proceed.
- f. The project must be completed within six months of Program Agreement execution.

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- g. Should project delays arise, it is at the discretion of the Economic Development Division to grant no more than one six-month extension to the Agreement prior to its expiration. Extensions will not be considered once the Agreement has expired.
- h. Application to this grant program is not a guarantee of funding. Funding is at the sole discretion of the Economic Development Division.
- i. Applicants must submit an original "hard copy" application with all back-up materials to the Economic Development Division for review and subsequent approval by the Economic Development Division. Applications will be considered on a first-come, first-serve basis.

Step 2: Terms by Lauderhill's Economic Development Division

- a. The Micro Loan agreement is between the City of Lauderhill and the Applicant. The Economic Development Division will make payments directly to the contractor or vendor.
- b. A staff member from the Economic Development Division will visit the property and take photographs of the project. Once the project has been inspected and approved by the City of Lauderhill's Economic Development Division, the payment will be made to the applicable contractor or vendor.
- c. Economic Development Division Staff may conduct unannounced site visits before, during, and after the project in order to determine and ensure compliance with the terms of the loan agreement.

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PLEASE READ THE FOLLOWING PRIOR TO APPLICATION SUBMITTAL

- The application must include all of the following items: photographs of the current condition of site and structures; and a detailed outline of all proposed improvements with a cost estimate.
- The Microloan is designed as a revolving loan. The maximum award is \$25,000.00, with complete applications evaluated on a first-come-first-served basis and restricted to one loan per applicant. Half of the balance for successful applicants will be forgiven after a term of five (5) years. Repayment on the remaining amount will begin on the 61st month, following the last disbursement, with 0% APR. The balance must be paid in full on or before the 120th month. In order to receive full benefits, the applicant must remain established in Lauderhill for a minimum five (5) years from start of agreement.
- After approval by the Micro Loan Committee, the Economic Development Division will provide the Applicant with an approved Micro Loan Agreement and legal documents (declaration of restrictive covenants) for signature. The business owner shall not begin purchases (Micro Loan cannot be applied retroactively for work previously completed) until the Micro Loan Agreement and Declaration of Restrictive Covenants is signed by all parties and the Declaration has been recorded in Broward County public records. Improvements completed prior to approval by the Economic Development Division, will not be eligible for reimbursement.
- Micro Loan Finance Committee reserves the right to have the application and its contents evaluated and analyzed by an outside third party including but not limited to: the proposed business plan; partnership/ownership information with assets and equity positions; mortgage on the property; lease agreements; letter of Intent from lending institution and any other documents provided by the Applicant. *Please refer to Appendix for components to Business Plan.*

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SUBMISSION OF AN APPLICATION IS NOT A GUARANTEE OF FUNDING

MICROLOAN PROGRAM APPLICATION

Please provide the following information. If you need more space, attach additional sheets to this application.

SECTION I: BUSINESS INFORMATION (Use additional paper if necessary)

Business Owner(s):

Name(s) _____

Names(s) _____

Address _____

City _____ State _____ Zip _____

Business Telephone _____ Fax _____

Business Trade Name: _____

A) Business Location (if different): _____

B) Own or Lease? _____ If Leasing, monthly rent: \$ _____

City, State and Zip Code _____

Describe Type of Business (Product or Service): _____

Business: (Check one) New (under 24 months) Existing

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Have you met all the legal requirements necessary to establish your business?
_____ YES _____ NO

Federal Tax ID Number _____

Type of Business Organization: (Check One)

- Partnership Sole Proprietorship Not yet established
 S Corporation C Corporation Other _____

Date Business was established: _____

Current Number of Employees: Full-time _____ Part-time _____
Number of additional employees expected over the next 2 years: _____

Any person/business judgments, past due taxes, unsettled lawsuits or major disputes?
_____ YES _____ NO

Has the business or any owner of the business been involved in bankruptcy?
_____ YES _____ NO

*If you answered yes to either of the questions above, please attach an explanation.

SECTION II: FOR NEW BUSINESSES ONLY: Individuals applying for loans to establish a new business will be required to prepare a Business Plan which adequately describes the operation of their proposed business.

Please attach a copy of the Business Plan to this Application.

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When and by whom was the Business Plan prepared?

 If a consultant/advisor prepared the plan, please provide their name, address and telephone number.

SECTION III: FINANCING INFORMATION: Please be specific.

Purpose of the Loan Request: _____

How will the loan help the business? _____

Amount and source of personal or private (non-city loan) funds available to invest in the business/project: \$_____

Total amount of this loan request \$_____

Please specify and describe the use of loan funds below:

Item	Amount
Working Capital ()	\$ _____
Receivables ()	\$ _____
Inventory ()	\$ _____
Operating Capital ()	\$ _____
Equipment ()	\$ _____
Furniture, Fixtures ()	\$ _____
Machinery ()	\$ _____

TOTAL LOAN REQUEST \$ _____

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Proposed repayment terms _____ Months _____ (max 60)

Source of repayment: (Check one)

Operating Profit Personal Income Other (Specify) _____

Proposed Collateral:

___ Personal Guaranty ___ Business Guaranty ___ Co-signer

___ Lien on Equipment ___ Mortgage

Other (Explain) _____

Other sources of income: _____

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SECTION IV: Demographic Information: The following information is optional and being obtained for statistical purposes only. Please check all those that apply:

Business Owned by: Female (100%) Female (51% or more)
 Male (100%) Male (51% or more)

Race/Ethnicity: Black Hispanic White Asian/Pacific
 Eskimo American Indian Multi-Group

 Other: (Please indicate) _____

As of the date of this application the number of people in your household is ____ and the combined household income is: (PLEASE CHECK)

Less than \$50,000 \$75,000-\$100,000
 \$50,000-\$75,000 More than \$100,000

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SECTION V: Please read the following and sign the application form below. All owners or partners must sign this application form. If they have any questions, please call Economic Development at (954) 730-3041 or (954) 714-3128.

The information in this Micro Loan Application is provided for the purpose of applying for funds under the Micro Loan Program through the City of Lauderhill. The information is accurate to the best of my/our knowledge. I/We understand that personal and/or business information may be requested pursuant to this Loan Application and I/We hereby give my/our consent for such information to be provided to the City of Lauderhill.

Applicant's Signature

Date

Name (Print)

PUBLIC INFORMATION DISCLOSURE

The undersigned understands and agrees that all information furnished in connection with his application for a Lauderhill Micro Loan involves the use of public funds and, as such, may be made public, pursuant to the statutes of the United States of America and the State of Florida.

Applicant's Signature

Date

Name (Print)

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VERIFICATION OF FINANCIAL FEASIBILITY

The undersigned authorizes the City of Lauderhill to verify all information furnished in connection with the application for a loan under the Lauderhill Micro Loan program. The information that may be verified includes, but is not limited to, the following: employment, pensions, mortgages, deposits, and any other income, personal or business loan applications, hazard insurance and further, to obtain a credit report.

Applicant's Signature

Date

Name (Print)

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CONSUMER CREDIT REPORT

The undersigned authorizes the City of Lauderhill or any of its affiliates to make all inquiries with credit bureaus and others it deems necessary – including business counselors, consultants, and partnering agencies – to verify the accuracy of the information provided herein and to determine credit worthiness. Further, the undersigned hereby certifies that the enclosed application information is valid, accurate, and complete. A photographic or facsimile copy of this authorization may be deemed to be equivalent of the original.

Signature

Date

Printed Name

Social Security Number

Date of Birth

Residential Street Address

Residential Street Address (continued)

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APPLICATION CHECKLIST

- One (1) hard copy
- State Issued Driver License, photo Identification
- If applicant is not the owner*, copy of a Letter of Authorization from the business owner
- Copy of Certificate of Use or County Business Tax Receipt
- Copy of insurance for business
- Business plan (*see Application Appendix for detailed description*)
- Last two (2) annual tax returns.

- Financial statements, including the past two (2) years of: balance sheets, profit and loss statements, and statement of cash flows; and projection of cash flow. (*Please see Financial Capacity in Application Appendix*).

- Last four (4) quarterly withholding tax submission

- Applicant acknowledges and understands the conditions he or she must comply with in order to receive full benefits from the program

If you are unable to submit any of the above listed items, please provide an explanation as to why

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