

AGENDA
COMMUNITY DEVELOPMENT COMMITTEE MEETING

203 W. DIGGINS ST.

MAY 14, 2024 – 6:30 pm

1. Roll Call
2. Public Comments
3. RFP Broadband Feasibility Study – Review Proposals
4. Surf Internet Discussion
5. Revolving Loan Fund Policy
6. New Business
7. Adjourn

	DesignNine	Essentia	Finley	Bonfire	Tribal	EN Engineering	Denman	Mission	Uptown Services
Demand for Broadband service	\$18,500.00	\$13,600.00	\$25,600.00	\$26,808.84	\$21,400.00	\$23,139.00	\$4,500.00	\$12,825.00	
Education/community engagement plan	\$17,500.00	\$10,200.00	\$25,300.00	\$24,054.01	\$25,600.00	\$12,600.00	\$22,850.00	\$16,200.00	
Engineering Design Options	\$18,325.00	\$17,000.00	\$8,350.00	\$18,896.98	\$38,700.00	\$25,200.00	\$22,000.00	\$90,500.00	
Broadband Model Option(s) recommendation	\$17,650.00	\$17,000.00	\$16,250.00	\$23,002.81	\$93,300.00	\$16,800.00	\$15,000.00	\$22,500.00	
Capital Funding options	\$13,435.00	\$6,800.00	\$19,400.00	\$17,473.10	\$18,500.00	\$7,250.00	\$7,500.00	\$8,100.00	
MISC				\$15,085.26		\$8,000.00	\$46,500.00	\$46,350.00	
Total Cost prof. Services	\$85,410.00	\$64,600.00	\$94,900.00	\$125,321.00	\$197,500.00	\$92,989.00	\$118,350.00	\$196,475.00	\$135,000.00
Optional	\$5,370.00			\$62,500.00					\$36,000.00
Total Cost w/optional	\$90,780.00	\$64,600.00	\$94,900.00	\$187,821.00	\$197,500.00	\$92,989.00	\$118,350.00	\$196,475.00	\$171,000.00
Projected Timeframe (months)	5	4	5	8	5	6	5	5	8
Notes								Plus Travel	Lump Sum

Ranked by Price	Essentia	\$64,600.00
	DesignNine	\$90,780.00
	EN Engineering	\$92,989.00
	Finley	\$94,900.00
	Denman	\$118,350.00
	Uptown Services	\$171,000.00
	Bonfire	\$187,821.00
	Mission	\$196,475.00
	Tribal	\$197,500.00



City of Harvard Economic Development Loan Program

The City of Harvard Economic Development Loan Program (EDLP) was instituted by the Mayor and City Council to serve as a strategic economic tool for incentivizing business expansion or relocation within Harvard's corporate boundaries. This initiative facilitates access to favorable interest rate loans, which eligible businesses can utilize to enhance their existing infrastructure through building renovations. Repayments comprising both principal and interest from prior loan recipients contribute to the replenishment of the fund, ensuring its continuous availability for future disbursements.

The overarching objective of the EDLP is to foster the proliferation of sustainable business ventures within Harvard, thereby catalyzing community rejuvenation and fostering economic prosperity. This program is specifically tailored to cater to enterprises encountering obstacles in securing viable financing through conventional channels, such as exorbitant interest rates or restrictive lending criteria imposed by local financial institutions. By bridging this financial gap, the City effectively bolsters the prospects of projects that align with its developmental priorities. Moreover, applicants must demonstrate concrete real estate commitments at the time of submission, and loans are only extended to individuals or entities whose repayment capacity is deemed credible, ensuring prudent fiscal management.

In order to begin offering these loans to eligible businesses, City Staff has developed the following guidelines and procedures for the program:

- **Maximum Loan Amount:** Loan amounts are capped at \$50,000 per business address.
- **Interest Rate:** Loans are offered with an annual interest rate of ½ of the current market rate, but no less than 3%, for the duration of the loan.
- **Repayment Terms:** The maximum term for a loan is 5 years (60 months).
- **Use of Loan Funds:** Loan funds are limited to interior and/or exterior renovation of existing buildings.

- **Security:** Applicants are subject to a credit check. Property for which the loan is being requested are subject to property lien inquiry. Approved applications will be subject to a security lien, to be filed upon loan issuance.

APPLICATION PROCESS: Every application will undergo the following review process:

1. Applications are submitted to the Economic Development Department and reviewed for completeness. Incomplete applications are returned to applicants, and no application will be processed until all required information is provided.
2. Completed applications are reviewed by the Economic Development Director, City Administrator and Finance Director. Staff may consult with lending institutions to determine the applicant's creditworthiness, as well as a lien search on the property for which the loan is being requested.
3. Staff findings and recommendations, if accepted, will be made to City Council for final approval.

LOAN ADMINISTRATION: Upon City Council approval, loan documents will be executed and funds released. Borrowers have the option of mail-in, in-person or ACH drafted payments. The Finance Department will administer and collect all payments.

For more information or to apply, contact Donovan Day at (815) 693-2287 or by email at day@cityofharvard.org



City of Harvard Economic Development Loan Program (EDLP) APPLICATION

The City of Harvard Economic Development Loan Program (EDLP) was instituted by the Mayor and City Council to serve as a strategic economic tool for incentivizing business expansion or relocation within Harvard's corporate boundaries. This initiative facilitates access to favorable interest rate loans, which eligible businesses can utilize to enhance their existing infrastructure through building renovations. Repayments comprising both principal and interest from prior loan recipients contribute to the replenishment of the fund, ensuring its continuous availability for future disbursements.

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City of Harvard EDLP Application

INTRODUCTION

REPORTING REQUIREMENTS

AUTHORIZATION FORM - PERSONAL CREDIT REPORT

APPLICATION FORM



Introduction

The applicant is responsible for the submission of a complete loan application package, which includes:

1. Completed and signed Loan Application;
2. All supporting documents described in the Loan Application and checklist;
3. Such additional documentation or information as is requested by the City of Harvard staff, its counsel, or City Council.

The complete loan application package must be submitted in final form to the City of Harvard, 201 W. Diggins St., Harvard, IL 60033 Attn: City Administrator. Once a complete application is received, allow two (2) weeks for staff analysis, and underwriting and a recommendation that will go the next regularly scheduled City Council meeting.

We will take reasonable steps to keep all application information in confidence and shall not make it available for access by the general public except as required by the Freedom of Information Act, and other state and federal laws. However, appropriate staff and its legal counsel will review all of the information and documents submitted.

Please take the time to carefully review the documents in this package. After you have reviewed them, the staff would be pleased to discuss your project to determine its compatibility with the EDLP's program objectives and criteria.

The City of Harvard does not discriminate because of race, color, religion, gender, national origin, age or physical impairment.



ECONOMIC DEVELOPMENT LOAN PROGRAM APPLICATION

APPLICANT INFORMATION

Company Name: _____
Address: _____
City: _____ State: _____ Zip: _____
Contact Person: _____ Title: _____
Phone Number: (____) _____ Fax Number: (____) _____
E-Mail: _____
Federal ID Number: _____

CORPORATE STRUCTURE

Attach schematic if Applicant is subsidiary or otherwise affiliated with another entity.

- Corporation:** Type of Corporation _____
- Partnership:** General OR Limited
Number of general partners ____ and, if applicable
Number of limited partners ____
- Limited Liability Company/Partnership:**
Number of members/partners: ____
- Sole Proprietorship:**
Date of establishment/incorporation: ____/____/____
Place of organization: **City:** _____ **State:** _____

Is the applicant authorized to do business in the State of Illinois? Yes No



Affiliated Company(ies) Information

Company Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Contact Person: _____ Title: _____

Phone Number: (____) _____ Fax Number: (____) _____

E-Mail: _____

Federal ID Number: _____

Business Type: (Check One)

Corporation: Type of Corporation _____

Partnership: General OR Limited

Number of general partners _____ and, if applicable

Number of limited partners _____

Limited Liability Company/Partnership:

Number of members/partners: _____

Sole Proprietorship:

Date of establishment/incorporation: ___/___/___

Place of organization: **City:** _____ **State:** _____

Applicant Background

Schedule A – History

Please attach a brief history of the applicant, including but not limited to:

- Date of business inception and major trends since then in sales, earnings and employment growth.
- Product(s)/Service(s) description and development.
- Marketing Strategy.
- Details on any other related companies (i.e., subsidiary or parent).
- Names and addresses of top three customers, suppliers and competitors.
- ***Start-up companies should explain their plans for all of the areas outlined above.***



Legal and Regulatory Compliance :

- Has the applicant, any of its principal officers, or any of its affiliates, ever been in bankruptcy or receivership? Yes No
- Is the applicant, any of its principal officers, or any of its affiliates presently the subject of any litigation, or is any litigation threatened, which would have a material adverse effect on the applicant's financial position? Yes No
- Has the applicant or any of its affiliates ever been subject to monetary judgment(s)? Yes No
- Is the applicant or any of its affiliate's delinquent on any Illinois State, federal or local tax obligations? Yes No
- Has the applicant, its affiliates or its principal shareholders ever been declared in default by a creditor on any loan or other debt instrument? Yes No

If the answer is "Yes" for any of the above questions, please attach an explanation.

Applicant Ownership

List the name, title, residential address, phone number and percentage of ownership for all owners.

Name: _____ Title: _____

Address: _____

City: _____ State: _____ Zip: _____

Contact Person: _____ Title: _____

Phone Number: (____) _____ Fax Number: (____) _____

Percentage Ownership: _____ Number of Shares: _____

Name of Spouse (if stock owned jointly): _____

Name: _____ Title: _____

Address: _____

City: _____ State: _____ Zip: _____

Contact Person: _____ Title: _____

Phone Number:(____) _____ Fax Number: (____) _____

Percentage Ownership: _____ Number of Shares: _____

Name of Spouse (if stock owned jointly): _____



Name: _____ Title: _____

Address: _____

City: _____ State: _____ Zip: _____

Contact Person: _____ Title: _____

Phone Number: (____) _____ Fax Number: (____) _____

Percentage Ownership: _____ Number of Shares: _____

Name of Spouse (if stock owned jointly): _____

If additional space is required, please continue on a separate sheet. Please complete an "Authorization for Personal Credit Report and Review" form for each individual included in the "Applicant Ownership" section who has 20% or greater ownership in the applicant.

Outside Professionals

List the names, addresses and phone numbers of applicant's accountant(s), attorney(s), banker(s) and any other outside professionals, including but not limited to contact information related to other agencies providing funding assistance with this project:

Attorney:

Firm Name: _____ Attorney Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone Number: (____) _____ Fax Number: (____) _____

E-Mail: _____

Accountant:

Firm Name: _____ Accountant Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone Number: (____) _____ Fax Number: (____) _____

E-Mail: _____

Banker:

Firm Name: _____ Banker Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone Number: (____) _____ Fax Number: (____) _____



E-Mail: _____



'Others':

Firm Name: _____ Name-Title: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone Number: (____) _____ Fax Number: (____) _____

E-Mail: _____

Facility

Please list the current owner(s) of the land and buildings occupied by the applicant. If the project to be funded by EDLP funds consists of the acquisition and construction of a new facility at a new location, list the current owner(s) of that real property as well as the name of the applicant or persons that will be acquiring the property for this project.

Current Facility Location: _____

Current Facility Owner(s): _____

New Facility Location: _____

Current Property Owner(s): _____

New Property Owner(s): _____

Schedule B: Facility Description

Please attach as Schedule B a description of the applicant's current facility (or facilities if multiple locations) and a plot plan or photo, if available. If this project consists of the acquisition of new property, provide a description of the new property and proposed construction along with a plot plan or photo, if available.

Schedule C: Deed or Lease to Property

If applicant owns the facility and underlying real estate, please attach a copy of the deed to the property as Schedule C. If applicant leases the facility, please attach, as Schedule C, a copy of the lease. If the project consists of the construction of a new facility, please attach a copy of the lease or deed to the underlying real property, whichever is appropriate.

Schedule D: Copy of Mortgage

If the facility and/or underlying real estate is subject to a mortgage or mortgages, please attach a copy of the mortgage(s) as Schedule D.



Project Description

Describe the overall project for which financing assistance is being requested (i.e., building a larger facility, buying, installing, testing equipment, etc.) *If more space is needed, please continue on separate sheet:*

When will the project be completed?

If the project is being carried out in stages, please list the approximate completion date of each stage.



Source of Funds

SOURCE	AMOUNT	TERM	PURPOSE	SECURITY	TYPE
Bank:					
Private:					
Equity:					
EDLP:					
Other:					
TOTAL:					

Use of Funds

Building:	
Renovation	\$
Acquisition	\$
Expansion	\$
New Building	\$
Equipment:	
Purchase capital equipment	\$
Product Development:	\$
Working Capital: (explain)	
	\$
	\$
	\$
TOTAL:	\$

Schedule E: Proof of Financial Commitment

Please attach details relating to the status of financial commitment from the non-EDLP lending sources, identifying the source, amount, rate, term, security and annual payment. If part of the project is being financed with equity from the applicant, please attach a certification that the equity is now available or will be available at the time the project is initiated.

Schedule F: Cost Estimates

Please attach cost estimates for all components of the project. All cost or price estimates should be good for ninety (90) days.



Jobs

State the number of full-time or full-time equivalents presently employed, the number to be created as a result of this project, and the number to be retained over the next three (3) year period of time. *(If additional space is needed, please continue on a separate sheet.)*

<i>EXAMPLE:</i>		<i>Jobs Retained</i>	<i>Jobs Created</i>			Jobs Retained	Jobs Created
<i>Current Employment</i>	15				Current Employment		
<i>Year 1</i>		15	2		Year 1		
<i>Year 2</i>		17	4		Year 2		
<i>Year 3</i>		21	1		Year 3		

*Example: Applicant currently employs 15.
Project to create 7 new jobs over the next 3 years.*

Please indicate the estimated number of jobs projected to be filled by persons from low-to-moderate-income households: *(According to HUD regulations, at least 51% of the jobs created or retained because of this project must be filled by or made available to low-to-moderate-income households.)*

Prior Loan History

Please list all outstanding loans to the applicant, or if for the applicant’s benefit, to any principal shareholder or partner.

Lending Institution	Original Loan Amount	Current Balance	Purpose	Term of Loan & Origination Date	Interest Rate	Type of Security	Borrower

If additional space is needed, please continue on a separate sheet.



Projections

Schedule H: Projections/Proformas

Please attach projections/proformas for the project. Please provide income statement and balance sheet projections for current fiscal year ending as well as for the next three (3) years. In addition, please provide a monthly cash flow projection for the current fiscal year as well as for the next three (3) years.

Representations by the Applicant

The undersigned certifies that all information, which has been or will be furnished in support of this application, is given for the purpose of obtaining a loan from the City of Harvard Economic Development Loan Program. I further certify that all information submitted has been examined and approved by me and is true, correct and complete. I understand that the City of Harvard will rely upon the information submitted with this application, along with any additional information submitted during the loan application process, in making its loan decision and/or in extending any loan. I agree to abide by all requirements to be set forth in connection with said loan program and the penalties and provisions of all applicable local, state and federal laws pertaining to falsification of any item contained herein or fraudulent misrepresentation of my business. I understand that incomplete applications may be rejected and at the very least will delay the decision on the requested loan. I agree that verification of any information contained herein, or to be provided in support of this loan request, may be obtained.

I authorize City of Harvard or its agent to investigate the applicant's and affiliated companies' credit and financial records including banking records. As part of such investigation, I authorize the City of Harvard to request and obtain consumer credit reports on the applicant and affiliated companies in connection with the opening, monitoring, renewal and extension of this and other loan requests with the City of Harvard. If I request, City of Harvard will tell me whether a credit report was obtained and, if so, the name and contact information of the consumer credit reporting agency that furnished the report.

The loan applicant agrees to pay all closing costs associated with the Project. Closing costs may be included as an eligible expense under the loan, and the loan request may be increased by the amount of the closing costs.

Type or Print Name & Title

Signature

Date



Application Checklist

To assist in assembling and submitting a complete application, please review the items below and check when complete.
Please note that incomplete applications may not be accepted.

Application Section		Office Use Only
Schedule A Applicant Background attached	<input type="checkbox"/>	
Schedule B Property attached (including appraisal)	<input type="checkbox"/>	
Schedule C Deed or lease attached	<input type="checkbox"/>	
Schedule D Mortgage attached	<input type="checkbox"/>	
Schedule E Commitment Letter	<input type="checkbox"/>	
Schedule F Vendor Estimates attached	<input type="checkbox"/>	
Schedule G Applicant Financial Statements (3 years)	<input type="checkbox"/>	
Schedule G Applicant Interim Financial Statements	<input type="checkbox"/>	
Schedule H: Income Statement Projection (3 years)	<input type="checkbox"/>	
Balance Sheet Projection (3 years)	<input type="checkbox"/>	
Cash Flow Projection (3 years)	<input type="checkbox"/>	
Schedule I non EDLP Sources attached	<input type="checkbox"/>	
Schedule J Owner's Financial Statements (<u>SBA Form 413 or bank equivalent</u>)	<input type="checkbox"/>	
Legal & Regulatory Compliance Checklist complete	<input type="checkbox"/>	
Application Representation signed	<input type="checkbox"/>	
Authorization for Personal Credit Report & Review completed and signed	<input type="checkbox"/>	
If loan is for real estate acquisition, environmental review report attached.	<input type="checkbox"/>	

Authorization for Personal Credit Report and Review

Applicant Name: _____

Principal Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Social Security Number: _____

I authorize City of Harvard or its agent to investigate my personal credit and financial records including my banking records. As part of such investigation, I authorize City of Harvard to request and obtain consumer credit reports on me in connection with the opening, monitoring, renewal and extension of this and other loan requests with City of Harvard. If I request, you will tell me whether my consumer credit report was obtained and, if so, the name and contact information of the consumer credit reporting agency that furnished the report.

Signature

Date