



MONMOUTH BUSINESS COUNCIL

BUILDING GRANT FUND APPLICATION



Building Grant Fund Program Guidelines

- Funding:** The funding for this program will be a maximum of \$150,000 per year, with one-half of the funds coming from the Monmouth Business Council and the other half from the City of Monmouth’s TIF Fund. The program will expire after 5 years.
- Maximum Amount:** 33% of project, or \$50,000, whichever is less
- Minimum Amount:** 33% of project, with minimum of \$10,000
- Use of Funds:** The funds can be used for any commercial building improvement in the Monmouth TIF district that meets the general TIF requirements. Residential and governmental entities are not eligible.
- Form of Grant:** The grant will be in the form of a forgivable loan, with 25% of the loan forgiven each year following receipt of the grant. If the grant recipient sells the building within the first four years, the remaining portion of the grant will become due and payable to the Monmouth Business Council’s grant fund and the City of Monmouth’s TIF fund.
- Applications:** A committee of the Monmouth Business Council and the City’s Revolving Loan Fund Committee will review all applications. Upon their approval, they will make a recommendation for the use of matching TIF funds to the Monmouth City Council. The grant can be used in conjunction with a low-interest loan from the City’s Revolving Loan Fund, however this is not a requirement.
- Processing Fee:** If a grant is approved there will be a one-time fee of \$100 charged to the applicant to cover expenses, including recording and release fees.

** The Monmouth Business Council, along with the City of Monmouth, reserves the right to make adjustments to the program at any time.*

Sample Program:

	No Program		With Program	
	Amount	Payments	Amount	Payments
Total Improvement	\$ 100,000		\$ 100,000	
Conventional Loan	\$ 100,000	\$ 716	\$ 34,000	\$ 243
Revolving Loan	\$ -	\$ -	\$ 33,000	\$ 211
Grant	\$ -	\$ -	\$ 33,000	\$ -
Payments – Monthly		\$ 716		\$ 454
Payments - Annually		\$ 8,592		\$ 5,448

Assumptions:

- 1) Conventional Loan @ 6.00% for 20 years.
- 2) Revolving Loan @ 2.00% for 15 years.

Required Documentation / Grant Processing

1. Grant Application and Related Documents

2. Lender Commitment Letter

- Statement of loan approval and need for RF participation by authorized lender officer or committee
- Specified dollar amount of loan
- Specified loan term
- Specified interest rate
- Collateral or security requirements
- Other special conditions of the loan

3. Borrower Commitment Letter

- Description of the project
 - Total project cost
 - # of jobs created/retained and benefit to low/moderate income persons
 - Type of jobs to be created/retained and wage scales
-
- Name of lender making commitment
 - Amount of equity if start-up business
 - Statement that borrower can begin project implementation immediately upon MBC Grant approval.

Required Attachments

- A. Attach the personal financial statement of each principal shareholder owning a 20 percent or greater share of the outstanding stock in the company.
- B. Attach one copy of each of the following:
 - 1. Profit and loss statements, and balance sheets of the company for last three years (or: if company has no formal financial statements, submit the last three years tax statements);
 - 2. Current financial statement of the company covering last 90 days;
 - 3. Pro forma balance sheets and profit/loss statements for next three years. First year's cash flow of the company outlined month to month.
- C. Attach primary lender commitment letter
- D. Attach company commitment letter
- E. Complete and sign application form on following pages

**CITY OF MONMOUTH
MONMOUTH BUSINESS COUNCIL BUILDING GRANT APPLICATION**

Grant Application fee is \$100. A check must accompany this application.

A. Applicant / Business Information:

Legal Name of Borrower: _____
Home Address: _____ Home Phone _____
Contact Person: _____ (unit of government) Title: _____
Business Address: _____ Business Phone: _____

Type of Business / Products Produced, Services Provided: _____

Number of Years in Business: _____
Number of Years Operating at Present Business Address: _____
Business Ownership: _____ Sole Proprietorship _____ Partnership
_____ Corporation _____ Other (Specify) _____

Principal Owners (Individuals, Address, and Phone of Those Owning 20% Or More)

Present Number of Employees:
Full Time: _____ Part Time: _____
Anticipated Number of Employees:
1 Year Full Time: _____ Part Time: _____
2 Year Full Time: _____ Part Time: _____

Describe the nature of the project including what is to be financed in part or in whole with Grant Funds (what improvements you are planning on making to the building)

B. Activity Detail

1. Property Acquisition

Applicable to project? Yes _____ No _____

If "Yes", complete items below.

Address (If Different From Business Address): _____

Phone Number (If Different From Business Phone): _____

Applicant: _____ Owns _____ Leases Business Property

If Leased, Owner's Name: _____

Owner's Address: _____

Terms of Lease: _____ (Attach Copy of Lease)

Property Size: _____ (Sq. Ft. / Acreage)

Existing Buildings: Total Square Footage Occupied: _____

Approximate Year Constructed: _____

Proposed Buildings / Expansions: _____ Sq. Ft.

Assessed Valuation of Property: \$ _____ (Most Recent Year)

Real Estate Taxes Paid: \$ _____ 20 _____

2. Description of Machinery / Equipment Acquisition for Project

Applicable to Project? Yes _____ No _____

If "Yes", Complete items below.

Item Description _____ Estimated Cost \$ _____

Item Description _____ Estimated Cost \$ _____

Item Description _____ Estimated Cost \$ _____

Item Description _____ Estimated Cost \$ _____

Item Description _____ Estimated Cost \$ _____

3. Description of Working Capital Expenditures (inventory, payroll, etc.)

Applicable to Project? Yes _____ No _____
If "Yes", Complete items below.

Activity Description _____	Estimated Cost \$ _____
Activity Description _____	Estimated Cost \$ _____
Activity Description _____	Estimated Cost \$ _____
Activity Description _____	Estimated Cost \$ _____
Activity Description _____	Estimated Cost \$ _____
Activity Description _____	Estimated Cost \$ _____

C. Total Estimated Project Costs:

Site Acquisition	\$ _____
Site Improvements	\$ _____
New Construction	\$ _____
Building Renovations	\$ _____
Capital Equipment	\$ _____
Inventory/Working Capital	\$ _____
Other Associated Project Costs	\$ _____

TOTAL \$ _____
=====

Estimated Target Date To:
Begin Project _____
Complete Project _____
Occupancy/Start Up _____

Project Financing:

Approached Lending Institution? Yes _____ No _____

If Checked "No", Please Explain _____

If Checked "Yes", Please Complete the Following:

Name of Lending Institution _____

Address _____

Contact Person _____
 Title _____
 Phone Number _____

Please state the Amount, Interest Rate, and Term of the lender's loan commitment.
 Please attach lender commitment letter (must indicate that RF Funds are needed.)

Selecting one of the following, provide detailed justification on an attached sheet for the need for CDAP funds:

[] FINANCING GAP - This argument will demonstrate that a business can raise only a portion of the financing necessary to complete the project. Reference the documentation within the application which supports this argument.

[] RATE OF RETURN - This assumes that full financing is available, but the rate of return is insufficient to induce development. Provide the rationale and cite supporting documentation.

D. Requested Use and Grant Amount Through Grant Fund:

Use: _____ (unit of government) Amount: \$ _____

Listed Other Financing, Use and Amount, Required For Project:

Bank Loan Use:	_____	Amount	\$ _____
SBA Loan Use:	_____	Amount	\$ _____
Other Use:	_____	Amount	\$ _____
Total Financing		\$	=====

Certification:

AGREEMENT: The undersigned applied for the loan indicated in this application to be used in connection with the project described herein. All statements made in this application are true and are made for the purpose of obtaining the loan. Verification may be obtained from any source named in this application. The applicant agrees to abide by all the MBC Building Grant requirements. The Applicant agrees to furnish any additional information to the City of Monmouth as needed to review and consider this loan request.

 Signature of Applicant

 Date