

**KNOX COUNTY REVOLVING LOAN FUND
PROGRAM REQUIREMENTS**

- I. All businesses must be located in Knox County.

- II. Eligible funding activities:
 - A. Machinery, capital equipment, and supplies
 - B. Land acquisition
 - C. Building purchases
 - D. Rehabilitation
 - E. Site preparation
 - F. Off-site improvement
 - G. New construction facilities
 - H. Limited Working Capital

- III. It is anticipated that applicants would match their requested low-interest loans. The match may be (a) cash, (b) conventional loans related to project, or (c) existing equity.

- IV. Applicants will be considered on the following basis:
 - A. Applicant's Creditability
 - 1. Past business record
 - 2. Future business plans
 - 3. Credit worthiness

 - B. Objective Criteria
 - 1. Cost per job
 - 2. Number of jobs created/retained
 - 3. Ratio of private/public funds

 - C. Distress Criteria
 - 1. Per capita income of community where business is to locate
 - 2. Low and moderate income percentage

 - D. Project Worthiness
 - 1. Total impact on community
 - 2. Timeliness of project

- V. Interest rate negotiable - minimum 3%-pay-back up to 8 years dependent upon size of loan.

AREA DEVELOPMENT FOUNDATION
KNOX COUNTY REVOLVING LOAN FUND PROGRAM
GUIDELINES SUMMARY/FINANCING ELIGIBILITY REVIEW

The Area Development Foundation of Knox County, Inc. (ADF) offers assistance in the planning, development and financing of appropriate commercial, retail, and industrial projects and related activities throughout Knox County.

The ADF, as a Lending Agent, administers the Knox County Revolving Loan Fund (RLF) that can be flexibly utilized for qualified economic development projects. The RLF Program has been established to assist business and industry to expand and create employment in the County. The maximum RLF loan is based upon the number of permanent jobs created, or proven as retained (\$10,000 per job), at least 51% of which must be made available to low/moderate-income residents. The standard rate of interest available is 50-75% of the prime lending rate, with a maximum term of 20 years for real estate, 15 years for machinery and equipment, and 5 years for working capital.

Eligible projects include fixed asset financing for the acquisition and improvement of land, buildings, plant facilities and equipment, including new construction or renovation of existing facilities, demolition and site preparation. Soft costs (reasonable engineering and architectural fees) and limited working capital will be considered. RLF borrowers must agree to comply with federal and state guidelines concerning civil rights, equal opportunity, relocation, environmental quality and prevailing wage rates for construction activities. Local guidelines include permanent employment from the local labor pool and participation in the local JTPA program, whenever practical, and special consideration for: minority, female and/or low/moderate-income enterprises; high growth potential; high level of linkage within area economy; new goods/services in our area; redevelopment of blighted/vacant land/facilities; high level of tax revenue generation, high level of employment creation; and prevention of loss of significant number of employment opportunities, but for RLF involvement.

RLF Program will usually respond within thirty (30) days on loan requests, if all required information is supplied by the applicant. Large scale or very complicated financing arrangements may take longer.

Each RLF project is evaluated with the intent of obtaining a financing structure which demonstrates a minimum RLF Program participation in the total project financing package. Maximum private participation will be required from equity, other lenders and private financial assistance.

Eligible RLF borrowers include applicants for projects located anywhere within Knox County, including: for-profit enterprises (business or industry), such as a sole proprietorship, partnership or corporation; non-profit organizations; and political subdivisions and public agencies. No RLF loan will be extended if funds are otherwise available from private lenders or other sources on reasonable terms which will permit accomplishment of the project. The RLF Program offers “last resort” financing only.

A loan package processing fee of \$100 and a loan origination fee of 3% will be required for each loan. Also, there is a County recording fee based upon the number of liens the applicant has. These fees are payable upon closing of the loan by the financing sources and may be paid from RLF or other loan proceeds.

Preliminary information required by the Knox County RLF Program in order to respond to your assistance request is outlined on the succeeding page. Your request will be handled promptly and confidentially.

For further information, contact the Knox County RLF Program at (740) 393-3806 or write to us at the following address:

Area Development Foundation
Revolving Loan Fund
110 East High Street
Mount Vernon, Ohio 43050