



## BUSINESS LOAN PROGRAM OVERVIEW

The Building Up Business Loan Program is sponsored and administered by Localworks, with the goal of improving the economic vitality and appearance of businesses. The purpose of the program is to encourage existing and new business development by providing financing for façade improvements, interior renovations, and small business equipment purchases.

ELIGIBLE PROPERTY: All commercial properties in the City of Wheat Ridge.

ELIGIBLE PROJECT COSTS: Exterior façade improvements; sign repairs or replacement, interior renovations, small business equipment purchases, new commercial building development. The projects must include exterior improvements visible from the street.

PURPOSE: This program is intended to encourage new façade improvements, large scale renovations, significant investment in commercial properties, and not to perform routine maintenance or minor upgrades. The purpose is to fulfill the goals of the Neighborhood Revitalization Strategy (NRS).

LOAN AMOUNTS: Minimum Loan Amount: \$10,000  
Maximum Loan Amount: \$50,000  
1<sup>st</sup> or 2<sup>nd</sup> mortgage loans. Up to 5 year terms with fixed rate and up to 10 year terms with variable rate. Up to 20 year amortizations depending on ownership of property, life of assets, or lease term.

LOAN RATES: 0% interest 1<sup>st</sup> year, 4% interest for years 2 through 5. Additional 5 year variable rate (years 6-10) with interest at prime plus 2% with a floor of 4% and a ceiling of 8%.

ELIGIBLE BORROWERS: Business owners or Building owners located in the target area.

LOAN FEES: \$500.00 application fee plus legal and closing costs for loans up to \$25,000. \$1,000 application fee plus legal and closing costs for loans over \$25,000.

APPROVAL CRITERIA: Evidence of sufficient cash flow to repay and sufficient collateral to secure the debt. Personal guarantees are required. All projects are evaluated on how the scope meets the goals of Localworks.

APPROVAL PROCESS: Localworks staff will perform underwriting and credit checks. Final loan approval will be made by the Loan Committee.

TAXES: Owners receiving loan funding must be current on all Property Taxes of the City, County and School District, City Earned Income Tax, Business Privilege Tax, Business License, Per Capita Tax, Water and Sewer Bills, Garbage Fees, Rental Unit Registration/License Fees, Municipal Liens, and any Miscellaneous Invoices.

### **FOR INFORMATION AND APPLICATION, CONTACT LOCALWORKS:**

Phone: 720-259-1030 Fax: 303-940-9332 Email: [Reception@WeAreLocalworks.org](mailto:Reception@WeAreLocalworks.org)  
[www.WeAreLocalworks.org](http://www.WeAreLocalworks.org)



## BUSINESS LOAN PROGRAM

### PURPOSE

The City of Wheat Ridge, through the adoption of the Neighborhood Revitalization Strategy (NRS) has determined that it is in the best interest of the public to halt property value deterioration, to eliminate that deterioration, and to promote economic growth and vitality within targeted areas of the City, and promote business growth and investment. In response to this stated objective, Localworks has created the Business Loan Program to encourage exterior façade improvements; sign repairs or replacement, interior renovations, and small business equipment purchases. The program is intended to create consistency in design, materials and architectural character thereby enhancing the physical appearance of commercial corridors, and also provide a local incentive to reinvestment or establishment of a new business in our community.

This program is intended to encourage significant investment and improvement in businesses and not to perform routine maintenance.

### PROGRAM OBJECTIVES

- To encourage the full utilization of older buildings, and development of new buildings along the 38<sup>th</sup> Avenue Corridor.
- To reduce the rate of vacancy, and assist in removing blight from the 38<sup>th</sup> Avenue Corridor.
- To provide financial assistance to property and business owners in overcoming the barriers associated with the reuse of older buildings and growing a business in Wheat Ridge.
- Generally, to promote and encourage continued growth and expansion of business and residential activities in Wheat Ridge, and to support the purposes of the Neighborhood Revitalization Strategy & Economic Development.

### ELIGIBILITY

A property must be located within the target boundaries. (Boundaries are subject to change. Currently the loan program is available throughout the City of Wheat Ridge). This will create a significant investment in existing or new businesses along the City's commercial corridors.

Applicants receiving funding must be current on all taxes levied by the City, County, and District, City Earned Income Tax, Business Privilege Tax, Business License, Per Capita Tax, Water and Sewer bills, Garbage fees, Rental Unit Registration/License Fees, Municipal Liens and any miscellaneous invoices.

### ELIGIBLE PROJECT COSTS & USES

Facade improvements and signs

Interior improvements

New building development

Major renovations

Small business equipment purchases (Ex. Restaurant Equipment)

\* ALL OF WHICH WILL POSITIVELY AFFECT THE BUSINESS CLIMATE

## **INELIGIBLE USES OF PROGRAM FUNDS**

Program funds cannot be utilized for any of the following uses:

1. Property acquisition costs
2. Refinancing or paying off existing debt
3. Site plan, building or sign permit fees
4. Building demolition
5. Property appraisal costs, legal fees or loan origination fees
6. Working capital
7. Inventory
9. Improvements to residential portions of mixed-use property.
10. Labor costs paid to the owner/applicant or relatives of owner/applicant.

## **APPLICATION AND SELECTION PROCESS**

Applications may be obtained in person in the offices of Localworks, Inc. Localworks staff shall determine initial eligibility of each applicant and the corresponding project. Upon determining the applicant's and project eligibility, the estimated scope of work for the project will be discussed. The pre-application process will also include a site visit by Localworks staff or partners. If the applicant and staff representative or partner reach consensus that the project should move forward, the project will be presented to the Localworks Loan Committee for approval. This committee will meet once per month to provide input, make suggestions to scope of work and approve or deny individual projects. Localworks staff will not process incomplete applications for consideration to the finance committee. Upon approval, a Loan Program Agreement will be executed and the project can proceed.

**The non-refundable application fee (payable to Localworks) must be included with the application packet. Loan fees are based on the value of the loan being sought.**

NOTE: Localworks shall be held harmless for any disputes that may arise under any contracts between the applicant and contractor.

## **LOAN TERMS**

Loan Amounts: Minimum amount - \$ 10,000

Maximum amount - \$50,000\* NOT TO EXCEED 80% OF THE TOTAL PROJECT COST

Loan Structure: 1<sup>st</sup> or 2<sup>nd</sup> mortgage (Based upon demonstrated need 3<sup>rd</sup> lien position may be considered.)

Loan Terms: 0% interest rate for year 1, 4% interest rate for years 2 through 5. Additional 5 year variable rate (years 6-10) with interest at prime plus 2% with a floor of 4% and a ceiling of 8% may be available to loan applicants.

Up to a 20 year amortization.\*

\*Terms of loan are determined by factors including the extent of lease for tenants of building & based on asset life.

## **FINANCING GUIDELINES**

Applicants must demonstrate proof of 20% in matching funds, whether owner equity or private financing. Eligibility, rates, terms, and conditions of private financing will be determined on an individual basis subject to the normal credit granting criteria of participating private banking institutions. All costs and fees associated with the project can be included in the total project budget.

Program funding will be in the form of a reimbursement to the property owner/applicant. Requests for funding may be made at 30%, 60%, and 90% project completion or as negotiated between borrower and lender. Applicant may make up to three draws (unless negotiated differently) on program funds with 10% of each draw being retained by the Localworks. Localworks will release the final 10% upon project completion and/or issue of certificate of occupancy.

## **DESIGN STANDARDS & GUIDELINES**

Localworks requires that design standards are consistent with all City codes and Ordinances. Additionally Localworks recommends that renovation and new building design strives to modernize and update the commercial corridor and complement the corridor's characteristics.

## **PROCESS**

- Applicants will be required to complete an application packet provided by Localworks. Applications may be obtained at the Localworks office, by calling 720-259-1030, or downloaded [www.WeAreLocalworks.org](http://www.WeAreLocalworks.org). Applications must be completed with all required documentation and submitted prior to processing.
- The City must approve design plans prior to release of any funding.
- The applicant will secure quotes from at least two contractors.
- Localworks reserves the right to decline a loan request to any project which, in its sole discretion does not reflect appropriate quality design standards, meets the intent of the lending program, or which may be deemed to have a negative impact on the target area.
- Funding for projects undertaken prior to the written approval will not be considered.
- Grant assistance is available through the Wheat Ridge Business District Revitalization Incentive Program.
- When a loan request package is approved, Localworks will issue a commitment letter to the applicant. The applicant must execute and return the commitment letter verifying their intent to accept funding, and include a preliminary draw schedule for the funds. A settlement will be scheduled for the applicant. A draw schedule will be approved as part of the settlement process. Disbursement of funds will be scheduled upon approved draws as renovations progresses.
- All required municipal or governmental permits must be obtained prior to construction start-up.
- Construction must commence within 60 days of approval for funding and be completed within 365 days after construction start date. Requests for time extensions must be submitted in writing and will only be approved upon the express written consent of Localworks.
- Funds will be provided on a draw basis upon completion of work. Executed contracts and/or contractor invoices must be presented prior to disbursement of program funds.
- Localworks will disperse loan proceeds based upon proof of completion of construction progress, including lien waivers, and amount of the draw.
- After completion of the project, and for a period of five (5) years thereafter, the developer, its successors and assigns, agree not to modify or alter the façade, destroy the renovations, or remove the equipment from the building without the express written permission of Localworks.

## RIGHT RESERVED

Localworks reserves the right to reject any and all applicants up to the time of closing. The specific program guidelines herein are subject to revision or amendment by Localworks. Localworks may discontinue this program at any time, subject to availability of program funding.

## DEFAULT AND REMEDY

To access program funds, applicants must demonstrate a bona fide commitment to implement building improvements and must certify that construction will commence within 60 days of funding approval and applicant shall complete the project within 365 days thereafter. Applicant will be in default if purchases or rehabilitation work is not undertaken within the specific time period, with 100% of paid costs and expenses to be reimbursed to Localworks.

In the event of default the entire amount of outstanding Loan Program funds shall become due and payable, plus collection costs and reasonable attorney fees, if applicable. One or more of the following events shall constitute a default:

1. The Applicant fails to pay, when due, any real estate taxes or special assessments on the subject property during the term of the Loan Agreement.
2. The Applicant expends program funds for uses other than approved project costs as represented in the original application.
3. If, during a period of five (5) years following the completion of the project, the Owner/Applicant transfers ownership or interest in subject property to another party, unless, such transfer secures the prior written approval of Localworks
4. The Applicant defaults on bank loan or other public financing made in conjunction with the Loan Program.

## SPECIAL NOTES

SN1. Dealing with applicants who want to act as their own contractor.

a. General requirements: Applicant/contractor must meet all the following requirements:

Have adequate knowledge and experience doing rehabilitation work and/or subcontracting;

Have adequate time to supervise the job;

Have adequate working capital to be able to pay suppliers and subcontractors, who generally require payment as work is carried out, before funds are released, which is generally after work on specific components has been completed.

Hold any required licenses or approvals required by the city to conduct work as a contractor.

All borrowers who want to act as their own general contractor must obtain approval from the City, which may deny the request, based either on the borrower's failure to meet the requirements in section SN1.

b. Approval of disbursements: Where an applicant elects to perform work on their own property as the general contractor, invoices must be submitted to Localworks for approval.

S2. Priority:

Localworks will prioritize projects for Loan application processes. Because of the heavy demand for funds, decisions on making Loans and the amount of each Loan will be made in relation to the extent the overall proposed project advances the goals of improving building appearance and strengthening the downtown.



## Business Loan Application Checklist

### **For all businesses:**

- \_\_\_\_\_ Business is located in the City of Wheat Ridge
- \_\_\_\_\_ Completed application
- \_\_\_\_\_ Non-refundable loan fee (\$500.00 non-refundable application fee plus legal and closing costs for loans up to \$25,000. \$1,000 non-refundable application fee plus legal and closing costs for loans \$25,001 to \$50,000.)
- \_\_\_\_\_ Copy of most recent two years personal tax returns (if you need copies of your tax return transcript please call 1-800-829-1040 and ask for the Individual Accounts department)
- \_\_\_\_\_ Copy of three most recent months personal bank statements for checking and savings accounts
- \_\_\_\_\_ 12-month Cash Flow Projections (a format should have been provided for you along with the application packet. If you did not receive one, please contact a staff member for a copy of the Cash Flow Worksheet)
- \_\_\_\_\_ Provide a brief narrative of the project proposal which clearly outlines the business' needs for the project and the project's impact on the business and community
- \_\_\_\_\_ Submit drawings and bids for work to be completed
- \_\_\_\_\_ Two pictures of the business, at least one taken from the street
- \_\_\_\_\_ If there is a cosigner on the loan, co-signer should submit Section I, II, V, VI, and VII of the loan application

### **Existing businesses please also include:**

- \_\_\_\_\_ Last year's Profit and Loss Statement and most recent available quarterly statement
- \_\_\_\_\_ Last year's Balance Sheet and most recent available quarterly statement
- \_\_\_\_\_ Copy of business bank account statement
- \_\_\_\_\_ Copy of current lease or deed for location in which business is located
- \_\_\_\_\_ Copies of the business' tax returns for the most recent year
- \_\_\_\_\_ If you are purchasing an existing business, provide financial statements or copies of tax returns for the business for the most recent year



# LOCALWORKS BUSINESS LOAN APPLICATION

## SECTION I – INFORMATION ABOUT OWNERS

Applicant Name: \_\_\_\_\_ Sex: Male \_\_\_ Female \_\_\_

Home Address: \_\_\_\_\_ City: \_\_\_\_\_ Zip: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Social Security #: \_\_\_\_\_

Email: \_\_\_\_\_ Ownership of business %: \_\_\_\_\_

Will your business provide your household's primary source of income? Yes \_\_\_ No \_\_\_

If you are employed by someone else, will you remain employed outside your business? Yes \_\_\_ No \_\_\_

If you are employed, what is your occupation? \_\_\_\_\_

Do you have other sources of income? Yes \_\_\_ No \_\_\_ If yes, what is the source?  
\_\_\_\_\_

Have you had previous training? Yes \_\_\_ No \_\_\_ If yes, through what program?  
\_\_\_\_\_

Are you presently involved in a lawsuit? Yes \_\_\_ No \_\_\_

Are you current on all business and personal taxes? Yes \_\_\_ No \_\_\_

Please list 3 references:

<u>Name</u>	<u>Phone Number</u>	<u>Relationship</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Have you ever had a bankruptcy or are you presently involved in a bankruptcy? Yes \_\_\_ No \_\_\_

## SECTION II – PERSONAL ASSETS & LIABILITIES

### Automobiles Owned

<u>Make</u>	<u>Model</u>	<u>Year</u>	<u>License Plate #</u>	<u>Market Value</u>	<u>Balance Due</u>	<u>Monthly Payment</u>
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

### Real Estate Owned

<u>Address/Type of Property</u>	<u>Name on Title</u>	<u>Date Acquired</u>	<u>Cost</u>	<u>Current Market Value</u>	<u>Mortgage Balance</u>	<u>Mortgage Payment</u>
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

### Personal Liabilities

What is your total Personal debt? (this should include items such as credit card debt, personal car loans, home mortgage loans, student loans, loans from family members, etc.) \_\_\_\_\_

**SECTION III – BUSINESS INFORMATION**

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Business Name: \_\_\_\_\_

Address: \_\_\_\_\_

Trade Name (if any): \_\_\_\_\_

If this is an existing business, how long have you been in business? \_\_\_\_\_

What were the business' gross revenues last year? \$ \_\_\_\_\_

If this is not an existing business, please describe your experience in this industry:

Business Email: \_\_\_\_\_

Federal Tax Identification #: \_\_\_\_\_

**SECTION IV – INFORMATION ABOUT LOAN REQUEST**

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Loan Amount requested: \$ \_\_\_\_\_

Breakdown of Loan Proceeds:

Amount	Purpose	How would this expense help your business?
_____	_____	_____
_____	_____	_____
_____	_____	_____

*\*Attach a separate sheet providing a more detailed description if needed.*

**SECTION V – COLLATERAL AVAILABLE**

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\$ Value	Description: Please fill out completely and accurately
_____	_____
_____	_____
_____	_____
_____	_____

**How much have you personally invested in this business to date:**

Amount Contributed	Description: How did you spend the funds
_____	_____
_____	_____
_____	_____

**SECTION VI – PERSONAL FINANCIAL STATEMENT**

Name: \_\_\_\_\_ Date: \_\_\_\_\_

<b>Monthly Income</b>	<b>Amount in Dollars</b>
Your Wages	
Your Spouse Wages	
Other Income (Child Support, Retirement, SSI, etc.)	
<b>Total Income</b>	

<b>Monthly Expenses</b>	<b>Amount in Dollars</b>
Rent or Mortgage	
Gas/Electric	
Water, Sewer, & Garbage	
Homeowner’s Association Dues	
Homeowner’s/Renter’s Insurance	
Landscaping & Maintenance	
Groceries	
Dining Out Expense	
Personal Vehicle Loan Payments	
Gas for Personal Vehicle	
Oil Change & Parking Costs	
Other Vehicle Maintenance Expenses	
Personal Wardrobe & Work Clothes	
Dry Cleaning/Laundry	
Children’s Clothes	
Cleaning Supplies for the Home	
Home Telephone, Cell Phone, and Internet	
Cable Television/Satellite	
Postage	
Health Care Costs	
Life Insurance	
Charitable Contributions	
Tuition or Other Education Costs	
Children’s Allowance	
Child Care	
Recreation and Entertainment	
Pet Foot/Veterinary Visits	
Gifts	
Newspapers/Magazine Subscriptions	
Cigarettes & Alcohol	
Monthly Savings of r401k Contributions	
Credit Card Payments	
Student Loan Payments	
Child Support	
Other Expenses (specify)	
<b>Total Liabilities</b>	

<b>Net Income or Loss (Total income minus total liabilities)</b>	
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**SECTION VII – ACKNOWLEDGEMENT AND WAIVER**

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Initial each statement to indicate that you understand and agree to the following conditions:

- \_\_\_\_\_ Applicant authorizes Localworks, loan committees, and financial lending institutions to individually and jointly obtain and review credit reports, financial statements, and any other documents submitted by Applicant in connection with this loan application.
- \_\_\_\_\_ Applicant understands that by submitting this application and fee (\$500 for loans up to \$25,000 and \$1,000 for loans more than \$25,000), neither Localworks nor any Localworks partners are under any obligation to approve the loan.
- \_\_\_\_\_ Applicant must be in good financial standing with Localworks.
- \_\_\_\_\_ Applicant agrees to hold harmless, and waives any claims now existing or arising in the future, of rights, damages, losses, liabilities, costs or expenses against Localworks or other associated parties, including but not limited to, the loan committee and business advisors.
- \_\_\_\_\_ Applicant agrees to attend a credit repair course if Applicant’s credit score is less than 600, or if recommended by Localworks staff.
- \_\_\_\_\_ Applicant understands Localworks has the right to report payment history to credit bureaus.

Applicant/Owner Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

Co-Applicant’s Signature\* \_\_\_\_\_ Date \_\_\_\_\_

Co-Applicant’s Printed Name \_\_\_\_\_

\* By signing this form co-applicant accepts all terms outlined in this waiver.

***When you have completed this application,  
please submit with all required documentation, to Localworks***

**By mail or in person:  
7391 West 38<sup>th</sup> Avenue, Suite 130  
Wheat Ridge, CO 80033**

**Phone: 720-259-1030  
Fax: 303-940-9332  
www.WeAreLocalworks.org**