BUSINESS IMPROVEMENT LOAN PROGRAM

The Business Improvement Loan Program is 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 areas: Any commercial property within the city boundaries of Wheat Ridge.

Eligible borrowers: Business owners or commercial property owners located in Wheat Ridge.

Eligible Project Costs:
- Exterior façade improvements and landscaping;
- Sign repairs or replacement;
- Interior renovations;
- Small business equipment purchases;
- New commercial building development.

Loan Structure: 1st or 2nd mortgage loans (based upon demonstrated need, 3rd lien position may be considered)

Loan Amounts: 80% of the project costs
Minimum $5,000 – Maximum $50,000

Loan Terms: 5 Years (amortized over 20 years)
- **Year 1:** 0% Interest
- **Years 2-5:** 1% below WSJ Prime Rate
- **Years 6-10** *(if loan extension is requested)***:** 1% above WSJ Prime Rate

Approval Criteria: Evidence of sufficient cash flow to repay loan, and sufficient collateral to secure the debt. Personal guarantees are required. Code compliance and permit(s) with the City of Wheat Ridge are required. Localworks performs an underwriting process and site visit. Final loan approval will be made by the Localworks Loan Committee.

Loan Fees: Non-refundable $500.00 application fee, plus all legal and closing costs (approximately $600.00)

Taxes: During the term of the loan, borrowers receiving loan funding must be current on all Property Taxes of the City, County and School District, Water and Sewer bills, State Taxes, Municipal liens, and any miscellaneous invoices.

Information/Application: Applications may be secured through: Localworks
PO Box 346
Wheat Ridge, CO 80034

PURPOSE

Localworks 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 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.
- To encourage the full utilization of older buildings, and development of new buildings along the major commercial corridors of Wheat Ridge.
- Generally, to promote and encourage continued growth and expansion of business activities in Wheat Ridge, and to support the purposes of the Neighborhood Revitalization Strategy & Economic Development.

ELIGIBILITY

Properties must be located within the city boundaries of Wheat Ridge. The program is open to both existing owners and potential new owners who have a pending settlement on a property. Localworks is an equal opportunity lender under the laws of the United States and the laws of the State of Colorado.

Owners receiving loan program funding must be current on all Property Taxes of the City, County, and School District, Water and Sewer bills, State Taxes, Rental Unit Registration/License Fees, tax liens, special assessment, and any other state, federal or municipal indebtedness then outstanding at the time of the loan application and/or loan closing.

ELIGIBLE PROJECT COSTS & USES

Up to 80% of the project costs (loan proceeds not to exceed loan amount) for exterior façade improvements; landscaping; sign repairs or replacement; interior renovations; small business equipment purchases; and new commercial building development. Applicants must demonstrate proof of at least 20% in matching funds for projects; the matching contribution may be increased at the discretion of Localworks.

INELIGIBLE USES OF LOAN PROGRAM FUNDS

Loan 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
8. Improvements to residential portions of mixed-use property.
9. Labor costs paid to the owner/applicant or relatives of owner/applicant.

APPLICATION AND SELECTION PROCESS

Applications may be obtained in person in the office of Localworks or on the Localworks website. 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 application process will also include a site visit by Localworks staff. If the applicant and staff representative reach consensus that the project should move forward, the project will be presented to the Localworks Loan Committee for approval. This committee meets once per month to provide input, make suggestions to scope of work and approve or deny individual projects. The Localworks Loan Committee will not consider incomplete applications. Upon approval, a Business Improvement Loan Agreement will be executed, and the project can proceed.

> **A $500 non-refundable application fee must be included with the application packet.**
> Check made payable to "Localworks."

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

RIGHTS RESERVED

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

Any commitment to fund a loan as described herein is expressly conditioned upon the right of Localworks to withdraw the commitment and approval at any time prior to closing the loan transaction.

LOAN TERMS

Loan Amounts: 80% of the project costs
Minimum amount: $5,000.00
Maximum amount: $50,000.00

Loan Structure: 1st or 2nd mortgage
(based upon demonstrated need, 3rd lien position may be considered).

Loan Terms: 5 Years (amortized over 20 years)
Year 1: 0% Interest
Years 2-5: 1% below WSJ Prime Rate
Years 6-10 *(if loan extension is requested)***:** 1% above WSJ Prime Rate

FINANCING GUIDELINES

Program funding will be made in the form of a reimbursement to the property owner upon a draw request. Requests for progressive funding reimbursement will be made in accordance with a mutually agreed upon draw schedule with 10% of each draw being retained by Localworks. Localworks will release the final 10% upon completion and occupancy. Proof of necessary permit approval for work completed will be required with any draw request. Progressive mechanic lien releases from contractors and material suppliers must be obtained showing a full waiver and release of all lien rights through the then applicable payment for labor and materials.

DESIGN STANDARDS & GUIDELINES

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

PROCESS

1. 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 from https://WeAreLocalworks.org/Loan. Applications must be completed with all required documentation and submitted prior to processing.
    a. The City must approve design plans prior to release of any funding.
2. The applicant will secure quotes from at least two (2) contractors.
3. 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 commercial corridor.
4. Funding for projects undertaken prior to the written approval will not be considered.
5. 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 progress.
6. All required municipal or governmental permits must be obtained prior to construction start-up.
7. 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.
8. 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.
9. Localworks will disperse loan proceeds based upon proof of completion of construction progress, including lien waivers, and amount of the draw.
10. 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.

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. Applicant will be in default, at Localworks's discretion, if work is not completed within the specified time period. Upon default, the applicant shall reimburse 100% of all costs and expenses paid by Localworks for the project.

Additionally, in the event of default, the borrower shall reimburse Localworks for the entire amount of the Business Improvement Loan Program funds received by borrower, the interest fee on all funds disbursed prior to default, plus all applicable collection costs and reasonable attorney fees. 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 this Loan Agreement.
2. The Applicant expends program funds for uses other than approved project costs as represented in the original Loan 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 is made with the prior written approval of Localworks.
4. The Applicant defaults on bank loan or other public financing made in conjunction with the Business Improvement Loan Program.
5. The Applicant fails to pay, when due, the principal or interest payments related to the repayment of the loan.
6. Failure to complete all work within 365 days of the Loan Settlement.

SPECIAL NOTES

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

a) General requirements: Applicant/contractor must meet all of the following requirements:
   a. Have adequate knowledge and experience doing rehabilitation work and/or subcontracting;
   b. Have adequate time to supervise the job;
   c. 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;
   d. 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.

SN2. 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 corridor.

SN3. Other Resources:

Grant assistance is available through the Wheat Ridge Business District Revitalization Incentive Program. (https://wrbusinessdistrict.org)

BUSINESS IMPROVEMENT LOAN APPLICATION CHECKLIST

For all businesses:

- ☐ Business is located in the City of Wheat Ridge
- ☐ Completed application
- ☐ $500.00 non-refundable application fee
- ☐ Copy of most recent two (2) years personal tax returns
- ☐ Copy of three (3) most recent months personal bank statements for checking and savings accounts
- ☐ 12-month Cash Flow Projections (please see the attached Cash Flow Worksheet as an example of formatting)
- ☐ 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
- ☐ Pictures of the property where the project will occur (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

BUSINESS IMPROVEMENT LOAN PROGRAM APPLICATION

SECTION I – OWNER(S) INFORMATION

APPLICANT(S): _____ GENDER: ☐ Male ☐ Female

HOME OR MAILING ADDRESS: _____

City _____ State _____ 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(s)? _____

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

Are you presently involved in a lawsuit? ☐ Yes ☐ No

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

Please list 3 references:

Name	Phone Number	Relationship
_____	_____	_____
_____	_____	_____
_____	_____	_____

SECTION II – BUSINESS INFORMATION

COMPANY NAME: _____

COMPANY ADDRESS: _____ , Wheat Ridge, CO_____

TRADE NAME (if any): _____

BUSINESS EMAIL: _____ FEIN #: _____

If this is an existing business,

- How long have you been in business? _____
- What were the business' gross revenue last year? $ _____

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

_____

SECTION III – LOAN REQUEST INFORMATION *(Localworks only funds up to 80% of the projects costs)*

Project Cost: $_____

Bank Loan: $_____
(any additional financing going into the project)

Localworks Loan: $_____
(amount you are applying for)

Applicant Capital: $_____
(your money going into the project, *at least 20%)*

Name of participating Bank (if applicable): _____

Bank Contact: _____ Phone: _____

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 IV – COLLATERAL AVAILABLE

$ 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 V – COLLATERAL AVAILABLE

AUTOMOBILES OWNED

MAKE	MODEL	YEAR	LICENSE PLATE #	MARKET VALUE	BALANCE DUE	MONTHLY PAYMENT

REAL ESTATE OWNED

ADDRESS OR TYPE OF PROPERTY	NAME ON TITLE	DATE ACQUIRED	COST	CURRENT MARKET VALUE	MORTGAGE BALANCE	MORTGAGE PAYMENT

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 VI – PERSONAL FINANCIAL STATEMENT

Name: _____ Date: _____

Monthly Income	$ Amount
Your Wages	
Your Spouse Wages (if applicable)	
Other Income (Child Support, Retirement, SSI, etc.)	
Total Income	**$ 0.00**

Monthly Expenses	$ Amount	Monthly Expenses	$ Amount
Rent or Mortgage		Postage	
Gas/Electric		Health Care Costs	
Water, Sewer, & Garbage		Life Insurance	
HOA Dues		Charitable Contributions	
Homeowner's/Renter's Insurance		Tuition or Other Education Costs	
Landscaping & Maintenance		Children's Allowance	
Groceries		Child Care	
Dining Out Expense		Recreation and Entertainment	
Personal Vehicle Loan Payments		Pet Foot/Veterinary Visits	
Gas for Personal Vehicle		Gifts	
Oil Change &Parking Costs		Newspapers/Magazine Subscriptions	
Other Vehicle Maintenance Expenses		Cigarettes & Alcohol	
Personal Wardrobe & Work Clothes		Monthly Savings of 401k Contributions	
Dry Cleaning/Laundry		Credit Card Payments	
Children's Clothes		Student Loan Payments	
Cleaning Supplies for Home		Child Support	
Home Telephone, Cell Phone, and Internet		Other Expenses (specify)	
Cable Television/Satellite			
		Total Liabilities	**$ 0.00**

Net Income or Loss (Total Income minus Total Liabilities)	**$ 0.00**

SECTION VII – ACKNOWLEDGEMENT AND WAIVER

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

_____ Applicant authorizes Localworks, loan committee, 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 the fee of $500, 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, by mail or in person, all required documentation to:

Localworks
PO Box 346

Wheat Ridge, CO 80034

Phone: 720-259-1030
https://WeAreLocalworks.org/Loan

Note: Only original applications will be accepted. We cannot accept applications via fax or email.