

# URBAN MADE FINANCING



## ENTERPRISE ZONE REVOLVING LOAN FUND

**AEDC** administers a Revolving Loan Fund Program for Enterprise Zone businesses. Its purpose is to assist in business growth and development that creates and retains jobs within the Enterprise Zone of the City of Allentown.

### ELIGIBLE BORROWERS:

Eligible businesses include industrial, manufacturing and technology-oriented businesses that are located within the boundaries of the Enterprise Zone. The businesses must be expanding, updating technology and creating and/or retaining existing jobs. Retail and commercial businesses are not eligible to apply for the Enterprise Zone Revolving Loan Fund.

### ELIGIBLE PROJECT COSTS:

- Equipment acquisition or modernization.
- Real estate improvements including leasehold improvements, new building construction and building modernization.
- In special cases, up to 40% of inventory or working capital needs included in project.

### LOAN STRUCTURE:

- 1st lien security interest on equipment purchases.
- 1st or 2nd mortgage on real estate (may be shared).
- Other unencumbered security and/or personal guarantee must be available to back the loan.

### APPROVAL CRITERIA

Evidence that the project will create or retain at least one (1) full-time job (substantially above federal minimum wage levels with some fringe benefits) for each \$35,000 increment of the loan request within three (3) years from the date of closing; Borrower must agree to report jobs created or retained to AEDC biannually; evidence of sufficient cash flow to repay and sufficient collateral; personal guarantees may be required; evidence of 25% match funding for total project costs; any necessary municipal permits must be in place before project starts; and all municipal taxes and fees (e.g. water and sewer) must be current.

### LOAN FEES:

- \$300 application processing fee. (Refundable if applicant is not accepted)
- Loan processing fee of 1% of the total loan proceeds.
- Legal and closing costs, which vary by case, but usually range between \$500 and \$1,500.

### LOAN TERMS + RATES

- 1 to 10 years, depending on asset life or lease term
- Rates from 2% to 8%

### LOAN AMOUNTS:

\$35,000 to \$100,000 for up to 75% of eligible project costs (subject to fund availability). Borrower shall provide proof of loans/equity/other funding for the remaining 25% of eligible project costs.

"The Enterprise Zone Loan Program provided the capital we needed to launch our business, with great terms that gave us the flexibility to grow quickly.

**Greg Heller-LaBelle**  
*The Colony Meadery*

