

STEELVALLEY

ENTERPRISE ZONE

Building Investment Loan Program Overview and Program Guidelines

The purpose of the Steel Valley Building Investment Loan Program, administered by the Steel Valley Enterprise Zone Corporation, is to stimulate investment in properties in the Eighth Avenue Business District and environs in the Boroughs of Homestead, Munhall and West Homestead.

Eligible Organizations:

- Property owners including individuals, partnerships, corporations and non-profit corporations.

Eligible Activities:

- Acquisition of land and buildings where substantial rehabilitation and investment is taking place.
- Fixed asset activities, such as infrastructure improvements to land and renovation to the exterior and interior of buildings.
 - Note: Project applicants must include an economic and/or business plan, architectural and/or engineering plans and designs, construction schedule and financing plan.
 - Note: Exterior improvements must be in compliance with Historic Architectural Review Board Guidelines and local zoning requirements.

Ineligible Activities:

- Enterprises whose primary operations serve alcoholic beverages such as bars, taverns or beer distributors; however, if the enterprise serves primarily as a restaurant and has a Pennsylvania Sunday liquor license it may be considered.
- Adult entertainment establishments.
- Funds may not be used to refinance debt.

Amount of Loan:

- Maximum loan - \$75,000 – not to exceed 50% of total project cost.
 - Note: A minimum 10% equity contribution by borrower is required.

Cost to Borrower:

- Interest rate fixed at 3%, or 1/2 of Prime Rate, whichever is higher, fixed at the time of commitment.
- Loan closing costs & filing fees.
- 0.5% origination fee of loan amount.
- Annual loan maintenance fee of up to \$250 per year.

Term:

- Maximum term of loan is five (5) years with flexible repayment terms including up to a maximum of twenty (20) year amortization schedule.

General Loan Features:

- Loan must be secured by adequate collateral.
- Loan closing will be held concurrently or after matching loan(s) closing.
- Construction activity should be completed within six (6) months of loan closing.

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Letter of Interest

Proposed borrower may utilize this form to express interest in participating in the *Steel Valley Enterprise Zone Corporation Building Investment Loan Program*.

Date

Name of Borrower

Address of Borrower

City

State

Zip

Telephone Number(s)

Home

Work

Cell

Name of Business

Address of Business

City

State

Zip

Purpose of Funds (25 words or less)

How long have you been in business _____ Start-up _____ 1-3 Years _____ 3+ Years

Do you have a bank relationship(s)? _____ Yes _____ No

If yes, Name of Institution _____

Location _____

Do you have a business Plan? Yes No If yes: Formal Informal

Anticipated amount of funds necessary of item three above: \$ _____

Proposed borrower may utilize this form to express interest in participating in the Steel Valley Building Loan Fund Program. Please send form and other information (if any) to:

Steel Valley Enterprise Zone Corporation

P.O. Box 168 • Homestead, PA 15120-0168 • 412-462-8870 • Fax 412-462-8907

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Building Investment Loan Information Checklist

The following items that are checked represent information the Steel Valley Enterprise Zone Corporation may need for review of the loan request. If you have any questions, please do not hesitate to contact the corporation at (412) 462-8870.

- Written description of business, brochure, or business plans (if any)
- Organization charts/diagrams (if any)
- Bids, invoices, contracts, etc. to verify use of funds (if any)
- Current personal financial and or three years of tax returns for principals
- Three to five year's annual financials
- Current annual financials
- Current interims (if available)
- Projections and forecasts (if available, especially for start-ups and significant requests)
- Financials on related companies (if available)
- Evidence of collateral values/appraisals (if any)
- Approval for corporation to undertake credit checks on applicant