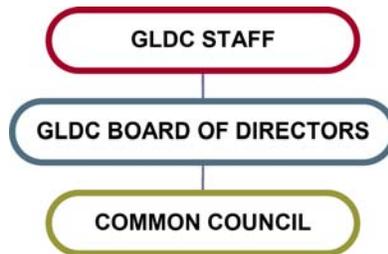


## Economic Development Programs

1. Economic Development Programs are administered by the Greater Lockport Development corporation (GLDC). The GLDC staff shall write-up and present each loan with its written recommendation to the Common Council.
2. The Common Council and Mayor shall have the final approval authority of any loan.



### Injection Loan Program

- I) Purpose: The primary aim of the program is to assist those engaged in the manufacture, assembling or wholesaling of goods or engaged in the retailing of goods or services in the financing of fixed assets or working capital where such financing will assist in creating employment opportunities for person of low and moderate income or assist in the elimination of slums and/or blight.
- II) Eligibility: The business must indicate, on a cash flow basis, an ability to repay the loan. Waivers shall be required for all start-ups and projections and feasibility must indicate a strong ability to repay the loan. Personal guarantees shall be required for each loan.
- III) Loan Limits:
  - a) A maximum of 10% of the total project cost.
  - b) For each \$35,000.00 of loan funds allocated, one new job must be created.
- IV) Repayment:
  - a) Principal and interest payment shall be negotiated based on the repayment ability of the project. However, each project with a term of 6 years or more, for the last three years of its term must reach a prime rate.
  - b) The maximum term for each loan shall be 7 years for working capital, 12 years for machinery and equipment and 20 years for land and building.
  - c) Loan Funds will be secured by a subordinate lien position behind bank financing and a personal guarantee.

### Development Loan Program

- I) Purpose: The primary aims of the program are to assist speculative fixed asset development projects of an industrial and/or commercial nature which will result in a significant increase in employment opportunities for persons of low and moderate income of assist in the elimination of slums and blight.

- II) Eligibility: Any commercial or industrial developer proposing a project within the corporate limits of the City who can demonstrate an ability to repay the loan based on either historical financial statements or projections and feasibility studies or a combination of the two. Final credit determination is at the sole discretion of the Greater Lockport Development Corporation economic development staff at the Common Council.
  
- III) Loan Limits:
  - a) A maximum of 20% of the total project cost.
  - b) For each \$1.00 of loan funds allocated, a minimum of a combination of \$4.00 of Federal, State, conventional funds and equity (private funds) must be invested in the project.
  - c) For each \$35,000.00 of loan funds allocated, one new job must be created.
  
- IV) Repayment:
  - a) Principal and interest payments shall be negotiated based on the repayment ability of the project. During the last six years of the term of any project within a term of 11 years or more, the rate must achieve a level of prime.
  - b) The terms of the loans shall not exceed a maximum of 20 years.
  - c) Loan funds will be secured by a subordinate lien position behind bank financing and a personal guarantee.

### Tenant Assistance Loan Program

The Tenant Assistance Loan Program will be established and implemented the same way the City of Lockport's Economic Development Loan Program for fixed-asset financing was established in August 1982. The City's strategy to reduce the vacancy rate is to provide access to capital for businesspersons in the Central Business District and B-5 Zone Area. In order to achieve a reduction in the vacancy rate and increase jobs for area residents, the City will use the Tenant Assistance Loan Program to encourage new retail tenants to locate and occupy vacant space in the Central Business District and B-5 Zone Area. The following is a detailed description of the program.

- I) Purpose: The primary aim of the program is to assist those engaged in the retailing of goods or services in the financing of working capital, equipment, Inventory, tenant of façade improvements and business acquisition where such financing will assist a business in remaining, locating or expanding in the Central Business District and B-5 Zone Area and creating employment opportunities for persons of low and moderate income.
  
- II) Eligibility: The business must indicate, on a cash flow basis, an ability to repay the loan. Any commercial business locating or expanding within the Central Business District and B-5 Zone Area who can demonstrate an ability to repay the loan based on historical financial statements and/or projections and feasibility studies will be eligible for funds. Final credit determination is at the sole discretion of the Greater Lockport development Corporation economic development staff and the Common Council. Personal guarantees shall be required for each loan when necessary.

III) Loan Limits:

- a) A maximum of 25% of the total project cost. A maximum of \$25,000.00 is to be loaned in any one project. However, requests above \$25,000.00 will be reviewed individually and decided upon by the Board based on the objectives of the program.
- b) For each \$1.00 of loan funds allocated, a minimum of a combination of \$3.00 of conventional funds and equity (minimum 10% of project costs) must be invested in the project.
- c) For each \$35,000.00 of CD funds allocated, one new job must be created or retained.

IV) Repayment:

- a) Principal and interest payments shall be negotiated based on the repayment ability of the project.
- b) The maximum term for each loan shall be seven years. However, the City will match the term of the conventional financing or the term of the lease not to exceed the seven-year maximum.
- c) Community Development funds will be secured by a second lien position behind bank financing and a personal guarantee when necessary.