

# Bangor, ME

## Mayor John M. Rohman

### ***Business Development Loan Program (BDLP)***

#### **Program Goals**

Program goals are to create and retain jobs, principally for low- and moderate-income persons, leverage private investment, and alleviate physical and economic distress.

#### **Types of Assistance**

Loans can be used for the acquisition of real property for economic development purposes, for the acquisition, construction, reconstruction, rehabilitation and installation of public facilities, site improvements and utilities; for the acquisition, construction, reconstruction, rehabilitation and installation of commercial or industrial buildings and structures and other commercial or industrial real property improvements; and to provide assistance to private, for-profit entities, when the assistance is necessary to carry out an economic development project.

#### **Eligibility**

A BDLP Loan may be made with respect to an eligible project located within the City limits of the City of Bangor. To be eligible, a project financed with a Business Development Loan must be able to support a determination that the project is necessary or appropriate to meet Program Goals, provide a measurable impact in terms of the jobs created and/or retained principally for low- and moderate-income persons, or to remove architectural barriers for handicapped persons in places of employment or buildings of public access, and, where applicable, bring properties into conformance with applicable City Codes. To qualify for a loan, an applicant must have adequate capacity to repay the Loan, have paid all City taxes and fees due the City, and provide adequate collateral to secure the loan. When eligibility is based on job creation or retention, projects must provide a majority of jobs created or retained (at least 51 %) to low- or moderate-income persons whose family income is at or below the following income limits by family size: \$22,850 for a 1 person family; \$26, 100 for 2; \$29,400 for 3; \$32,650 for 4; \$35,250 for 5; \$37,850 for 6; \$40,450 for 7; and \$43,100 for 8.

#### **Loan Limits**

On the average, loans pursuant to this Program must leverage private investment

at a minimum ratio of Three Dollars (\$3.00) in private funds to each One Dollar (\$1.00) provided through the BDLP. Loans cannot exceed Ten Thousand Dollars (\$10,000.00) for each job generated and/or retained. Due to the limited amount of City Community Development funds, the maximum amount of a BDLP Loan is established as \$100,000.00 unless otherwise approved for specific projects by separate Order Of the City Council.

#### **Terms and Conditions**

There is no set interest rate or term for a Business Development Loan to a for-profit Borrower. The interest rate and term of each loan is established by the City to balance a maximum rate of return to the BDLP and the economic health of the project financed.

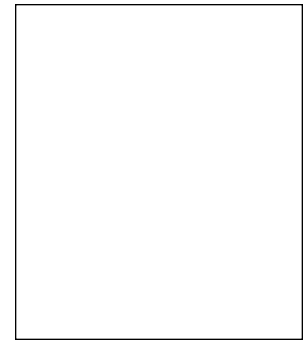
#### **Includable Costs**

Business Development Loans may be used to finance the following types of activities and related costs:

- a. The acquisition, construction, reconstruction, rehabilitation, expansion, and/or installation of public facilities, site improvements, or utilities;
- b. The acquisition, construction, reconstruction, rehabilitation, expansion and/or installation of commercial, mixed-use or industrial buildings and structures and other commercial or industrial real property, capital equipment and improvements;
- c. The removal of architectural barriers which restrict the mobility and accessibility of elderly or handicapped persons;
- d. The acquisition, construction, reconstruction, rehabilitation expansion, and/or installation of capital equipment if the same are to be a part of the real estate upon which they are located;
- e. Working capital or operational funds; or
- f. Such other assistance to private, for-profit entities as may be deemed necessary or appropriate to carry out an economic development project.

#### **Ineligible Activities**

Activities commenced or completed prior to Loan approval are not eligible for Program financial assistance.



Mayor John M. Rohman

***"Our Business Development Loan Program enables us to confront the issue of family income and security at its source - jobs. This program has assisted job creation developments in nearly every business sector of our economy and throughout this city: downtown retail, neighborhood service, airport, commercial and industrial parks. When new jobs are created - the entire community benefits."***

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Program has been running 10 years

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**Municipal Codes and Ordinances**

The borrower must agree to follow the procedures and conditions of all established and applicable municipal ordinances in undertaking the funded activity and must also comply with all federal and state requirements applicable to the project.

**Program Administration**

The City of Bangor Community Development Office is responsible for the administration of the Program, including its marketing and management; the screening of applicants; conducting initial interviews with loan candidates; reviewing eligibility of proposed projects; preparation of applications and related documents; presentation of eligible project applications to the Community & Economic Development Committee for consideration and approval; and servicing of all loans, including the collection and accounting of payments.