

REVOLVING LOAN FUND PROGRAM

Overview

The Arvada Revolving Loan Fund (RLF), a program of the Arvada Economic Development Association (AEDA), is designed to provide financing to small businesses locating to or expanding to Arvada, Colorado. Businesses not able to obtain financing through conventional funding may apply for "gap" financing. For this purpose, "gap" financing relates to the gap between the total amount needed for the project and what the borrower is able to assemble through traditional sources.

Purpose

The objective of the RLF is to assist Arvada businesses or businesses locating to Arvada, and in doing so create jobs, increase sales and property taxes, encourage renewal efforts in certain areas and encourage investment by a business in real property and equipment. Loans may be requested for public improvements, building upgrades, renovations or expansions.

Terms of Loan

The RLF provides a low interest, amortized loan, repayable to Arvada Economic Development Association. Monthly payments of principle and interest are to be made with up to 5 years to pay back. The interest rate is a fixed 5% per year. The minimum loan is \$2,500 and the maximum amount is \$100,000. The amount approved is dependent on the type and size of the company, net worth of the business and its ability to repay the loan.

Requirements

- ➤ Businesses must first pursue obtaining financing from traditional sources and provide such documentation. AEDA may require matching fund be utilized.
- > Businesses must be located in or moving within Arvada city limits.
- Applicants must complete a loan application and provide required information, including financial details.
- Applicants will be asked to provide security/collateral.
- ➤ There is a \$100 non-refundable application fee.

Information Required

- ➤ Written history of the applicant and nature of the business
- > Terms and conditions of all current and proposed debt
- ➤ Three years of financial statements
- > Two year cash flow projection
- Personal financial statements of all guarantors
- > Description of security
- > Two years of federal income tax filings for the company and guarantor
- A business plan, which includes information on the use of the funds

➤ Articles of Incorporation and By-Laws

Application Process

Small businesses interested in applying for an Arvada Revolving Loan Fund should go to www.aeda.biz and click on financial assistance. Download the Arvada Revolving Loan Fund Application form and follow the instructions. A hard copy will be available in the AEDA office. The application must be sent to the Arvada Economic Development Association (AEDA) office via mail or dropped off in person at:

Arvada Economic Development Association c/o Ryan Stachelski 8101 Ralston Road Arvada, CO 80002

Applications will become the property of AEDA. While AEDA will take reasonable steps to protect proprietary or confidential information in an application, it makes no guarantees or assurance that all information made a part of the application will remain confidential. Names of participants and any documents may be subject to disclosure pursuant to certain state laws.

For questions, please contact the AEDA office at 720.898.7010.

Application Review Process

Business applying for a Revolving Loan Fund must complete an AEDA Revolving Loan Fund application form and supply all required supporting documentation. The Revolving Loan Fund application and supporting documents will then be reviewed by the AEDA Business Revolving Loan Fund Committee who will make a recommendation to the entire AEDA Board of Directors. The AEDA Board of Directors will review each recommendation and authorize eligibility.

Revolving Loan Disbursement

Approved loans will be disbursed on a case by case basis. A disbursement schedule will be created as part of the loan approval process.