

*ECONOMIC DEVELOPMENT*  
**LOAN  FUND**

*A Financing Tool for Small Businesses in Salt Lake City*



DEPARTMENT of  
**ECONOMIC**  
DEVELOPMENT

# Programs Goals



To invest in viable  
businesses

For strong economic returns  
Positive social and  
environmental impacts



Stimulate business development



Create employment opportunities



Encourage private investment



Promote diverse economic development



Enhance neighborhood vitality and  
commercial enterprise

# Funds can be used for:



Construction/tenant improvement and/or real estate acquisition



Signage, retail presentation and display work



Fixtures, furnishings, equipment and inventory



Energy efficient (e2) equipment upgrades and building retrofits



Working capital and marketing



Start up businesses can borrow up to \$100,000 (0-3 yrs) and expanding businesses can request up to \$350,000 (3+ yrs)

# Loan Application Requirements



One-time application fee of \$120, upon submission of Part B

Located within Salt Lake City boundaries

- Proof of address OR proof of intended relocation to SLC limits

Personal guaranty for any owner over 20%

10% Minimum Collateral

- Real Property, vehicles, business or personal property, etc.

Sources and Uses Documentation

Credit Check

Other Documents

- 3 years of personal taxes
- Balance Sheet
- Profit & Loss Statements
- Cash Flow Analysis
- Projections
- Business Overview (Business plan and experience)
- Economic Impact Statement

# Loan Term Details



## Maximum Interest Rate is Prime + 4%

Prime rate is the interest rate banks use as a basis to set rates for different types of loans.

Prime rate for your loan is based on date of application with data from the Wall Street Journal.



## Interest rate reduction incentives are based on City goals

Geographic Priority Areas  
Low-Moderate Income Owners  
Socially, Economically Disadvantaged Individuals (SEDI)  
E2 Green Business  
Loans with shorter terms



## 5-to-7-year loan terms

Ability to amortize up to 10 years with a balloon payment



## 1.5% loan origination fee

Deducted from total loan amount upon disbursement



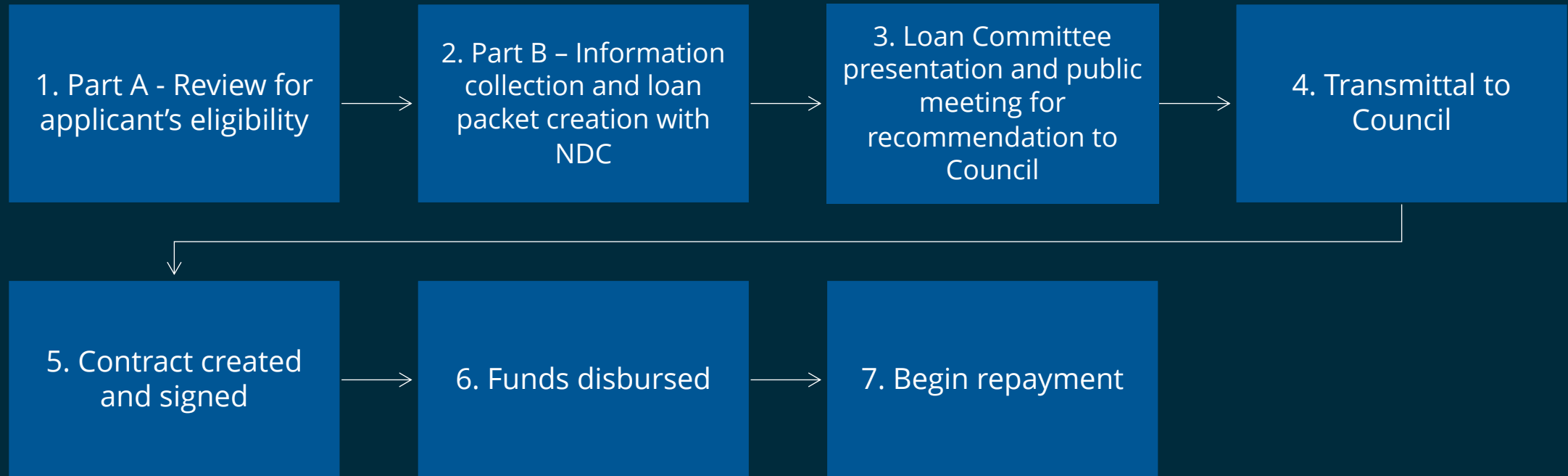
## Monthly payments due on the 1<sup>st</sup>, late after the 15<sup>th</sup>

Pay via EFT or Check  
5% late fee for late payments



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# Loan Process



# Loan Evaluation Review



Personal  
Financial  
Statement

Business  
Financials

Financial  
Projections

Collateral

Credit Score

Business Plan

Management  
Experience

Neighborhood  
Impact

Jobs Created

Overall City and  
Economic  
Development  
Goals



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# Loan Committee Meetings & Open Meeting Requirements



Meetings are available to the public



Ensure that sensitive application information is not revealed



Applicants do not present to the loan committee, but may attend meetings



Loans are recommended by the Committee to Council for final approval





# Questions?



[EDLF@slcgov.com](mailto:EDLF@slcgov.com)



(801) 535-7200



[www.slc.gov/edlfloan/](http://www.slc.gov/edlfloan/)



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