



## DOWNTOWN HOSPITALITY FORGIVABLE LOAN PROGRAM

The objective of the Downtown Hospitality Forgivable Loan Program is to encourage restaurants and other hospitality businesses to locate in the Downtown Mill District. The Village is focused on bringing a vibrancy to the Mill District, by providing a mix of uses for residents, visitors, and destination consumers. This program will create new employment opportunities, enhance existing Downtown businesses, and maintain as well as expand the tax base. The Downtown Hospitality Forgivable Loan Program will award up to \$200,000 to restaurants or other hospitality uses opening a location in the Mill District.

For businesses approved for the forgivable loan program to realize the full value, the business must remain open and operational for five (5) full consecutive years. Failure to remain open and operational for the full five (5) year period will invoke a pro-rata claw back of the grant funding. The five-year operating period will begin the date the occupancy permit has been issued. **The loan amount will be distributed after the occupancy permit has been issued.**

Applications for the forgivable loan will be considered on four priority criteria and the quality of the applicant's submission. The four priority criteria are as follows:

1. Financial capacity of the applicant to fulfill the scope of the project
2. Experience of the applicant/operator with respect to operating, owning, and establishing one or more hospitality businesses
3. Degree to which the proposed project brings an element of vibrancy to the Mill District
4. Proposal's finished product to result in public interest and support

If responses to questions in the application are addressed within the business plan, please reference where the information can be found in response to the specific application item requested.

Please be advised that the Illinois Prevailing Wage Act (820 ILCS 130/) requires all laborers, workers, and mechanics employed by contractors and subcontractors on publicly funded projects to be paid at the prevailing wage, as determined by the Illinois Department of Labor. As part of any forgivable loan agreement, the Applicant agrees to follow all regulations as they relate to the Prevailing Wage Act when securing labor for said project. By applying for financial assistance, the applicant agrees to indemnify, defend, and hold harmless the Village and its employees, elected officials, agents, and assigns from any Prevailing Wage Act claims that arise from the applicant's use of the funds. For more information on the laws surrounding Prevailing Wage, including current rates, visit: <https://labor.illinois.gov/laws-rules/conmed/prevailing-wage-act.html>.

All questions regarding this program or investment within the Village of Montgomery should be directed to the Village's Economic Development Manager.

**PATRICK BURKE**  
**ECONOMIC DEVELOPMENT MANAGER**  
**VILLAGE OF MONTGOMERY**  
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# APPLICATION PROCESS



## -APPLICATION - DOWNTOWN HOSPITALITY FORGIVABLE LOAN PROGRAM

### Section 1 | Applicant & Business Information

Applicant Name \_\_\_\_\_

Home Address \_\_\_\_\_



Home Phone \_\_\_\_\_

Personal Email \_\_\_\_\_

Name of Business \_\_\_\_\_

Business Address \_\_\_\_\_

Business Phone \_\_\_\_\_

Business Email/Website \_\_\_\_\_

#### BUSINESS OWNERSHIP

Sole Proprietorship

Partnership

Corporation

Other \_\_\_\_\_

Is the business currently in good standing with the Illinois Secretary of State? Yes \_\_\_\_\_ No \_\_\_\_\_

Is the business incorporated in the State of Illinois? Yes \_\_\_\_\_ No \_\_\_\_\_

If the answer is "no" then where is the business incorporated? \_\_\_\_\_

\*Please attach copy of current certificate of good standing from SOS website with application.

Principal Owner(s) | Please list all individuals owning 20% or more of the business.

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Anticipated Number of FTEs+: After 1 Year FTEs \_\_\_\_\_

After 2 Years FTEs \_\_\_\_\_

+FTE position is defined as 1,950 hours per year.

## Section 2 | Location of Proposed Business Operation

Name of Establishment \_\_\_\_\_

Address \_\_\_\_\_

Applicant Ownership: Owns Business Property \_\_\_\_\_ Leases Business Property \_\_\_\_\_

If leased, please list the Owner \_\_\_\_\_

Address of Location Owner \_\_\_\_\_

Term of Lease \_\_\_\_\_

Building Status Existing \_\_\_\_\_ New Construction \_\_\_\_\_

If the building is existing, please list: SF<sup>2</sup> Occupied by Business \_\_\_\_\_ Year Constructed \_\_\_\_\_

If the building is new construction, please list: SF<sup>2</sup> NEW \_\_\_\_\_ Estimated Cost of Improvements \_\_\_\_\_

## Section 3 | Proposed Uses of Funds and Project Costs

Attach a detailed description of the proposed project including activities to be financed in whole or in part by the Village funds.

### ESTIMATED PROJECT COSTS

Land Acquisition \$ \_\_\_\_\_

Site Improvements	\$ _____
New Construction	\$ _____
Renovation/Rehabilitation	\$ _____
Machinery/Equipment	\$ _____
Inventory/Working Capital	\$ _____
Other Costs	\$ _____
Total	\$ _____

## PROJECT SCHEDULE

Identify Major Milestones (such as):

Engineering Complete	____/____/____
Building Permit Application Completed	____/____/____
Construction/Rehabilitation Start	____/____/____
Machinery/Equipment Purchase	____/____/____
Machinery/Equipment Installation	____/____/____
Project Completion	____/____/____

## Section 4 | Project Financing

Equity	\$ _____
Bank or Private Lender	\$ _____
Other Financing	\$ _____
Mill District Grant	\$ _____
Total Project Cost	\$ _____

**The following must be included in or be a part of a request for funding:**

- Detailed Business Plan
- Business Financial Information
- Additional Documentation (please see next page)
- Application Fee
- Fully Executed Application including certifications, waivers, and job creation/retention form.

## REQUIRED DOCUMENTATION

**Detailed Business Plan including:**

- Business history
- Restaurant/hospitality industry experience including planning, establishing, opening, and operating restaurants and hospitality venues
- Description, location of and timetable for project including square footage, seating capacity for bar/lounge area, indoor and outdoor dining areas
- Description of building-single or mixed use
- Marketing plan

- Business and bank references

**Business Financial Information including:**

- Last three (3) years' financial statements (for existing business).
- Last three (3) years' tax returns unless audited financial statements provided (for existing business).
- Interim financial statement within 90 days.
- Projections for proposed project—income statement, balance sheet and cash flow for two (3) years.
- Assumptions used to support the financial projections provided.
- Description of working capital needs.
- Indicate if officers or principals of the business have ever been involved in bankruptcy or insolvency procedures. If yes, details must be provided.
- Indicate if any officers or principals of the business are involved in any lawsuits. If yes, details must be provided.
- Documentation evidencing existence of business entity.

Submit the following as appropriate:

- Corporation—articles and certificate of incorporation; copy of corporate by-laws; and certificate of good standing.
- Partnership—certificate of partnership (limited partnership); certificate of partnership agreement; and certificate of good standing.

**Additional Information**

- Resumes of owners and other key management personnel.
- Provide personal financial statements for any individual with 20 percent or greater ownership in the business/company.
- Site/building to be leased or owned—for land and building acquisition, a copy of the purchase option or agreement must be provided; for construction, renovation or rehabilitation provide contractor estimates.
- Hours of service—lunch, dinner, and late-night hours.
- Separation of bar service and restaurant/food service.

**Application Fee**

- An application fee of \$500.00 is due at the time of the submission which is payable for application processing and review.

## **CERTIFICATION OF INFORMATION PROVIDED**

The undersigned certifies that to the best of their knowledge and belief, all information contained in this grant application and in the accompanying statements and documents is true, complete, and correct. The undersigned agrees to notify the Village President or his designee of any material changes. It is further agreed that whether or not the grant herein applied for is approved, the undersigned will pay the Village of Montgomery for reasonable costs, if any, of surveys, credit review, appraisals, etc. performed by the Village. The applicant agrees to furnish any additional information to the Village as needed to review and consider this loan request.

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**Signature of Applicant**

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**Printed Name of Applicant**

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**Date**

## **AUTHORIZATION TO RELEASE INFORMATION AND AGREEMENT TO HOLD HARMLESS AND DEFEND THE VILLAGE**

The undersigned hereby authorizes the release to the Village of any and all information that may be required at any time for any purpose related to this loan. The undersigned further authorizes the Village to release such information to any entity they deem necessary for any purpose related to our loan transaction with the Village. The undersigned understands that the Village may utilize, publish, or distribute certain data/information about the below listed business entity for surveys, reports, public relations and other items as may be required by the Village or as may be in the best interest of the Village's ongoing operations and authorizes such documentation to be used in any such manner as the Village deems appropriate.

The undersigned further understands that the Village is bound by the requirements of the Illinois Freedom of Information Act ("FOIA"), and that the Village will produce information sought pursuant to any FOIA request to the extent required by law. If the undersigned claims that any part of the information provided to the Village includes trade secrets and commercial or financial information which is furnished to the Village under a claim that they are proprietary, privileged, or confidential, and that disclosure of the trade secrets or commercial or financial information would cause competitive harm to the applicant, then such records must be clearly identified as such when submitted to the Village.

The undersigned further authorizes the Village to contact and make inquiries of any lenders, customers, suppliers, creditors, investors and other persons deemed necessary and appropriate by the Village to obtain or verify information concerning the current and proposed business, operations and financial condition.

The undersigned acknowledges that the Village may from time to time offer advice or recommendations about business operations and practices.

The undersigned hereby authorizes the transfer of and/or sharing of credit and other information pertaining to this application for the Low Interest Loan Program, with public and/or private lending institutions, and/or participating lenders and other agencies and entities. The undersigned certifies that the enclosed information (plus all attachments and forms) is valid and correct to the best of their knowledge.

The undersigned hereby agrees to defend, hold harmless and release the Village and its Trustees, officers, directors, employees, attorneys, and agents (collectively, the "Indemnified Parties") from any liability, claims, damages, costs and expenses (including attorney's fees and costs) asserted against the Village associated with this loan application and the administration of the loan, if granted. Such claims may include, but are not limited to, claims arising from the Village's due diligence and disclosures related to the processing of this loan application, the Village's advice or recommendations about business operations and practices, and any other actions taken by the Village in association with the evaluation, award of, disbursement of, and administration of the loan, if granted (the "Loan Process Proceedings").

I (we) have read and agree to the above Authorization to Release Information.

Business Name \_\_\_\_\_

Business Address \_\_\_\_\_

Officer Name (Print) \_\_\_\_\_

Phone \_\_\_\_\_ Email \_\_\_\_\_

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**Signature of Applicant**

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**Printed Name of Applicant**

Date

ALL INDIVIDUALS GUARANTYING THE PROPOSED LOAN MUST SIGN BELOW:

### Signature of Additional Guarantor

**Printed Name of Additional Guarantor**

Date

Personal guarantees will be required from principals owning at least 20% of the entity.

## **JOB CREATION/RETENTION FORM**

The purpose of this form is to detail the job creation/retention impact of a proposed project.

Indicate the number and type of permanent full-time equivalent (FTE) jobs to be created or retained because of the project as well as the proposed wage scales. FTE position is defined as 1,950 hours per year.

### **INDICATE CURRENT EMPLOYMENT LEVEL**

Job Title	Hourly Wage Scale of Annual Salary by Classification	Number of Positions

### **INDICATE JOBS TO BE RETAINED**

Job Title	Hourly Wage Scale of Annual Salary by Classification	Number of Positions

### **INDICATE THE JOBS TO BE CREATED WITHIN ONE YEAR FROM DATE OF APPLICATION**

Job Title	Hourly Wage Scale of Annual Salary by Classification	Number of Positions

### **INDICATE THE JOBS TO BE CREATED WITHIN TWO YEARS FROM DATE OF APPLICATION**

Job Title	Hourly Wage Scale of Annual Salary by Classification	Number of Positions