

**CITY OF DAYTONA BEACH
COMMUNITY DEVELOPMENT DEPARTMENT**

SMALL BUSINESS DEVELOPMENT LOAN PROGRAM

Fact Sheet

Service Area	- City of Daytona Beach Enterprise Zone Area
Loan Amount	- \$15,000.00 maximum
Loan Access	-Direct Loan
Use of Funds	- Business assets purchase, working capital.
Eligible Borrower	- Business owned & operated in the Enterprise Zone area and resident of the Enterprise Zone Loan proceeds must benefit the Enterprise Zone
Ineligible Use of Funds	- Not-for-Profit, religious organizations, adult entertainment, Bars or Lounges or business deriving more than 10% of revenue from sale of alcoholic beverages.
Repayment Terms	-Negotiated, not to exceed 36 months, monthly installments (P & I)
Interest Rate	- Determined in relation to applicable Certificate of Deposit rate
Collateral	- Business and/or personal assets; personal guarantees, cross collateralization
Borrower's Equity	-10% at a minimum
Application Fee	-\$50.00 non-refundable. Paid at Utility Billing.
Commitment Fee	-none

For further information, you may call (386) 671-8053.

**CITY OF DAYTONA BEACH
COMMUNITY DEVELOPMENT DEPARTMENT**

Small Business Development Loan (SBDL) Program II

The City of Daytona Beach Enterprise Zone is designated by the State of Florida as an area targeted for economic revitalization. The purpose of the Small Business Development Loan Program is to promote economic revitalization through increased business retention and expansion of small businesses located in the Enterprise Zone (see attached map) and targeted neighborhoods.

PROGRAM CRITERIA

1. The maximum loan amount to any one borrower will not exceed \$15,000.00. Applicant must contribute in accordance with the borrowers participation schedule below:

0	-	\$5000	\$250
\$5001	-	\$10,000	\$500
\$10,001	-	\$15,000	\$750

Other types of requests may be considered.

2. The term of any one loan shall be from 12 months to 36 months. Monthly payments of principal and interest would be due and payable on the due date, calculated to amortize the amount of the loan over the full term. There is no penalty for early repayment.
3. A \$50.00 non-refundable fee will be charged to submit the completed (SBDL) application packet. This fee shall not be financed and should be made payable to the *City of Daytona Beach* in the Utility Billing office, first floor, with appropriate account information.

4. Borrower will be required to furnish proof of insurance (fire, theft, etc.) in a dollar amount equal to the value of the equipment, property, materials or other financed with City of Daytona Beach funds, and have the City designated as loss payee.

In addition, insurance will indemnify the City from any and all liability costs.

5. Borrower must submit an appropriate Business Plan, and show revenue projections to establish reasonable cash flow and meet debt service including repayment to the City.
6. Loan funds are limited, therefore, all loan requests will not be granted, and may not be granted in the amount requested.

ELIGIBILITY REQUIREMENTS

1. Individuals and/or business groups, property owners or tenants (with the property owners approval) who have successfully completed the City's Economic Services Training Program administered through Mid Florida Housing Partnership, Inc. Alternate programs of study may be approved by the City.
2. The small business must be located within the boundaries of the City of Daytona Beach Enterprise Zone or the business owner must be a resident of the Enterprise Zone. Loans must benefit the Enterprise Zone.
3. In business for a minimum of one (1) year. If in business less than one year:
 - a. Must have significant experience within the same industry
 - b. Must have prior management experience in the following key areas or obtain technical assistance in those areas where not experienced:
 - General management
 - Sales management
 - Financial Management
 - Operational Management
 - c. Must have a viable secondary source of repayment
 - d. Must have minimum equity contribution equal to or exceeding the loan amount requested.
4. Must have a clean personal credit with major derogatory reports subject to satisfactory written explanations by borrower. Credit reports reflecting unpaid tax liens or unpaid judgments will be considered as unacceptable credit risks. Bankruptcy is generally not acceptable, but will be reviewed on a case by case basis.
5. Acceptable collateral can include marketable equipment. The City of Daytona Beach will lend up to a maximum of 85% of cost if new or 85 % of appraised value if used. Appraise must be acceptable to City of Daytona Beach.

PROCEDURE

1. Submit the completed application package to the **Central Florida Community Development Corporation**, 847 Orange Avenue, Daytona Beach Florida or **Covington & Associates**, 543 Orange Avenue, Daytona Beach, Florida.
2. Upon notification by Central Florida Community Development Corporation or Covington and Associates the applicant will meet and present the request to The City of Daytona Beach – Community Development Department Internal Review Committee or the Enterprise Zone Development Agency Committee for conditional approval.
3. All projects awarded under this program must be initiated and completed within ninety (90) days after receiving written approval of the loan and city permits (if applicable).

All work must meet City Building Codes and applicants are responsible for obtaining all permits before beginning any work! All proposed renovations must be approved before beginning any work.

4. Once the work is completed and paid for, submit to **Central Florida Community Development Corporation** or **Covington & Associates** a copy of all receipts and/or cancelled checks as proof of all materials, purchases and contracted improvements have been paid and all work conforms to the project that was proposed.
5. Description of how use of the loan funds will benefit the Enterprise Zone.

**City of Daytona Beach
Community Development Department**

SMALL BUSINESS DEVELOPMENT LOAN PROGRAM II

Case Submittal Procedure

- I. Time Allocation for Loan Approval
 - A. Complete loan request packages must be submitted at least 14 days prior to the Friday of the anticipated closing date.
 - B. All files will be approved in the order received by an Internal Review Committee or the Enterprise Zone Development Agency Board

- II. File Order (six sections)
 - A. Business and applicant's name on the outside of the folder.
 - B. Front left – Processing documentation e.g., HUD forms, initial application packet, tax returns, check stubs, etc.
 - C. Front right – Business plan
 - D. Second Left – Communications with and to applicant, e.g., approval letter
 - E. Second Right – Promissory Note
 - F. Third left – cancelled checks, copies of receipts as proof that all materials, purchases, and contracted improvements have been paid.
 - G. Third right – repayment history.

- III. Conditional Approval
 - A. Upon notification from the Community Development Department Office, the nonprofit will advise the borrower to attend the designated EZ Development Agency Board meeting with their non-profit representative, to present their loan request.

- IV. Closing/Collection – SunTrust Bank

SMALL BUSINESS DEVELOPMENT LOAN PROGRAM II REQUIREMENTS CHECKLIST
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The following documents are required for a completed evaluation of your loan request. Submission of a complete application with documentation will aid in the timely processing of your request. Please write N/A (not applicable) next to those items that are not pertinent.

- | | Please mark (x) if attached |
|---|-----------------------------|
| 1. Preliminary Application (for each individual owning 10% or more of the business). | _____ |
| 2. Release | _____ |
| 3. Questionnaire | _____ |
| 4. Right to Financial Privacy Act Form | _____ |
| 5. Personal Financial Statement (for each individual owning 10% or more of the business) | _____ |
| 6. \$50.00 non-refundable application fee | _____ |
| 7. Business Plan | _____ |
| 8. Also include: | |
| <u>FOR THE BUSINESS</u> | |
| a. Bank and Bank Account Number | _____ |
| b. Previous 3 years Financial Statements (Balance Sheet and Income Statement) | _____ |
| c. Current Financial Statement (Balance Sheet and Income Statement) | _____ |
| d. Previous 3 year Income Tax Returns | _____ |
| e. 5-year cash flow projections (the first two years in a monthly basis, then annually for the last three years) | _____ |
| <u>FOR THE OWNERS, PARTNERS, PRINCIPALS</u> | |
| a. Personal Financial Statements, less than 90 days old | _____ |
| b. Previous 3 years Income Tax Return (a complete copy) | _____ |
| <u>RECORDS/DOCUMENTS</u> | |
| a. Certification of completion of the Mid-Florida Housing Partnership Economic Services Business Training Program | _____ |
| b. Occupations License(s) | _____ |
| c. If a partnership, the partnership agreement | _____ |

REQUIREMENTS CHECKLIST (CONTINUED)

d. If a corporation, please submit

1. Names of Principals
2. Stock ownership and percentage
3. Certificate of Incorporation
4. Copy of stocks issued
5. Articles of Incorporation
6. Certificate of Good Standing (Current)

e. Insurance Information

1. Business
2. Personal
3. Indemnification for the City, as applicable

f. Professional Service Providers listings

1. Accountant- names, addresses & telephone no.
2. Attorney – name, address & telephone no.
3. Others-name, address & telephone no.

**CITY OF DAYTONA BEACH
COMMUNITY DEVELOPMENT DEPARTMENT
Small Business Development Loan Program II
P.O.Box 2451
Daytona Beach, Florida 32115**

Preliminary Application

1. Personal Information

Name: _____ Phone: _____

Address _____

City _____ State _____ Zip Code _____ Social Security Number _____

1. Business Information

Name _____ Phone: _____

Address _____

City _____ State _____ Zip Code _____ Social Security Number _____

Type of Business: Check one
 Corporation Partnership Sole Proprietorship

Number of years of experience in this type of business: where? _____

2. Loan Request

Describe Project: _____

Describe the use and amount of funds requested:

Use	Amount
_____	\$ _____

	\$ _____
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Total Amount Request: \$ _____

3. Applicant's Attestation

I attest that the business is located in the Enterprise Zone and/or I am a resident of the City of Daytona Beach. Also, I attest to the fact that I am low income ___ or that I will employ low income person from the Enterprise Zone area or from the targeted neighborhoods of the City of Daytona Beach _____

Signature: _____

Date: _____

**CITY OF DAYTONA BEACH
COMMUNITY DEVELOPMENT DEPARTMENT**

**PERSONAL FINANCIAL STATEMENT
AS OF 20**

Complete this form if 1) a sole proprietorship by the proprietor 2) a partnership by each partner 3) a corporation by each officer and each stockholder with 20% or more ownership; 4) any other person or entity providing a guaranty on the loan

Name _____ Residence Phone _____

Residence Address _____

City, State & Zip _____

Business Name of Applicant/Borrower _____

Assets	(Omit cents)	Liabilities	(Omit cents)
Cash on Hand & in Banks	\$	Note Payable (to bank & others) (Describe in Section 2)	\$
Savings Accounts		Accounts & Bills Due (Describe in Section 3)	
IRA		Mortgages on Real Estate (Describe in Section 5)	
Accounts & Notes Receivable (Describe in Section 6)		Unpaid Income Tax (Describe in Section 8)	
Life Insurance – Cash Surrender Value Only (Describe in Section 10)		Other Debts (Describe in Section 9)	
Stocks and Bonds (Describe in Section 4)			
Real Estate (Describe in Section 5)			
Automobile – Present Value			
Other Personal Property (Describe in Section 6)			
Other Assets (Describe in Section 7)			
Total	\$	Total	\$

Section 1. Source of Income	Contingent Liabilities
Salary	As Endorser or Co-Maker
Net Income Investment	Legal Claims and Judgments
Real Estate Income	Provision for Fed Income Tax
Other Income (Describe)	Other Special Debt

Description of items listed in Section 1

*Alimony or Child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted towards total income.

Section 2. Notes payable to Banks and Others (Use separate sheet if necessary)

Name and address of Noteholder	Original Balance	Current Balance	Payment Amount	Terms (Monthly)(If any)	Collateral & Type of Ownership
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Section 3. Accounts and Bills Due (Use separate sheet if necessary)

Name and address of Accounts	Account Number	Original Balance	Current Balance	Payment Amount	Terms (Monthly -etc.)
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Section 4. Stocks and Bonds (Use separate sheet in necessary)

Number of shares Or Face Value (Bonds)	Names of Securities	In Name Of	Are these Pledged?	Market Value
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Section 5. Real Estate Owned (List each parcel separately. Use supplemental sheets if necessary. Each sheet must be identified as a supplement to this statement and signed).

Address-Type of Property	Mortgagor	Date Purchased	Original Cost	Present Value	Mortgage Balance	Monthly Payment
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Section 6. Other personal property (Describe, and if any is mortgages, state, name and address of mortgage holder and amount of mortgage, terms of payment, and of delinquent, describe delinquency)

Section 7. Other Assets, Notes and Accounts Receivable (Describe)

Section 8. Unpaid Taxes. (Describe in detail, as to type, to whom payable, when due, amount, and what, if any property the tax lien attached).

Section 9. Other Debts (Describe)

Section 10. Life Insurance Held (Give face amount of policies – name of company and beneficiaries)

Section 11. Cash in Banks

Name of Institution	Account Number	Type of ownership	Amount of Deposit
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Section 12. Funds Usage-Description of how use of loan funds will benefit the Enterprise Zone area.

Central Florida Community Development Corporation or Covington and Associates and the City of Daytona Beach-Community Development Department/lender is authorized to make all inquiries deemed necessary to verify the accuracy of the statements made herein and to determine my/our credit worthiness. (I) or (We) certify the about and the statements contained in the schedules herein are a true and accurate statement of (my) or (our) financial condition as of the date stated herein. This statement is given for the purpose of Check one of the following:

___ Inducing the City of Daytona Beach-Community Development Department to grant a loan as requested in the application to the business whose name appears herein.

___Furnishing as statement of (my) or (our) financial condition, pursuant to the terms of the guaranty executed by (me) or (us) at the same time City of Daytona Beach – Community Development Department to grant a loan to the business whose name appears herein.

Signature

Signature

Social Security Number

Date of Birth

Social Security Number

Date of Birth

Date Signed

Date Signed

**CITY OF DAYTONA BEACH
COMMUNITY DEVELOPMENT DEPARTMENT**

DATE: _____

I _____
understand the loan application procedure qualifications, and time constraints set forth. I understand that completing the loan application does not guarantee receiving a loan.

I authorize the Central Florida Community Development Corporation or Covington and Associates and the City of Daytona Beach-Community Development Department to inquire into any and all business and personal records related to:

I agree to indemnify and hold harmless the City of Daytona Beach-Community Development Department, its members, offices, employees and agents and hereby release same from any and all claims, judgments suits at law or any other actions be it derivative or direct which may arise out of the above mentioned inquiries or which may arise out of the above mentioned inquires or which may arise out of technical assistance provided by the City of Daytona Beach-Community Development Department to any successful or unsuccessful loan applicant.

Signature f Loan Applicant

Date

Signature of Loan Applicant

Date

CITY OF DAYTONA BEACH
COMMUNITY DEVELOPMENT DEPARTMENT
Small Business Development Loan Program
P.O.Box 2451
Daytona Beach, FL 32115

PRELIMINARY APPLICATION

1. Personal Information

Name Phone

Address

City State Zip Code Social Security Number

2. Business Information

Name Phone

Address

City State Zip Code Social Security Number

Type of Business: Check one
 Corporation Partnership Sole Proprietorship

Number of years experience in this type of business: where?

3. Loan Request

Describe Project:

Describe the use and amount of funds requested:

Use	Amount
	\$
	\$
Total Amount Requested:	\$

4. Applicant's Attestation

I attest that the business is located in the Enterprise Zone or a Targeted neighborhood of the City of Daytona Beach. Also, I attest to the fact that I am low income_____ or that I will employ low-income persons(s) from the Enterprise Zone areas or from the targeted neighborhoods of the City of Daytona Beach_____

Signature:

Date:

SMALL BUSINESS DEVELOPMENT LOAN PROGRAM II

QUESTIONNAIRE

Be sure to answer the next 12 questions correctly. The fact that you have an arrest or conviction record will not necessarily disqualify you. An incorrect answer will cause your qualification to be turned down. If you answer yes, furnish details (on a separate sheet of paper) including name under which it occurred.

1. Are you presently under indictment, on parole or probation _____yes _____no

2. Have you ever been charged with or arrested for any criminal offense other than a minor motor vehicle violation? _____yes _____no

3. Have you ever been convicted of any criminal offense other than a minor motor vehicle violation? _____yes _____no

4. Do you have any pending judgments against you? _____yes _____no

5. Have you ever filed bankruptcy? _____yes _____no

6. Have you any past or pending lawsuits? _____yes _____no

7. Do you own IRS back taxes? _____yes _____no

8. Is there a lien against your business, or you personally? _____yes _____no

9. Does the business have a pending judgment? _____yes _____no

10. Does the business owe back taxes? _____yes _____no

11. Has the business any pending lawsuits? _____yes _____no

12. Have you ever had a loan provided by The City of Daytona Beach? Explain _____yes _____no

Applicants Signature

Date

**RIGHT TO FINANCIAL PRIVACY ACT
SMALL BUSINESS DEVELOPMENT LOAN PROGRAM II**

This is a notice to you as required by the RIGHT TO FINANCIAL PRIVACY ACT of 1978 that Central Florida Community Development Corporation or Covington & Associates and the City of Daytona Beach-Community Development Department has a right to access financial records held by any financial institution in connection with the consideration or administration of the SMALL BUSINESS DEVELOPMENT LOAN for which you have applied. Financial records involving your transaction will be available to Central Florida Community Development Corporation or Covington & Associates and the City of Daytona Beach-Development Services Department without further notice or authorization but will not be disclosed or released to another Agency without your consent, except as required or permitted by law.

18 USCS 1001

Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals, or covers up any trick, scheme, or device a material fact, or makes any false, or fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than \$10,000 or imprisonment not more than five years, or both. (June 25, 1948, ch. 645-1.62 Stat 749)

I hereby certify that the foregoing information submitted in support of my application for a Small Business Development loan is true and complete to the best of my knowledge and belief. I further certify that the penalties under USCS Title 18, Section 1001, for false and fraudulent statement(s) (see above) has been explained to me. I acknowledge receipt of the Financial Privacy Act. I hereby waive all claims against the City of Daytona Beach and its personnel in connection with the assistance hereby requested.

Applicant's Signature

Date

Applicant's Signature

Date

STATE OF FLORIDA
COUNTY OF VOLUSIA

Subscribed and Sworn before me this _____ day of _____ 20_____

Notary Public _____

My Commission Expires: _____

NOTICE: THIS APPLIANT UNDERSTANDS THAT COMPLETION OF THIS SMALL BUSINESS DEVELOPMENT LOAN APPLICATION DOES NOT GUARANTEE ASSISTANCE FROM THIS PROGRAM.

TO:

DATE:

RE: **Request for Credit Information**

NAME: _____

ACCOUNT #: _____

ADDRESS: _____

TYPE ACCOUNT _____

To Whom It May Concern:

I/We, hereby, authorize you to release the requested information to _____
And the City of Daytona Beach-Community Development Department in connection with my/our Small Business
Development loan file.

Signature of Applicant

Signature of Applicant

_____ Return to Central Florida Community Development Corporation, 847 Orange Avenue, Daytona Beach Florida 32114

_____ Return to Covington & Associates, 543 Orange Avenue, Daytona Beach, Florida 32114

CREDIT INFORMATION:

Date Account Opened _____

Present Balance _____

High Balance _____

Low Balance _____

Number of Overdrafts in last 6 months _____

Number of NSF in last 6 months _____

Present Balance _____

Date: _____

Authorized Signature

Print Name and Title

TO:

DATE:

RE: **Request for Credit Information**

NAME: _____

ACCOUNT #: _____

ADDRESS: _____

TYPE ACCOUNT _____

To Whom It May Concern:

I/We, hereby, authorize you to release the requested information to _____
And the City of Daytona Beach-Community Development Department in connection with my/our Small Business
Development loan file.

Signature of Applicant

Signature of Applicant

_____ Return to Central Florida Community Development Corporation, 847 Orange Avenue, Daytona Beach Florida 32114

_____ Return to Covington & Associates, 543 Orange Avenue, Daytona Beach, Florida 32114

CREDIT INFORMATION:

Date Account Opened _____

Term of Sale _____

Highest Credit _____

Monthly Payment _____

Manner of Payment _____ Satisfactory

_____ Unsatisfactory

Present Balance _____

Date: _____

Authorized Signature

Print Name and Title

TO:

DATE:

RE: **Release Information**

NAME: _____

ADDRESS: _____

To Whom It May Concern:

I/We , hereby authorize you to release the requested information to Sun Trust Bank and the City of Daytona Beach Community Development Department in connection with my/our Small Business Development Loan fule. I understand Sun Trust Bank will provide collection and monitoring of this loan for the City of Daytona Beach

X _____
Signature of Applicant

x _____
Signature of Applicant

___ Return to Central Florida Community Development Corporation, 847 Orange Avenue, Daytona Beach, Florida 32114

___ Return to Covington & Associates, 543 Orange Avenue, Daytona Beach, Florida 32114