

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 LOCAL DEVELOPMENT CORPORATION
 Resolution No. IDALDC-22-12-28
 December 16, 2022

UPDATING THE REVOLVING LOAN FUND OPERATIONAL PROSPECTUS

WHEREAS, the St. Lawrence County Industrial Development Agency, under the New York State Industrial Development Agency Act (“Act”), established the St. Lawrence County Local Development Corporation Revolving Loan Fund to stimulate the growth of private sector employment in St. Lawrence County, and

WHEREAS, in 1993 the Act was amended to restrict the participation by the Agency in a “retail facility,” and

WHEREAS, the last update to the Operational Prospectus was in 2003, and it has been determined that modifications are necessary, and

WHEREAS, the modifications will update the Operational Prospectus to include removing the St. Lawrence County Office of Economic Development name, modifying the available loan term durations, and other minor changes,

NOW, THEREFORE, BE IT RESOLVED the St. Lawrence County Local Development Corporation hereby accepts the modifications to the attached Revolving Loan Fund Operational Prospectus.

Move:	LaBaff			
Second:	Morrill			
VOTE	AYE	NAY	ABSTAIN	ABSENT
Blevins				X
Hall	X			
LaBaff	X			
McMahon				X
Morrill	X			
Reagen				X
Staples	X			

I HEREBY CERTIFY that I have compared this copy of this Resolution with the original record in this office, and that the same is a correct transcript thereof and of the whole of said original record.

Lori Sibley

December 16, 2022

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
LOCAL DEVELOPMENT CORPORATION**

REVOLVING LOAN FUND

Operational Prospectus

**St. Lawrence County Industrial Development Agency
Local Development Corporation
19 Commerce Lane, Suite 1
Canton, New York 13617-1496
Phone: (315) 379-9806
Fax: (315) 386-2573
Revised: December 16, 2022**

**St. Lawrence County
Industrial Development Agency
Local Development Corporation Revolving Loan Fund
Operational Prospectus**

I. INTRODUCTION.

The St. Lawrence County Industrial Development Agency Local Development Corporation (SLCIDA-LDC) established a revolving loan fund (SLC RLF) to stimulate the growth of private sector employment in St. Lawrence County, New York. As such, the SLC RLF provides financial assistance to:

- A. Industries wishing to expand or build new facilities;
- B. Industries needing to modernize their physical plant or equipment and machinery to maintain their competitive position;
- C. Industrial firms seeking to locate new plants or facilities in the County; and
- D. Retail / market-driven facilities falling under the following conditions:
 - 1. Tourism Destinations – a location or facility that is likely to attract a significant number of visitors from outside the economic development region in which the business is located; or
 - 2. The project occupant would, but for the assistance provided by the Agency, located the related jobs outside the State; or
 - 3. The predominant purpose of the project would be to make available goods or services which would not, but for the loan, be reasonably accessible to the residents of the municipality within which the proposed project would be located because of a lack of reasonably accessible retail facilities offering such goods or services.

II. DIRECT LOAN PROGRAM.

The SLC RLF will make low interest subordinated loans for real estate acquisition, building construction and rehabilitation, or machinery and equipment acquisition and rehabilitation. The SLC RLF may lend up to the lesser of 30 percent of a project's cost or \$400,000. The SLC RLF will consider working capital and inventory loans to eligible companies who can demonstrate the necessity and unavailability of such funding and can provide adequate security for the loan. The applicant's hiring plan must demonstrate that they will create or retain at least one job for every \$15,000 of loan authorized.

III. EQUITY PARTICIPATION.

On a case-by-case basis, the SLCIDA-LDC may use funds from the SLC RLF to assist applicants through an equity investment in the company.

IV. ELIGIBILITY FOR ASSISTANCE.

All types of manufacturing, industrial, or warehousing operations are eligible for SLC RLF assistance. Other forms of business enterprise may be eligible for assistance if the company can demonstrate that it will provide products or services supporting St. Lawrence County-based businesses not currently offered within the County's boundaries. Additionally, the SLC RLF will consider providing assistance to companies that can demonstrate a positive economic impact from the proposed project. No applicant may qualify who exceeds the applicable Small Business Administration small business size criteria or who can secure the needed funds from other sources on reasonable terms.

V. PROGRAM CONSIDERATIONS.

Each loan application will be reviewed and acted upon within the framework of the following program considerations. These considerations reflect the policies of the SLC RLF's administrator, the SLCIDA-LDC, and the conditions of grants received from the U.S. Department of Housing and Urban Development (HUD) through St. Lawrence County (when applicable).

Priority will be given to projects that:

- A. Covenant to hire at least 51 percent of low/moderate income people for new jobs created or can demonstrate that more than 51 percent of the existing employees are from low/moderate income households.
- B. Involve the expansion of existing locally owned industries or involve the establishment of a branch of an existing Canadian industry.
- C. Demonstrate a favorable jobs-created-to-capital ratio.
- D. Demonstrate the increased employment of an underutilized local resource (i.e., forest products, dairy products, minerals, etc.)
- E. Contribute to the revitalization of distressed localities.
- F. Involve personally owned or family-owned industries.

VI. OTHER CONSIDERATIONS.

The factors listed below will be considered by the SLC RLF when determining whether to process and approve a loan application.

- A. Limitation of Loan Amount. Loans are limited to 30 percent of a project's cost or \$400,000, whichever is less. The SLC RLF reserves the right to contribute less than the project maximum as circumstances dictate.

- B. Commitments for Other Elements of the Financing Package. The SLC RLF will approve applications only when the required commitments from the primary lender and other necessary financing parties have been secured. Applications that do not provide evidence of such commitments will be reviewed with approval contingent upon a commitment from the primary lender.
- C. Ability to Repay. Loans will be approved by the SLC RLF only after a determination has been made of the feasibility of the project, the attainability of the financial projections, and the acceptability of the supporting documentation and financial statements. The applicant must provide at least a 10 percent equity contribution to the project. In-kind labor, materials, and/or services (but not real property) may satisfy this private equity contribution. Normally, a private lender must provide at least 30 percent of the project financing.
- D. Number of Jobs Created and Cost Per Job. The SLC RLF will consider the number of persons presently employed, the projected increase, and the amount of the SLC RLF investment per job. Experience of federal, state, and local job creation assistance programs indicates the cost per job created can be held below \$15,000.
- E. Low/Moderate Hiring Commitment. As an absolute condition for a loan from the SLC RLF, the borrower shall agree to fill at least 51 percent of the newly created jobs with low/moderate income people as certified by the SLCIDA-LDC, or must be able to be filled by individuals who are low/moderate income. Also, the borrower will be expected to accept referrals to jobs created through the SLC RLF's financing from the SLCIDA-LDC and/or the SLCIDA.
- F. Collateral Security. The SLC RLF shall seek such reasonable and sufficient security for loans it makes and may for any reason deny access to funds based on its sole determination of the risks involved and the sufficiency of the security available. Normally, the security required will take the form of second mortgage, lien on equipment and machinery, assignment of accounts receivable, raw material and finished goods inventories, and personal assets.
- G. Repayment Schedules. Normally, working capital loans will be extended for no more than five years; equipment loans from five to ten years; and construction loans from ten to fifteen years.
- H. Project Monitoring. SLC RLF staff will conduct annual project inspections to monitor project progress toward meeting job creation commitments. Applicants may be required to file quarterly reports detailing project expenditures, employment levels, repayment progress, etc., in a form designated by the SLC RLF. In the event of an irremediable default, the SLC RLF reserves the right to assign the delinquent account to a collection entity. The borrower will be responsible for any costs associated with such an assignment.
- I. Loan Servicing. The SLC RLF's fiscal agent (which may be a local bank) will receive all monies due from applicants under the SLC RLF on a monthly schedule. Any fee consequent upon the collection services provided shall be charged to the applicant as a surcharge on the loan's debt service.

J. Interest Rates. The interest rate on the SLC RLF loans will be fixed at one-half of the US Prime Rate plus one percent (100 basis points). The interest rate shall be fixed at the time of approval or loan closing (at the discretion of the SLC RLF) and shall not vary during the term of the loan.

K. Other Charges.

1. Each application submitted must be accompanied by a \$100 non-refundable processing fee.
2. All SLC RLF direct, out-of-pocket fees (i.e., legal, appraisal, survey, and insurance fees related to an individual project) shall be paid by the applicant. Such fees are project eligible costs.

VI. LOAN PROCEDURE.

Subject to the limitations described above and consonant with any rules and regulations established by the SLCIDA-LDC and St. Lawrence County, loan procedures are as follows:

- A. Prospective applicants should contact the SLCIDA-LDC staff and discuss the project design prior to submitting an application.
- B. A completed application must be submitted by each applicant (accompanied by the \$100 processing fee). The application must include documentation supporting the unavailability of funds in addition to all exhibits listed in the application.
- C. Following completion of the application, in consultation with the SLCIDA-LDC , the SLCIDA-LDC will review the application and approve or disapprove.
- D. If approved, the Agency's attorney will prepare the documents for closing. At this time, any approvals required from the U.S. Department of Housing and Urban Development must be obtained.
- E. Closing and disbursement of funds.

The entire process should take between four and six weeks, providing all necessary documentation (including other financing commitments) is in place.