



July 2009

Dear prospective and existing restaurateurs and proprietors of York City fresh food establishments:

Based on a grant from the United States Department of Agriculture and seed money provided by the City of York Redevelopment Authority, the York City Fresh Foods Fund (FFF) is a revolving loan fund that has been created to modestly assist the development of new and existing restaurants and other food service establishments in the City of York. Our goal is to help entrepreneurs and business owners start and expand successful businesses in an effort to bring jobs and economic prosperity to the City.

To reach this goal, FFF loans, at an interest rate of approximately prime, will be provided to qualifying applicants through Peoples Bank. The intent of the FFF coincides with the mission of the Department of Economic Development to create the conditions that create a diversely vibrant economy throughout York City.

Please note that the initial capitalization of FFF is only approximately \$130,000. The City respects and thanks each and every eatery, restaurant, market vendor, and food vendor that does business in our city, and we apologize in advance for not being able to award loans to all of the excellent and able proprietors of fresh food establishments who could use additional support. We will administer the program based on the objective procedures and criteria explained below.

The FFF will make loans to a variety of food service establishments that, for many reasons, do not qualify for additional bank financing and support. The typical borrower the FFF anticipates serving are ineligible for the conventional lending products due to an insufficient operating history, inadequate collateral or poor credit.

Many eateries within the City will be able to apply for revolving loan funds for a variety of purposes, including:

- Equipment and inventory purchases
- Building improvements and tenant fit-outs
- Façade improvement and signage
- Gap financing for business development projects
- Fixed Assets
- Working capital for operations

Under this program, please note that only eateries and restaurants, defined, as those food-service operations that provide sit-down seating, and food vendors at Central Market or the Farmers' Market at Penn and Market are eligible. Carryout establishments are not eligible for this program.



Under no circumstance will personal loans be made to individuals and loans will not be made to support mortgage payments, to support rent, or to satisfy tax or sewer liens.

Applications may be immediately disqualified if the applicant owes back payments or penalties towards rent, mortgage, taxes, sewer/refuse.

The advisory council, comprised of representatives from Peoples Bank, Community First Fund, the City of York Department of Economic Development and Downtown Inc will evaluate each applicant on a case-by-case basis based on objective evaluation criteria noted below. The advisory council shall review the loan applications and make recommendation to the Redevelopment Authority Board for approval.

As part of the approval process, the advisory council will review individual applications. An application checklist appears below.

The Redevelopment Authority's aim is to build a modest portfolio of borrowers. Peoples Bank will be responsible for maintaining the program and account balances. With time, the success of this program may permit a second round of applications.

Advisory Council Evaluation Criteria

1. **Comprehensiveness and Strength of Application** (1, 2, 3, or 4 points)
2. **Strength of Business Plan or Business Concept** (1, 2, or 3 points)
3. **Impact Based On Proposed Use of Funds** (i.e., job creation, visibility, neighborhood impact) (1, 2, or 3 points)
4. **Strength of Financial Statement & Likelihood of Loan Repayment** (1, 2, or 3 points)
5. **Strength of Private Commitment and Leveraging** (1, 2, or 3 points)
6. **Duration of Business Hours (e.g. Is Business open on Sundays?)** (1 point)
7. **Minority Owned Enterprise** (1 point)
8. **Requested Loan Amount** (3 points for \$1,000 to \$9,999, 2 points for \$10,000- \$19,999, 1 point for \$20,000-\$39,999, 0 points for \$40,000-\$50,000). The maximum amount is \$50,000.
9. **New Business Impact.** Is applicant a currently existing, established eatery business that is relocating to the city (3 points)? Is applicant a first-time business start-up that will provide a new eatery to the city (2 point)? Is applicant a currently existing, established city business that is opening a new city eatery in addition to existing city eatery (1 point)?



York City Fresh Foods Fund Checklist of Requirements

- Application (attached)**
- Itemized Budget for improvements that show basis of requested loan amount. (Contractor quotes, etc.)**
- Personal Financial Statement (included in application)**
- Prior two tax return filings**
- Business Plan**
- Valid Address. Please note if you are a current city resident or city taxpayer.**
- Proof of Identification**



York City Fresh Foods Fund (FFF) Overview

Administered by Peoples Bank and the Redevelopment Authority of the City of York, the York City Fresh Foods Revolving Loan Fund (FFF) is available to food service businesses currently located, or planning to locate, in the city of York, Pennsylvania. Food services business is defined as a sit-down eatery or restaurant or a food vendor at Central or Farmers' Market. The fund is capitalized by the U.S. Department of Agriculture, Rural Business Enterprise Grant (RBEG), is operated under guidelines established by USDA, and administered in partnership with Peoples Bank. The following is a summary of program elements and requirements.

1. BORROWER ELIGIBILITY

- a.) The FFF funded activity must be located within the corporate limits of the City of York, Pennsylvania.
- b.) FFF funded activities must create or retain year-round job(s) within the City of York. If the loan is based upon the retention of jobs, the borrower must clearly demonstrate that the job(s) would be lost without the presence of the FFF funds.
- c.) A borrower is not eligible for FFF financing if credit is otherwise available on terms and conditions that would permit completion and/or the successful operation or accomplishment of the project activities to be financed.
- d.) Public, quasi-public or non-profit organizations are not eligible for FFF financing.

2. INELIGIBLE ACTIVITIES

FFF capital may not be used to:

- a.) Acquire an equity position in a private business
- b.) Subsidize interest payments on an existing loan
- c.) Provide the equity contribution required of borrowers under other Federal loan programs
- d.) Enable a FFF Borrower to acquire an interest in a business
- e.) Refinance existing debt
- f.) Invest in interest bearing accounts
- g.) Fund more than 20% of the down payment cost towards the purchase of real property for the business
- h.) Fund mortgage payments, rent or satisfy tax or sewer liens.

3. INTEREST RATE

The interest rate shall be fixed at prime rate or prime rate minus 50 basis points as quoted by Peoples Bank at the time of loan approval.



4. TERMS

The loan will be a fixed term installment loan for a maximum term of five years but this may be renegotiated depending upon the loan amount, ability to repay, and other factors. If the participating applicant violates the terms of repayment, the RDA reserves the right to affix a lien to material, equipment, infrastructure, or other assets to recover its loan value.

5. PRIVATE LEVERAGING

FFF loans should be used in conjunction with private investment of at least two to four dollars for every one-dollar of FFF investment in an activity. Private investment, to be classified as leveraged, should be made concurrently with a FFF loan as part of the same business development project and may include:

- Capital invested by borrower or others
- Bank financing
- 90 percent of the guaranteed portions of SBA 7(a) and SBA 504 debenture loans.

Private investments do not include equity build-up in a borrower's assets or prior capital investments by the borrower unless made within nine months of the FFF loan and with the concurrence of the FFF Screening Committee. Full documentation will be required in verification of other financing sources. Exceptions may be made to this requirement, if, as a minimum, the following three conditions are met:

- a.) The project will provide significant job creation benefits for the City *and*
- b.) It can be documented that no other funds are available for the project; *and*
- c.) Borrower will secure the loan with real estate.

6. MAXIMUM LOAN AMOUNT

The program may offer cash-secured term loans between \$1,000 and \$50,000, not to exceed \$50,000. The maximum loan amount to any one Borrower will depend upon the following:

- a.) The amount of FFF base capital currently available for lending
- b.) The number of year-round full time jobs or their equivalent to be created and/or retained by the borrower
- c.) The total project cost, bearing in mind that in most instances the FFF will only fund a percentage of this amount



7. LOAN FEES

In rare instances, additional costs may be added to the amount of the loan approved at the discretion of the loan committee. These costs may include costs associated with the acquisition of real property (e.g. deed recording costs, satisfaction costs). Appraisals for real estate or business assets will be arranged by the lender and paid by the applicant at the time of the appraisal. If the underwriter requires an environmental study, the applicant will pay that cost at the time of the study. If collection proceedings are necessary, any costs will be borne by the borrower.

8. Repayment

PeoplesBank will determine and coordinate all repayment terms and conditions. The City of York Redevelopment Authority will charge an interest rate approximating the prevailing prime rate on the entire loan amount. This interest assessment is directed towards administrative costs associated with the Fresh Foods Revolving Loan Fund. Additional funds remaining will be reapplied to the Fresh Foods Revolving Loan Fund account to ensure the funds continuance.



**Peoples Bank Financial Statement
Fresh Foods Revolving Loan Fund (FFF)**

This program was officially approved by the Redevelopment Authority Board on October 18, 2006. Applications will be reviewed on a revolving basis, and loan dollars will be available to the first accepted and approved applications, as funds are available. Once the initial round of funding has been expended, applications no longer will be accepted until such a date as the Redevelopment Authority deems appropriate to accept new applications based on sufficient payments being received.

Business Information

Name (under which taxes are filed)

Business Tax ID Number

Trade/DBA (if different)

Percentage Ownership

Existing Business Address

Date of Birth

City State Zip

Business Address (to which the application applies)

City State Zip

Telephone

Fax

Email

Website



Business Structure

Sole Proprietorship Partnership Corporation S C LLC

State of Business Registration or Incorporation

Description/Nature of Business

Number of Employees of existing business, if applicable

Number of employees projected should applicant receive Fresh Food Fund financing

Name of Banking Institution

Annual Sales (last full year)

Net Profit (last full year)

Please Answer all Questions: If you answer “yes” to questions 1, 2, or 3 please explain.

1. Is the business or any principal currently involved in any litigation or other legal claims?

No Yes _____

2. Has the business or any principal ever declared bankruptcy?

No Yes Date: _____

3. Are any Business, Payroll, Personal, or Real Estate taxes currently past due?

No Yes Amount: _____

4. Is the company in good standing with the PA Secretary of State?

No Yes _____



Requested Loan Amount

Cash on Hand

Project Description (Please provide typed description on an attachment if you wish.)

Project Budget (Please provide a typed description on an attachment if you wish.)



The following form is intended for use in any commercial lending transactions.

PERSONAL FINANCIAL STATEMENT AS OF _____

| PERSONAL INFORMATION | | | | | |
|---|--------------------------|----------------|---|--------------------------|----------------|
| APPLICANT NAME: | | | CO-APPLICANT NAME: | | |
| Employer | | | Employer | | |
| Address of Employer | | | Address of Employer | | |
| Business Phone # | # of Years with Employer | Title/Position | Business Phone # | # of Years with Employer | Title/position |
| Name of previous employer & position (if with current employer less than 3 yrs) | | # of Yrs. | Name of previous employer & position (if with current employer less than 3 yrs) | | # of Yrs. |
| Home Address: | | | Home Address: | | |
| Home Phone # | Social Security # | Date of Birth | Home Phone # | Social Security # | Date of Birth |

Balance Sheet As of _____

| ASSETS | AMOUNT (\$) | Liabilities | AMOUNT (\$) |
|---|-------------|---|-------------|
| Cash in Bank | | | |
| Readily marketable Securities (Schedule A) | | Notes Payable to Others (Schedule E) Secured | |
| Non-Readily Marketable Securities (Schedule A) | | Unsecured | |
| Accounts and Notes Receivable | | Accounts Payable (Incl. credit cards) | |
| Net Cash Surrender Value of Life Insurance (Sch B) | | Margin Accounts | |
| Residential Real Estate (Schedule C) | | Notes Due: Partnership (Schedule D) | |
| Real Estate Investments (Schedule C) | | Taxes Payable | |
| Partnerships / PC Interests (Schedule D) | | Mortgage Debt (Schedule C) | |
| IRA, Keogh, Profit-Sharing & Other Vested Retirement Accts. | | Life Insurance Loans (Schedule B) | |
| Deferred Income (number of years deferred _____) | | Other Liabilities (List) | |
| Personal Property (including automobiles) | | | |
| Other Assets (List): | | | |
| | | TOTAL LIABILITIES | |
| | | NET WORTH | |
| | | | |



| Schedule A - All Securities (including non-money market mutual funds) | | | | | | | |
|--|-------------|----------|------------|------|----------------------|--------------------------|--------------------------|
| No. of Shares (Stock) or Face Value (Bonds) | Description | Owner(s) | Where Held | Cost | Current Market Value | Pledged | |
| | | | | | | Yes | No |
| Readily Marketable Securities (Including U.S. Governments and Municipals)* | | | | | | | |
| | | | | | | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | | | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | | | <input type="checkbox"/> | <input type="checkbox"/> |
| Non-Readily Marketable Securities closely held, thinly traded or restricted stock) | | | | | | | |
| | | | | | | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | | | <input type="checkbox"/> | <input type="checkbox"/> |

| Schedule B - Insurance | | | | | | |
|--|-----------------------|----------------|-------------|----------------------|-----------------|-----------|
| Life Insurance (use additional sheet if necessary) | | | | | | |
| Insurance Company | Face Amount of Policy | Type of Policy | Beneficiary | Cash Surrender Value | Amount Borrowed | Ownership |
| | | | | | | |
| | | | | | | |

| Schedule C - Personal Residence & Real Estate Investments, Mortgage Debt (majority ownership only) | | | | | | | | |
|--|-------------|---------------------|--------------|----------------------|---------------|---------------|-----------------|--------|
| Property Address | Legal Owner | Purchase Year Price | Market Value | Present Loan Balance | Interest Rate | Maturity Date | Monthly Payment | Lender |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

| Schedule D - Partnerships (less than majority ownership for real estate partnerships) | | | | | | | |
|---|----------------------------|------|---------------|----------------------|---|------------------------|--|
| Type of Investment | Date of Initial Investment | Cost | Percent Owned | Current Market Value | Balance Due on Partnerships; Notes, Cash Call | Final Contribution Due | |
| Business/Professional (Indicate name): | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

| Schedule E - Notes Payable | | | | | | | | |
|----------------------------|---|-----------------|--------------------------|--------------------------|------------|---------------|-----------------|----------------|
| Due To | Type of Loan (Term Loan/Line of Credit) | Original Amount | Secured | | Collateral | Interest Rate | Monthly Payment | Unpaid Balance |
| | | | Yes | No | | | | |
| | | | <input type="checkbox"/> | <input type="checkbox"/> | | | | |



| OTHER | YES | NO | AMOUNT |
|--|--------------------------|--------------------------|--------|
| Are you a guarantor, co-maker, or endorser for any debt of an individual, corporation or partnership? | <input type="checkbox"/> | <input type="checkbox"/> | |
| Are there any suits or legal actions pending against you? | <input type="checkbox"/> | <input type="checkbox"/> | |
| Are you obligated to pay alimony or child support? | <input type="checkbox"/> | <input type="checkbox"/> | |
| Are any of your tax obligations past due? (real estate, payroll, income, etc.) | <input type="checkbox"/> | <input type="checkbox"/> | |
| Have (either of) you or any firm in which you were a major owner ever declared bankruptcy? | <input type="checkbox"/> | <input type="checkbox"/> | When: |
| Do (either of) you have a personal line of credit or unused credit facility at any other institutions? If so, please provide details in schedule E. | <input type="checkbox"/> | <input type="checkbox"/> | |
| Have you ever had a financial plan prepared for you? | <input type="checkbox"/> | <input type="checkbox"/> | |

_____ Initial here, if all individuals signing below are applying for joint credit or are guaranteeing a loan jointly.

Representations and Warranties

The information contained in this statement is provided to induce you to extend or to continue the extension of credit to the undersigned or to others upon the guarantee of the undersigned. The undersigned acknowledge and understand that you are relying on the information provided herein in deciding to grant or continue credit or to accept a guarantee thereof. Each of the undersigned represents, warrants and certifies that the information provided herein is true, correct and complete. Each of the undersigned agrees to notify you immediately and in writing of any change in name, address or employment and of any material adverse change (1) in any of the information contained in this statement or (2) in the financial condition of any of the undersigned or (3) in the ability of any of the undersigned to perform its (or their) obligations to you. In the absence of such notice or a new and full written statement, this should be considered as a continuing statement and substantially correct. If the undersigned fail to notify you as required above, or if any of the information herein should prove to be inaccurate or incomplete in any material respect, you may declare the indebtedness of the undersigned or the indebtedness guaranteed by the undersigned, as the case may be, immediately due and payable. You are authorized to make all inquiries you deem necessary to verify the accuracy of the information contained herein and to determine the credit-worthiness of the undersigned. The undersigned authorize any person or consumer-reporting agency to give you any information it may have on the undersigned. Each of the undersigned authorizes you to answer questions about your credit experience with the undersigned. As long as any obligation or guarantee of the undersigned to you is outstanding, the undersigned shall supply annually an updated financial statement. This personal financial statement and any other financial or other information that the undersigned give you shall be your property.

_____ Date _____ Your Signature _____

_____ Date _____ Co-Applicant's Signature (If you are requesting the financial accommodation jointly) _____