

PROGRAM DESCRIPTION

The City of Muskego established the RLF Program through repayments on Wisconsin Community Development Block Grant (CDBG) economic development loans. The goal of the Muskego RLF program is to create jobs, encourage private investment, and provide a financing alternative for start-up or expanding businesses.

ELIGIBILITY REQUIREMENTS

Businesses must meet certain eligibility requirements in order to receive funding from the RLF program, including:

- Business establishments must be located or be willing to locate within the City of Muskego.
- Businesses must be willing to create or retain at least one full-time equivalent (FTE) job for each \$20,000 of RLF monies requested.
- Businesses must make 51% of the jobs available to low- and moderate-income individuals.
- City approval for requested financing must be obtained prior to project initiation.

FINANCING GUIDELINES

Each loan application will be evaluated by the City of Muskego Community Development Authority (CDA) and the Common Council using the following guidelines:

LEVERAGE: At least 50 percent of the total project costs must be funded through private resources, such as loans from financial institutions and new equity injections.

LOAN AMOUNT: The minimum loan amount is \$20,000 and the maximum loan amount is \$100,000 for each borrower.

LOAN TERMS: Loan terms are one to seven years for working capital, two to ten years for capital equipment, and five to ten years for buildings and land. Longer amortization periods are available where deemed appropriate.

INTEREST RATE: The interest rate ranges from the lesser of 50% of prime, as published in the Midwest Edition of the Wall Street Journal or 4 percent. The interest rate is fixed for the loan term.

DEFERRALS: Principal payment deferrals are available for up to one year, if required to make the project feasible.

COLLATERAL: Collateral requirements are determined on an individual basis including: mortgages, liens, accounts receivable, inventory, and life insurance. Personal guarantees are also required.

USE OF LOAN FUNDS

RLF loan funds may be used to assist a business in:

- Purchase, rehabilitation, renovation, or construction of a building.
- Site acquisition and preparation.
- Purchase of furniture, fixtures, and equipment.
- Financing of working capital.
- Clearance, demolition, and removal of structures.
- Buyouts by purchase of assets or stock.

APPLICATION PROCEDURE

To obtain an RLF application contact:

City of Muskego
Planning Department
W182 S8200 Racine Avenue
P.O. Box 749
Muskego, WI 53150-0749
Telephone: (262) 679-4136

Within twenty working days of application submittal, City or SEWRPC staff will inform the applicant of any deficiencies in the application. Completed applications will be forwarded to the CDA and Common Council for approval within 45 days of submittal.

LOAN FEES

Loan fees include a loan application fee, a loan origination fee, and payment of legal and closing costs.

MORE INFO

An in-depth policies and procedures manual is available in the Planning Department of the City of Muskego City Hall and on line (www.ci.muskego.wi.us, in the Planning Department ~ Community Development Authority area of the website). City of Muskego staff is eager to help those interested in taking the next step to improving their business!

LOCAL CONTACTS

City of Muskego
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W182 58200 Racine Avenue
P.O. Box 749
Muskego, WI 53150-0749
Telephone: (262) 679-4136

Southeastern Wisconsin Regional
Planning Commission
John Meland
Chief Economic Development Planner
P.O. Box 1607
Waukesha, WI 53187-1607
Telephone: (262) 547-6721

City of Muskego
Planning Department
W182 58200 Racine Avenue
P.O. Box 749
Muskego, WI 53150-0749



REVOLVING LOAN FUND

START-UP OR EXPAND YOUR BUSINESS WITH A LOW INTEREST LOAN RATE!!!!

Over \$200,000 available today to help you and the City of Muskego create more jobs and encourage private investment

FUNDS AVAILABLE FOR:

- **Working capital**
- **New/Existing Buildings**
- **Land Acquisition**
- **Furniture/Fixtures**
- **Demolition**

Offered by: The City of Muskego Community Development Authority
www.gomuskego.com/planning