

**TOWN OF WILLIAMSBURG
BRASSWORKS LOAN RE-USE COMMITTEE
LOAN PROGRAM DESCRIPTION**

THE LOAN FUND

The Brassworks Loan Re-Use Fund was established to assist through the granting of loans start-up businesses and/or expansion of existing businesses in Williamsburg which contribute to employment opportunities and strengthen the economic base of the region. It is funded out of interest and principle payments from a Small Cities Program loan granted for the renovation and development of the Brassworks Mill complex and is continually replenished by repayment of short term loans made to businesses in Williamsburg.

Loan are granted to sole proprietorships, partnerships and corporations based on need as documented in a loan application.

The Loan Fund is managed by the Brasswork Loan Re-Use Committee. The Committee consists of one member elected annually by the Board of Selectmen from its membership, one member elected annually by the Planning Board from its membership and one member elected annually by the Finance Committee from its membership.

In addition to loans made to small businesses in the Town of Williamsburg, the Brassworks Loan Re-Use Fund may also be utilized to promote the development of recreational areas in the vicinity of the Brassworks and may promote the development of elderly housing in the Town in accordance with the original terms of the Small Cities Program.

LOAN CRITERIA

Several criteria are used to determine which businesses will receive assistance through the Loan Fund. The criteria are designed to help insure that the goal of the program will be met and that resources are fairly allocated. Because loan resources are limited, the application process is competitive, and those applications which include complete and accurate documentation will receive first consideration.

Criteria include but are not limited to:

- Business viability: in order to receive financial assistance, a business must be able to demonstrate that it is financially able to repay the loan. Loans for both the start-up of and/or the expansion of existing businesses will be considered.

- Location: any business located in the Town of Williamsburg will be given consideration. In-town businesses owned by Williamsburg residents will have first priority; in-town businesses not owned by Williamsburg residents will have second priority.

- Employment: labor-intensive, high-employment businesses will be given priority over capital-intensive businesses.

- **Growth potential:** a priority will be given to businesses which demonstrate a future potential to expand their employment base.
- **Commitment:** a priority will be given to businesses which demonstrate a long-term commitment to remain in the Town, and businesses which contribute to the quality of life in the region.
- **Legality:** loans will not be granted to businesses which do not comply with the laws of the Commonwealth of Massachusetts or the Town of Williamsburg.

LOAN FUND CHARACTERISTICS

The Loan Fund is designed to be as flexible as possible so as to provide the best service possible to businesses in need.

Characteristics include but are not limited to:

- The funds may be used to allow a business to obtain a loan at reduced market rate and one which it might not otherwise be able to obtain through conventional means.
- In general, Brassworks loans will not exceed 30% of a start-up or expansion financing package.
- The payback schedule of a loan may be timed in equal or balloon payments and/or lengthened, depending on the need of the recipient business or seasonal income/expense patterns. In general loan lengths are between one to five years.
- A loan made to a business located in Williamsburg will be called due if that business leaves Town.
- A loan will be called due if the business is closed, sold or transferred in ownership, or if the nature of the business as stated in the application changes significantly.
- As part of the loan agreement, the recipient will establish a method to keep the Committee informed on a regular basis of the status of the finances of the business. Loan applicants have the responsibility to keep the Committee informed of any change in status which might affect their application or loan once it has been improved.

LOAN APPLICATION PROCEDURE

The first step in obtaining a loan is for the applicant to send a letter of interest to the Committee, outlining in general terms the proposed loan and its purpose.

Based on the initial letter of interest, the Loan Committee will invite those businesses which meet preliminary criteria to fill out a complete loan application. The loan application should include complete documentation supporting answers to application questions, including if available, a business plan and any other information which contributes to a thorough understanding of the business.

Following receipt of the loan application, the Committee may request additional documentation and will then invite the applicant to appear in person before the Committee to further discuss the application.

While information contributed in the application process will be kept confidential, the Committee will take necessary steps to authenticate data and validate references. The Committee operates under the rules of the Open Meeting Law.

Following a thorough review of the application and references, the Committee may vote to grant the loan, modify the terms of the loan requested or its use, or reject the loan. Actions are taken by the Committee in public session by majority vote.

Following final approval of the loan and receipt of a properly executed loan agreement developed in concert with the Town Treasurer, the Committee will sign a voucher to place the loan on the next warrant.

In general, the loan application process takes 6-8 weeks assuming all documentation is in order.

BUSINESS

Business Name:

Business Location:

Business Telephone:

Property Owner: (If rented, provide documentation of lease or lease/purchase which demonstrates a long term commitment)

OWNER

Business Owner:
(attach resume if available)

Address:

Owner Telephone:

Manager's Name:

List other businesses or former businesses owned by owner; list address, principal, product, etc:

BUSINESS DESCRIPTION

Provide a narrative description of the business:

Describe the history of the business:

List major products and/or services:

List secondary products and/or services:

Date business was established:

Number of Proposed employees:

BUSINESS ASSETS

List real estate and describe with valuation:

List capital equipment assets with age and current value:

Describe inventory and value:

Comment on valuation methods:

LOAN REQUEST

Describe the specific use for the proposed loan:

Describe the benefits to the Town and/or area from this loan:

State the number of new full-time and part-time positions which will be created:

Proposed loan amount:

Proposed loan drawdown table:

Proposed loan length and/or repayment schedule:

Proposed interest rate:

Narrative description of why this loan should be granted as proposed:

List loan collateral:

FINANCING

List other financing of which this loan is a part:

Describe and provide documentation of other equity and equity sources to accomplish this project:

OPERATING DETAILS

Annual operating budget for first year:

Proposed operation budget for years 2 and 3:

Capital acquisition budget:

Balance sheet and/or profit and loss statement for previous three years:

Accounting methods:

Accountant's name and address:

MARKET

Documentation of market analysis and research:

Major competitors:

Product pricing:

Potential market growth:

Marketing and advertising plan:

Name of marketing advisor:

Narrative description of why you feel you will be successful with this marketing plan:

REFERENCES

BANK NAME:

CREDIT REF.

PERSONAL REF.

ATTACHMENTS

List and number all attachments:

I attest that the above information and the information contained in all attachments to this application and any other oral or written information I give in support of this application is true and accurate to the best of my ability, and that I will keep the Brassworks Loan Re-Use Committee informed of any changes in this information which might affect the status of my application. I grant the Brassworks Loan Re-Use Committee the right to review, authenticate and validate any of the above information and to discuss this application with those individuals listed on the application and other responsible parties they deem necessary.

Signed (all partners) date witness date

_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**SUBMIT THIS APPLICATION AND ALL ATTACHMENTS IN TRIPLICATE TO:
BRASSWORKS LOAN RE-USE COMMITTEE
TOWN OF WILLIAMSBURG
TOWN OFFICE BUILDING
HAYDENVILLE, MASSACHUSETTS 01039**