



GROW TRACY FUND

Think Inside the Triangle™

Flexible Term
Loan Financing
for Eligible
Small Businesses



**City of Tracy
Economic Development Department**

333 Civic Center Plaza, Tracy, CA 95376
T-209-831-6490

www.ci.tracy.ca.us

HOW GROW TRACY FUND HELPS YOU:

The City of Tracy and the Grow America Fund have established and capitalized the Grow Tracy Fund as an economic development tool designed to assist eligible small businesses within the City of Tracy to obtain the financing required to grow their businesses.

Loans made under this program will be underwritten by the Grow America Fund and guaranteed by the Small Business Administration (SBA) under GAF's Small Business Lending Company License. Therefore, each loan must comply with SBA guidelines and procedures.

In order to qualify for these loans, a business must be a for-profit operating entity; it must be financially healthy and in need of expansion capital.

SPECIFICS

Loan Amount, Rate and Term

The Grow Tracy Fund can make loans ranging from \$100,000 to \$2 million as permitted by the US SBA at or below market rates, for terms up to 25 years depending on proposed use of funds.

GROW TRACY FUND

The Grow Tracy Fund is a unique partnership between the City of Tracy and the Grow America Fund, Inc. (GAF).

The Grow America Fund, a nationally recognized non-profit Small Business Lending Company licensed by the Small Business Administration, is also a Community Development Financial Institution as designated by the United States Department of the Treasury, CDFI Fund.



WHAT DOES GROW TRACY OFFER A BORROWER?

Grow Tracy offers affordable growth capital with advantageous terms to borrowers who will create jobs and invest in our community.

USE OF PROCEEDS

Loan proceeds may be used for any legitimate business purpose, including working capital, machinery and equipment, acquisition of land and building, construction, renovations and tenant improvements. Grow Tracy however, does not provide venture capital and cannot provide funds for research and development or to satisfy equity or near-equity needs.

COLLATERAL

All loans must be adequately collateralized from available assets and the personal guarantee of each owner holding a 20% or more interest in the small business is required.

STRUCTURE

The typical structure:

Working Capital: 3-10 years (normally 5-7)

Machinery & Equipment: 5-10 years or life of the asset

Tenant Improvements: term of the lease

Acquisition of Real Estate: Up to 25 years

Construction/Renovations: Up to 25 years

DOES GROW TRACY COMPETE WITH LOCAL BANKS AND OTHER LENDERS?

No, Grow Tracy Fund is meant to complement, not replace, existing sources of financing. GAF encourages the borrower's bank or other lenders to participate in providing a portion of the total financing. Grow Tracy always works with existing lenders to structure the best financing available for the borrower. The Grow Tracy Fund will operate according to prudent lending practices.

APPLICATION PROCESS

Information Required

- A brief description of the project, including proposed sources and uses of funds
- Corporate Financial Statement or Tax Returns for previous year
- Current Financial Statement (may be an in-house statement)
- A Personal Financial Statement of all principles who own more than 20% of company stock
- A Credit Release, authorizing GAF and the Grow Tracy Fund to obtain personal and corporate credit reports

Our staff is readily available to assist you through the application process.

For more information and an application package please contact:



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GROW TRACY LOAN FUND

Loan Program Term Sheet

Borrower:	Existing businesses in operation for at least 2 years, no real estate investment or development projects, no financing entities, 2-100 employees and revenues generally between \$500,000 and \$20 million but subject to the SBA size standards by industry.
Lender:	The National Development Council's (NDC) Grow America Fun, a licensed US Small Business Administration Small Business Lending Company (SBLC) and a Community Development Financial Institution (CDFI).
Amount:	\$100,000 - \$2,000,000
Uses:	Include working capital, business purchase, equipment, inventory, tenant improvements, business construction, and real estate acquisition. We will also consider refinancing existing business debts.
Term:	7 to 25 years depending on the use of funds. Interest only periods are possible.
Fees:	<ul style="list-style-type: none">• SBA guarantee fee of 2-3%,• No SBA Guarantee fee for loans less than \$150,000• 1% deposit paid at commitment letter signing for appraisal, legal, and other costs incurred prior to closing.
Interest Rate:	Prime + 1-1 ½ %, variable quarterly (fixed rates also available) Totals approximately 4 ¼ - 4 ¾ % today
Collateral:	Required <ul style="list-style-type: none">• Security interest in all available collateral• For real estate; flexible Loan-to-Value, depending on underwriting
Cash Flow Coverage:	Flexible, depending on underwriting
Guarantee:	Personal guarantee from any individual that owns more than 20% of the business
Reporting:	Borrowers shall provide NDC with financial statements and/or tax returns on at least an annual basis
Government Guarantee:	Loans will participate in SBA 7(a) program
Public Benefits:	The Small Business Loans, each shall meet either one or a combination of the following public benefits: <ul style="list-style-type: none">• Creation and retention of permanent jobs• Business located in a Low or Moderate Income census tract• Redevelopment area and Enterprise Zone focus

For more information:

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