CITY OF AUBURN

Focused on being
The Best Small City in New York State

Office of Planning and Economic Development
Jennifer L. Haines, Director

CITY OF AUBURN
SMALL BUSINESS ASSISTANCE PROGRAM

PROGRAM SUMMARY

The City of Auburn Small Business Assistance Program (SBAP) is designed to stimulate economic activity that would generally not occur in the absence of City assistance. Specifically, the program seeks to play a catalyst role in the business community by working cooperatively with lending institutions and providing **"gap" financing"** as part of a comprehensive financial package for business start-up and expansion projects in the City.

PROGRAM OBJECTIVES

The objectives of the SBAP are to 1) encourage growth and expansion of businesses in the City; 2) stimulate the development of minority and women-owned businesses; 3) increase employment opportunities for low and moderate income residents; 4) expand the real estate tax base; 5) increase the community's export base; 6) diversify the local economy; 7) redevelop vacant or blighted facilities for productive use; and 8) stimulate investment from all private, not-for-profit and government agencies.

USE OF FUNDS

Funds may be used for 1) construction of new buildings*; 2) purchase of land or buildings; 3) renovation or expansion of existing buildings*; 4) purchase of machinery and equipment; and 5) Permanent working capital. *Use of SBAP funds for construction/renovation will trigger Davis-Bacon legislation that requires prevailing wage rates be paid to contractors executing the construction or rehabilitation.

LEVERAGING

2.5:1 leverage ratio (private:public funds) required.

ELIGIBLE BUSINESSES

There are no restrictions on the types of businesses that can participate.

LOAN LIMITS

$25,000 limit for retail/commercial projects; $45,000 limit for manufacturing projects. Waiver of these limits can be made by the Loan Committee when appropriate.

Memorial City Hall • 24 South Street • Auburn, New York 13021-3832 • (315) 255-4115 • Fax (315) 253-0282
website: www.ci.auburn.ny.us • email: jhaines@ci.auburn.ny.us

TERM

Terms are negotiable; typically 5-7 years for equipment and working capital, 15 years for real estate.

RATE

Typically lend at prime (fixed) rate.

JOB CREATION

Due to source of funds (HUD Community Development Block Grant Program), 1 FTE job must be created and made available to low-moderate income (LMI) persons for every $15,000 borrowed, and at least 51% of all jobs created must be made available to LMI persons. Low-moderate income limits are established by HUD; current limit for a household of 4 is $47,900.

FEES

1% administrative fee due at closing, $50 application fee, borrower pays fees for credit check, and to record security instruments as needed (UCC-1s, mortgages)

PROCESS

Applications are reviewed and voted on by the City of Auburn SBAP Loan Committee, which meets as needed.