



City of Petersburg

Economic Development Authority Meeting

Regular Meeting Agenda

April 21, 2022

5:30pm

Dogwood Trace Golf Course
3108 Homestead Drive
Petersburg, VA 23803

1. Call to order – Mr. Samuel Rhue, Chairman
2. Roll call of Board Members
3. Determination of the Presence of a Quorum
4. Moment of Silence
5. Reports/responses to previous public information period
6. Approval of the Minutes- February 17, 2022
7. Financial Report- Mr. Richard, Taylor Secretary /Treasurer
8. Report from the Chairman- Mr. Samuel Rhue
9. New Business –
 - a. Criteria for EDA Revolving Loan Fund- Brian Moore, Director of Economic Development
- Old Business –
 - b. Hotel Petersburg Update- Brian Moore, Director of Economic Development
 - c. Economic Development Report – Brian Moore, Director of Economic Development
10. Business or reports from the Vice Chairman or other members of the EDA Board
11. Public Comments Period

12. Announcements -

- a. Next meeting date – May 19, 2022

13. Adjournment

ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT

This Economic Development Performance Agreement (“Agreement”) is entered into and effective as of _____, 2022, by and among **TABB STREET DEVELOPMENT LLC**, a Virginia limited liability company, (the “Company”), the **CITY OF PETERSBURG, VIRGINIA**, a municipal corporation and Virginia political subdivision, (the “City”), and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF PETERSBURG, VIRGINIA**, a Virginia political subdivision (the “Authority”), to describe the agreement between the parties about the Authority’s economic development incentives to assist the Company in development of property for a hotel with common street address of 20 West Tabb Street, in the City of Petersburg, Virginia.

WHEREAS, the City is authorized pursuant to Section 15.2-953(B) of the *Code of Virginia* of 1950, as amended (the “Virginia Code”), to make donations and appropriations of money to the Authority for the purposes of promoting economic development, and the Authority is authorized pursuant to Section 15.2-4905(12) of the Virginia Code, to accept such contributions, grants and other financial assistance from the City, and pursuant to Section 15.2-4905(13) of the Virginia Code to make grants to any person, partnership, association, corporation, business or governmental entity for the purposes of promoting economic development; and

WHEREAS, the Authority is vitally interested in the economic welfare of City citizens and the creation and maintenance of sustainable jobs, and it wishes to stimulate investment in the City to provide economic growth and development opportunities; and

WHEREAS, the Company intends to develop the Site (as hereinafter defined) as a hotel (the “Hotel”): and

WHEREAS, the development of the Site will benefit the City through the generation of additional tax revenues and the creation of new employment opportunities, as well as remove blight and generate additional foot traffic and spending in the historic commercial district, and the Authority has offered economic development incentives to induce the Company to develop the Site as provided in this Agreement; and,

WHEREAS, the Company will cause the investment of an amount estimated to be approximately \$16 million through its development of the Site, and the Company estimates that the total Tax Revenues, to include Food, Beverage, and Lodging taxes, Real Property taxes, Stormwater taxes, Utility taxes, State Sales taxes (1%), Business Personal Property taxes, State Sales Tax Schools (1%), Business License tax, , from the Site in the 11 years following completion of the Hotel Project (as hereinafter defined) will be approximately \$5.2 million (collectively, the “Tax Revenues”) ; and

WHEREAS, in order to supplement other financial resources necessary to complete the construction of the Hotel Project, the Company has indicated it needs approximately \$2.6 million dollars in financing to complete the Hotel Project (“Gap Financing Need”); and

WHEREAS, in order to induce the Company to make the investment, create new jobs in the City, and construct the Hotel Project, the Authority is willing to loan the Company funds to meet the Gap Financing Need (the “Loan”) and offer loan forgiveness incentives to the Company based upon certain Tax Revenues paid to the City from the Hotel Project and the operation of the Hotel Project at

the Site to serve as a credit against debt service due on the Loan; and

WHEREAS, the City is willing to appropriate and provide funds to the Authority, in support of the Authority's economic development efforts and the development of the portion of the City in which the Site is located incentive grants, with the expectation that the Authority will provide the funds as a Loan to the Company, provided that the Company meets certain performance criteria relating to the Company's investment and creation of jobs; and

WHEREAS, \$600,000 of the funds appropriated by the City to the Authority are derived from the Commonwealth of Virginia's Industrial Revitalization Fund Program; and

WHEREAS, the City, the Authority and the Company desire to set forth their understanding and agreement as to the disbursement of the Loan, repayment thereof and the related incentive credits hereunder, and the obligations of the Company regarding investment and job creation related to the Hotel Project.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein, the parties hereby agree as follows:

I. **DEFINITIONS.** The following terms shall be defined as follows:

"Construction" means the restoration and renovation of the existing six-story structure located on the Site with improvements to the appurtenances thereto.

"Director" means the Director of Finance for the City.

"First Full Taxable Year" means, at the election of the Company, either the first full tax year (January 1 – December 31) following the year during which the Project was completed or the full tax year during which the Project is completed. The parties anticipate completion of the Project in 2023; if so, the First Full Taxable Year will be either 2023 or 2024 at the election of the Company. In no event may the First Full Taxable Year be later than 2024.

"Gap Financing" means the amount of financing required by the Company to supplement other financial resources necessary to complete the construction of the Hotel. This amount is hereby established at a principal amount of up to Two Million Six Hundred Thousand dollars (\$2,600,000.00) and interest on the unpaid balance as determined at closing.

"Incentive Credits" means the economic development incentive credits provided by the Authority from time to time hereunder and consisting of the offset of payments due under the Loan by the Company by the amount of the FB&L Tax Revenue set forth in Section V of this Agreement.

"Loan" shall mean the amount loaned by the Authority to the Company, up to the amount of \$2,600,000, as set forth in Section II hereof and as reflected in the Note.

"Note" shall mean the promissory notes of the Company in the form attached hereto as

Exhibit C.

“Payment Period” means the First Full Taxable Year and the nine succeeding tax years.

“Hotel Project” means the construction of a 3.5+ star/diamond boutique hotel and development of the Site, located at 20 West Tabb Street in the City all as approved by the City and described in Exhibit A.

“Site” means the real property presently designated by the City as Parcel ID No. 011 250002 as depicted in Exhibit A, or as the boundaries of such parcel may hereafter be adjusted via duly approved plat recorded in the land records of the City.

“Tax Period” means the quarterly period for which FB&L Tax Revenues will be computed for an Incentive Credit..

“FB&L Tax Revenue” means the sum of taxes on transient lodgers and the taxes on purchases of meals as prescribed by sections 106-261, *et seq.* and 106-291, *et seq.* of the ***Code of the City of Petersburg***, as amended, respectively, generated from the operation of the Hotel Project at the Site and paid to the City, in a Tax Period for which the Company is entitled to an Incentive Credit hereunder. The Director will determine the amount of FB&L Tax Revenue using the best available information, which may include confidential information that cannot be disclosed without taxpayer consent.

“Total Project Cost” means the actual cost of design, engineering, and construction of the Hotel, as certified by the Company to the Authority and verified by the Authority and the Director pursuant to Section II(D) of this Agreement.

II. **GAP FINANCING LOAN.** The Authority agrees to make the Loan to the Company in the aggregate principal amount of up to the Gap Financing Need (\$2,600,000). payable in three tranches – (A) the amount of \$1,400,000 payable on the date hereof upon delivery of the Note by the Company, (B) the amount of [\$600,000] payable upon receipt of the Industrial Revitalization Fund Program funds by the City, expected to be on _____, 2022 and (C) the amount of up to \$600,000 as certified by the Company as required to complete the Project. In the event the City does not receive the Industrial Revitalization Fund Program funds by _____, 2022, the Authority will request the City to appropriate funds to meet the Gap Financing Need. If the City fails to appropriate such amount the amount of the Loan hereunder shall be reduced to reflect the amount provided by the Authority hereunder.

III. **TERMS OF THE LOAN.** The Loan and the Note shall have an interest rate of 2.5% percent per annum and shall be payable over 10 years. Principal and interest shall be payable in quarterly installments on each January 1, April 1, July 1, and October 1, commencing July 1 of the First Full Taxable Year, subject to offset by the Incentive Credit set forth in Section V hereof. The Loan and the Notes shall also be secured by a Second Position Deed of Trust (the “Second Deed of Trust”) on the Hotel property from the Company, subordinate to the [lender financing] in the form attached hereto as Exhibit B. \$2,000,000 of the Note shall be secured by a personal guaranty of Nathaniel W. Cuthbert (the “Personal Guaranty”) in the form attached hereto as Exhibit D. No proceeds of the Loan shall be disbursed until the Note, the Second Deed of Trust and the Personal Guaranty have been delivered to

the Authority in form acceptable to the Authority.

IV. **CONSTRUCTION OF HOTEL PROJECT.** In return for the Loan and the Incentive Credits to be provided by the Authority under this Agreement, the Company agrees as follows:

- A. The Company shall construct and obtain a certificate of occupancy for the Hotel Project by January 1, 2024. The Company's cost of construction of the Hotel Project, including engineering and design, shall be at least \$16 million.

The Hotel Project shall consist of a full service hotel with the meeting the minimum criteria listed below:

- Up to 64 guest rooms, including a mix of Suites, doubles, singles.
- 1st Floor Banquet area – 858 s.f. 58 occupants with tables/chairs;
- 1st Floor Casual Dining/Bar: 676 s.f. 38 occupants.
- 1st Floor Main Dining: 1,542 s.f. 103 occupants.
- 1st Floor Outdoor Dining Terrace: 931 s.f. 62 occupants.
- 2nd Floor Conference: 320 s.f. 22 occupants
- Basement Conference: 740 s.f. 49 occupants
- Basement Bar/Game Room/Lounge/event space: 1,008 s.f. 63 occupants
- Basement Barber shop: 340 s.f.
- Rooftop Bar: 735 s.f. 49 occupants

- B. The Company will create and maintain during each year of this Agreement a minimum of Fifty (50) Full Time Equivalent (FTE) positions.

- C. If at any time the business defaults on any measurement included in this Agreement, the City of Petersburg and the Economic Development Authority may exercise the right to end the Incentive Credits for that business. Following default, the Company will be responsible for any remaining debt service to the Authority and no further Incentive Credits will be available.

- D. The Company, to the fullest extent allowable by controlling law, agrees to include in its agreement with its general contractor terms that require the contractor and its sub-contractors to make good-faith efforts to employ qualified individuals who are residents of the City of Petersburg, Virginia, in sufficient numbers so that no less than thirty percent of the contractor's total construction work force, including any subcontractor's work force, measured in labor work hours, is comprised of such Petersburg residents. To verify compliance with this requirement, Company shall keep written records indicating the number and percentages of Petersburg residents so employed and shall provide copies of such records to the EDA.

- E. During the term of this agreement, Company, to the fullest extent allowable by controlling law, agrees to make a good-faith effort to hire as employees of the Hotel qualified individuals who are residents of the City of Petersburg, Virginia, in sufficient numbers so that no less than forty percent of the Hotel work force,

measured in labor work hours, is comprised of such Petersburg residents. To verify compliance with this requirement, Company shall keep written records indicating the number and percentages of Petersburg residents so employed and shall provide copies of such records to the EDA.

- F. After obtaining a certificate of occupancy for the Project, the Company will provide reasonably detailed information to the Authority to document its actual costs of designing, engineering, and constructing the Hotel.

V. **INCENTIVE CREDITS.** In return for the Company completing the construction of the Hotel Project with the capital investment set forth in Section IV above, creating and maintaining the full-time jobs at the Targeted Wages and the other requirements of Section IV above, the Authority allocate Incentive Credits to the Company for each Tax Period as follows:

- A. Provided that the Company has completed the Hotel Project and created the full-time jobs described in Section I above, during each year of the Payment Period, the Authority shall allocate to the Company and credit against payments due on the Loan during the same Payment Period an Incentive Credit in the amount of **FIFTY PERCENT (50%)** of the FB&L Tax Revenue received by the City for the relevant Tax Period on a quarterly basis up to an overall maximum cap of the amount of the Loan (\$2.6 million). The Incentive Credit amounts will vary based on the amount of **50%** of the FB&L Tax Revenue as defined in **Section I** herein generated during the corresponding Tax Period. Once the Hotel Project is completed and generating income, the Commissioner of the Revenue will perform a quarterly review of meals taxes and lodging taxes collected from the Hotel Project for the preceding quarter on each January 1, April 1, July 1 and October 1. The City is expected, but not obligated, to contribute to the Authority the amount corresponding to the Incentive Credit to continue to make loans under its economic development revolving loan fund program. Any outstanding payments owed on the Loan for that quarter due to lack of revenue generated by the meals and lodging taxes, will be the sole responsibility of the Company. The Incentive Credits shall be used first to pay down the \$600,000 Industrial Revitalization Fund Program portion of the Loan. After the \$600,000 Industrial Revitalization Fund Program portion of the Loan has been paid off, then the Incentive Credits will be used to pay down the remaining \$2 million portion of the Loan.

If the Incentive Credit for any Payment Period is in excess of the amount due on the Loan in such period, the excess shall be applied (i) first to pay any outstanding amounts due on the Loan and (ii) then to prepayment of amounts due on the Loan in inverse order of maturity, up to the outstanding principal amount of the Loan. The Company will not receive any Incentive Credits as credit toward payments due under the Loan if (i) the Loan has been paid off in full, (ii) after the end of the Payment Period, (iii) for Tax Periods ending after 2035, or (iv) for any Tax Period in which there is no FB&L Tax Revenue.

- B. The Company must submit a written report and request for an Incentive Credit immediately after the end of each Tax Period as shown on Exhibit B. The calendar

year in which the Company submits its first request shall constitute the Company's election of the First Full Taxable Year. For example, if the Company submits its first request for an Incentive Credit in July 2024 for the January – June 2024 Tax Period, then the First Full Taxable Year of the ten-year Payment Period would be 2024. In no event may the First Full Taxable Year be later than 2024. The Company shall provide a completed W-9 form to the Authority with its first written request for an Incentive Credit.

C. The Director shall determine the FB&L Tax Revenue for each Tax Period.

VI. **DEFAULT.** Each of the following events shall be a default hereunder by the Company if occurring at any time prior to the end of the Payment Period, as follows:

- A. Failure by the Company to maintain its corporate existence or the declaration of bankruptcy by the Company;
- B. Failure by the Company to make a capital investment of at least \$16 Million into the construction of the Hotel Project by January 1, 2024;
- C. Failure by the Company to create and maintain 50 Full Time Equivalent positions at the Hotel during each year of the Payment Period; or
- D. Failure by the Company to comply with any of the Company's Commitments described in Section IV of this Agreement.

VII. **INDEMNIFICATION.** The Company will defend, indemnify, and hold harmless the Authority and the City, and their respective officers and employees (the "Indemnified Parties"), from any claims of third parties arising out of any act or omission of the Company or the Company's contractors, subcontractors, and agents in their performance under this Agreement. However, this obligation shall not apply to (1) third party claims solely arising out of a gross negligent act or material omission of the Authority or the City, or (2) third party claims against the City or Authority regarding the legality of this Agreement, the Incentive Credits, or appropriations or credit of FB&L Tax Revenue. The Company's indemnification obligation shall survive termination of this Agreement.

VIII. **TERMINATION OF AGREEMENT.** This Agreement shall terminate upon the first to occur of: (1) the written agreement of the parties, (2) the Authority's payment of the full amount of the Note as repayment of the Loan set forth in Section III(D), (3) the end of the Payment Period, as the same may be extended as provided herein, (4) failure by the Company to make a payment due on the Note, upon 30 days written notice from the Authority that such amounts are due and that Incentive Credits for such period have are not sufficient to pay such debt service or (5) January 1, 2024, if the Company has not obtained a certificate of occupancy for the Project by such date. After termination of the Agreement, the Note shall be immediately due and payable in full and the Loan shall be due, provided; however, the Company's indemnification obligations under Section VI shall survive and continue.

IX. **ASSIGNMENTS.**

- A. The Company may assign this Agreement or any portion thereof, or any Incentive Credits due to it hereunder, only upon written consent of the City and the Authority.
- B. [Upon any permitted assignment of this Agreement, or any assignee of this

Agreement has the right of third party enforcement of the Company's rights under this Agreement, and the assignee of this Agreement may enforce the Company's rights pursuant to such permitted assignment with the same force and effect as if enforced by Company. Upon such assignment, the assignee of this Agreement may, but shall not be required to, perform the obligations of the Company hereunder. If the assignee of this Agreement undertakes in writing to perform the obligations of the Company after assignment of this Agreement, the Authority will accept its performance in lieu of performance by the Company in satisfaction of the Company's obligations under this Agreement.]

X. **CITY PAYMENTS SUBJECT TO APPROPRIATIONS; DISCLAIMER.**

- A. The City's undertaking to make payments to the Authority corresponding to Incentive Credits provided by the Authority are is subject to the Authority's receipt of appropriation by the City Council of such amounts. The Authority agrees to use its best efforts to secure the necessary appropriations from the City.
- B. No provision of this Agreement shall be construed or interpreted as creating a pledge of the faith and credit of the Authority or the City within the meaning of any constitutional debt limitation. No provision of this Agreement shall be construed or interpreted as delegating governmental powers nor as a donation or a lending of the credit of the Authority or City within the meaning of the Virginia Constitution. This Agreement shall not directly or indirectly obligate the Authority or the City for any fiscal year in which this Agreement shall be in effect nor to make any payments beyond those appropriated in the sole discretion of the City Council and the Authority. No provision of this Agreement shall be construed to pledge or to create a lien on any asset or source of the Authority or the City's moneys, nor shall any provision of the Agreement restrict to any extent prohibited by law, any action or right of action on the part of any future Council or Board, respectively. To the extent of any conflict between this section and any other provision of this Agreement, this section takes priority.

XI. **MISCELLANEOUS.**

- A. Governing Law. The law of the Commonwealth of Virginia shall govern this Agreement, and the exclusive venue for actions regarding this Agreement shall be the Petersburg Circuit Court.
- B. Communications. Any communication under this Agreement shall be sufficiently given when delivered by hand or by first-class certified mail, postage prepaid, as follows:
 - a. If to the Company:
Tabb Street Development, LLC
244 South Sycamore Street
Petersburg, VA 23803

with a copy to: TBD

- b. If to the Authority:
Chair
Petersburg Economic Development Authority
135 N. Union St.
Petersburg, VA 23803

with copy to:
Brendan Scott Hefty, Esq.
Hefty Wiley & Gore, P.C.
100 W. Franklin Street, Suite 300
Richmond, Virginia 23220

- c. If to the City:
City Manager
135 N. Union St.
Petersburg, VA 23803

with a copy to:
City Attorney
135 N. Union St.
Petersburg, VA 23803

- C. Entire Agreement; Amendments. This Agreement constitutes the entire contract between the parties and may not be changed except in writing signed by both parties.
- D. Binding Effect. This Agreement is binding upon the parties and their respective successors and assigns.
- E. Force Majeure. Any delay in performance shall not be a breach of this Agreement if such delay has been caused by or is the result of acts of God; acts of the public enemy; insurrections; riots; embargoes; labor disputes, including strikes, lockouts, job actions, or boycotts; shortages of materials or energy; fires; explosions; floods; pandemic or health emergency or other unforeseeable causes beyond the control and without the fault or negligence of the party whose performance is delayed. Such party shall give prompt notice to the other party of the cause for delay and shall take reasonable steps to resume performance as soon as possible. The time for performance shall be extended for a period equal to the period of delay due to the reasons set forth in this paragraph.
- F. Severability. If any court of competent jurisdiction holds any provision of this Agreement invalid, then (a) such holding shall not invalidate any other provision of this Agreement, unless such provision is contingent on the invalidated provision; and (b) the remaining terms shall constitute the parties' entire agreement.

- G. Attorney’s fees shall not be recoverable by the prevailing party in the event this Agreement is subject to litigation.
- H. This Agreement is in compliance with the Tourism Zone Ordinance (Sections 38.120 et. seq. of the Petersburg City Code) adopted by City Council on November 3, 2021 (“Ordinance”). To the extent that this Agreement conflicts with the Ordinance, the language of the Ordinance supersedes and takes precedence.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their corporate names by their duly authorized officers.

**ECONOMIC DEVELOPMENT
AUTHORITY OF THE CITY OF
PETERSBURG, VIRGINIA**

By: _____

DATE: _____

APPROVED AS TO FORM:

By: _____

TABB STREET DEVELOPMENT LLC

By: _____

Name: _____

Title: _____

DATE: _____

CITY OF PETERSBURG, VIRGINIA

By: _____

DATE: _____

APPROVED AS TO FORM:

By: _____

Exhibit A

Description and Schematic of the Project

City of Petersburg
Economic Development Authority
Petersburg Community Economic Development Revolving
Loan Fund

Overview:

Petersburg has seen renewed downtown investment over the past 10 years, primarily in the residential sector. Even with this growth, developers have expressed a need for a gap financing tool to accompany traditional financing methods to successfully redevelop certain catalyst or high impact projects, especially in the hospitality industries and with respect to historic rehabilitation projects.

In order to assist developers with implementing these projects and continue the momentum within this district, the Economic Development Authority has established a Community Economic Development Revolving Loan Fund in which development teams can apply for gap financing through the Economic Development Authority (EDA).

Prospective applicants will need to be creditworthy, demonstrate evidence of market demand for the concept, and exhibit the financial sources of capital and reserves necessary to successfully complete a project of this magnitude. Projects must also demonstrate a catalytic impact on the area's economy by increasing the likelihood of new business and development investment by removing significant blight and/or filling an identified market need that will attract additional commerce in the surrounding area.

Purpose:

- To provide gap financing for development projects within the City of Petersburg
- Project should be characterized as being difficult to fully finance with traditional bank underwriting criteria^[SEP], due to the increased costs of historic rehabilitation, and/or debt service requirements during the construction and/or business “ramp-up” periods.
- Projects must contribute to the goals of the City’s Strategic Plan and Comprehensive Plan especially in the Central Business District. Predominately residential projects would not be considered for this loan fund.

Technical Requirements:

- Borrower must demonstrate creditworthiness.
- The developer must provide proof of having the financial sources of capital and reserves necessary to successfully complete the project.
- As the Community Economic Development Revolving Loan Fund is established as a gap financing vehicle, it cannot exceed 30% of the total project costs. The Fund provides two different tiers of financing to compensate for a shortfall in project funding. Eligible projects with a total cost of less than \$10 million fall into Tier 1, while eligible projects with a total cost of \$10 million or more fall into Tier 2. Projects

Tier 1 = 70/30 projects ... < \$10 million

Compensates for a shortfall in project funding, not to exceed 30% of a qualified project’s total cost

Tier 2 = 80/20 projects ... \$10 million +

Compensates for a shortfall in project funding, not to exceed 20% of a qualified project’s total cost

- The Community Economic Development Revolving Loan will be subordinated

to traditional construction and permanent financing loans.

- Interest rates will be set at a 1% discount to the current lending market and will be adjusted based on the creditworthiness of the borrower.
- Borrower must present a legally binding commitment letter from a financial institution as proof of proper underwriting
- Developer must demonstrate evidence of market demand to ensure sustainability for the concept.
- The City/IDA will withhold 10-15% retainage until the end of project per agreed upon AIA construction schedule documents or similar acceptable construction document.
- Construction general contractor must be bonded equal to the amount of the contract.
- Unacceptable Uses of Funds:
 - Operating Revenue
 - Developer's Fees
 - Any uses unrelated to the redevelopment project and/or business venture for which the loan was provided.

To be considered for this program. Please submit the following required information along with the attached application:

- ✓ Business Plan
- ✓ Operating Agreement/Articles of Organization and Bylaws outlining officers and who has signing authority
- ✓ Breakout of Source and Use of Funds
- ✓ Pro-forma Balance Sheet
- ✓ Letter of Commitment from Financial Institution
- ✓ Debt Schedule
- ✓ Purchase Agreement or Proof of Property Ownership or Lease Agreement
- ✓ Three Years of Personal Federal Tax Returns for Any Individual Owning 20% or More of the Business
- ✓ Personal Financial Statement for Any Individual Owning 20% or More of the Business
- ✓ Three Years Federal Tax Returns on the Business
- ✓ Options for Securing Loan

City of Petersburg

Economic Development Authority

COMMUNITY ECONOMIC DEVELOPMENT REVOLVING LOAN
FUND APPLICATION

1. Application/Borrower Company

Name:

Address:

DUNS#

Federal ID#

SS#

Contact Person:

Telephone:

2. Principal Officers/Owners (include 20% or more ownership):

Name: _____ Title _____ %

Name: _____ Title _____ %

Name: _____ Title _____ %

Name: _____ Title _____ %

Name: _____ Title _____ %

Information on Existing Business (Continued):

3. Have any of the persons listed above been (a) involved in any violation of state or federal securities laws, or (b) a party to any consent order of entry with respect to any alleged or federal securities law violation, in each case within ten years next preceding the date of this application:

No Yes (if yes, explain)

Description of Proposed Project

4. Location:

5. Describe Project:

6. Product/service to be provided:

7. Describe how the project will meet the City's Community Economic Development goals: (eliminating blight, attracting a critical mass, adding quality of life amenities, and driving tourism activity within Petersburg, and especially the Central Business District).

8. Describe the reason that the project requires gap financing assistance and what percent of the total project cost will be financed through the Community Economic Development Revolving Loan Fund (not to exceed 30% of the project cost) _____

_____ % of total cost.

9. What percentage of the project will result in residential units? (This fund is not for use for predominantly residential projects). _____ %

10. Please list the cost of each activity to be undertaken with this project. Include the source of the estimates given for each activity.

1. Land Acquisition:

2. Building Purchase:

3. New Construction:

4. Rehabilitation:

5. Site Preparation:

6. Off-Site Improvements:

7. Leasehold Improvements:

8. Machinery and Capital Equipment:

10. Performance Fees:

11. Working Capital:

12. Inventory:

13. Non-Capital Equipment:

14. Professional Fees:

Total Cost:

Source of Estimate:

15. Interim Costs:

i.e. construction interest organizational costs, relocation of business of persons, moving costs, overhead profit, etc.

TOTAL PROJECT COST:

Attachments :

To be considered for this program. Please submit the following required information along with the attached application:

- Business Plan
- Operating Agreement/Articles of Organization and Bylaws outlining officers and who has signing authority
- Breakout of Source and Use of Funds
- Pro-forma Balance Sheet
- Letter of Commitment from Financial Institution
- Debt Schedule
- Purchase Agreement or Proof of Property Ownership or Lease Agreement
- Three Years of Personal Federal Tax Returns for Any Individual Owning 20% or More of the Business
- Personal Financial Statement for Any Individual Owning 20% or More of the Business
- Three Years Federal Tax Returns on the Business
- Options for Securing Loan