

Revolving Loan Fund

The Bandera EDC recognizes that the acquisition of capital for new businesses and business startups can be challenging, and that banks and other traditional lending institutions have changed their policies toward and definition of risk. When lending institutions are disconnected from the communities they serve loans can be more difficult to acquire, and with that in mind the Bandera EDC has established a Revolving Loan Fund.

Per Local Government Code Chapter 505, Sec. 505.158. PROJECTS RELATED TO BUSINESS DEVELOPMENT IN CERTAIN SMALL MUNICIPALITIES, the Bandera EDC, as a Type B corporation authorized to be created by a municipality with a population of 20,000 or less, can fund projects found by the board of directors to promote new or expanded business development.

The Loan Fund is for qualifying projects and offers loans on the following terms:

- Loans are made at 2% below the prevailing interest rate
- Loans are made for a period not to exceed 36 months
- Loans shall not exceed \$50,000 or one half of the required capital, whichever is less
- Loans shall be repaid beginning in the 6th month of business operations, and interest will not accrue until the end of the 6th month of the loan period
- The EDC Board of Directors, at its discretion, can modify the standard loan terms

The EDC Board of Directors will evaluate applications based on the following criteria:

- Future contribution of the property to the property tax revenue of the City of Bandera
- Future contribution of the business to the sales tax revenue of the City of Bandera
- Number and type of jobs created and/or retained by the business
- Consistency with the City of Bandera Comprehensive Plan
- Total capital required

All applications will be considered on a first-come, first-served basis and according to available funds, and must be submitted a minimum of 30 business days prior to the regular Bandera EDC meeting during which the applicant would like to be considered. Applicants will be required to provide all information requested in the loan application, as well as any additional information requested by the EDC Board of Directors. Information that is specific to business operations and revenue will be confidential and will not be discussed in open session, insofar as the BEDC must abide by the requirements of the Texas Open Meetings and Texas Public Information Acts. Applications will be considered on a case-by-case basis, and the Bandera EDC makes final determination on all applications.

For questions regarding the application or application process, please contact:

Art Crawford
President, Bandera Economic Development Corporation
(830) 456-4083
banderaedc@gmail.com

Bandera Economic Development Corporation Revolving Loan Fund Application

***Note: This application form is for basic informational purposes, and requires attached documents for submission. Additionally, a Loan Agreement will have to be signed by appropriate parties prior to the distribution of funds.

***Please note that this application will become public information if discussed in open session of a meeting of the BEDC. If you would like to keep information about your business's revenues and sales tax remittances confidential, please inform the BEDC President prior to submission of the application so that arrangements can be made that meet the requirements of the Texas Open Meeting and Texas Public Information Acts.

Please submit application materials in hard copy to City Hall, 511 Main Street, Bandera, Texas 78003,
or via email to banderaedc@gmail.com.

Business Name: _____ Year Founded: _____

Business Address: _____

Business Mailing Address (if different): _____

Business Contact Name: _____ Title: _____

Contact Phone: _____ Contact Email: _____

What type of business is it? _____

What services or goods are offered? _____

Does the business remit sales taxes to the Texas State Comptroller? _____

Does the majority share of the business revenue come from local residents or visitors? _____

How many people are employed by your business? _____

Has a permit for the project been issued by the City of Bandera? _____

What is the total cost of the project? _____

What is the amount of the loan requested from the BEDC? _____

Required Attachments:

1. Please attach documents regarding the business plan, budget, growth strategy, employment levels, wage schedules and any other information to aid the BEDC Board of Directors in determining if a loan agreement is feasible for the business. Funding must be for project types allowed for Type B Economic Development Corporations as defined by Chapter 501 and Chapter 505 of the Texas Local Government Code.
2. Please provide information regarding any other funding or financial resources for this project provided by local, state and federal governments and/or for-profit and non-profit institutions.