



## PLEDGE PROGRAM SUMMARY

**PLEDGE:** PLEDGE is a low-interest lending program available through your local lending institution.

**PROJECTS:** First, projects for lending must meet one of two City goals: they must revitalize under-utilized or vacant property or create and/or retain jobs.

**Property Investments:** Investments must utilize a vacant building, a "brownfield" site, the downtown area, one of the City's tax abatement areas, a Commission targeted neighborhood, or be located in one of the City's industrial parks.

**Jobs:** Projects must borrow at the rate of up to \$30,000 maximum per job, unless a variance is granted by the City Manager.

**PROCESS FOR LOAN APPLICATIONS:** Apply to your lender of choice. Your bank makes an initial lending decision based upon their criteria. The bank sends the successful application to the City. The City determines if PLEDGE goals and priorities are met. If so, an internal review determines that all City compliance issues are met. City review will be completed within five working days and the City will formally notify the bank. The bank takes appropriate action.

### LOAN TERMS:

**Interest Rate:** Fixed, one-year rate up to 300 basis points (3.00%) below the bank's lending rate application to the borrower.

**Period of Loan:** Loans are renewable annually, with terms of three years (terms of five years will be considered with City Manager approval). All loans are annually renewable.

**Use of Proceeds:** Any for-business, for-profit use.

**Collateral:** Determined by the bank.

**Fees:** An application fee in the amount of \$250.00 must be submitted with the application.

**USES:** Acquisition of a site or business, fixed assets, working capital, financing, storefront renovations, environmental clean-up, acquisition of investment property for development.

**PROHIBITED USES:** Non-profits, projects for non-business uses, retail concerns which do not meet the conditions noted (location, need, jobs, and zoning requirements apply).

**OTHER REQUIREMENTS:** The firm must provide complete reporting annually. The loan application to the City must disclose all other City, State, Federal or other incentive and financial programs under which the firm has applied for or received funding.

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