

# City of Burlington

## Tax Incremental District #3 Revolving Loan Fund (TID-RLF)

This program was designed specifically to assist businesses in TID #3 in the City of Burlington. This district consists primarily of the downtown area and part of Highway 36. The program primarily finances real estate projects, furniture, fixtures and equipment purchases and limited working capital needs.

The Burlington CDBG-RLF offers a below market interest rate, currently as low as 50% of Prime. Participation by the TID-RLF is typically no more than 40% of the eligible project costs or \$100,000, whichever is less.

### Program Parameters

**Borrower Equity Requirement:**

- 10% of project cost.

**Loan Amount:**

- Generally up to 40% of the project costs.

**Community Benefit Required:**

- Examples: Job creation, increased tax base, renovation and occupancy of a vacant building.



*Ketter's Flooring benefitted from the CDBG-RLF by using it to complete façade renovations to its retail facility.*



### Eligible Project Costs

- Land and building purchases
- Façade improvements
- Equipment, furniture and fixture purchases
- Limited working capital needs
- Tenant improvements

### Fees

- Estimated \$1,000 legal fee
- 1.5% processing fee
- Out-of-pocket closing costs
- 0.5% annual servicing fee collected monthly

### Rates & Terms

- As low as 50% of Prime
- Up to 5 year term
- Up to 20 year amortization
- Key man life insurance typically required.

Note: The term of the loan depends upon the items being financed.

### **For More Information Contact:**

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