

**THE OFFICE OF ECONOMIC AND COMMUNITY DEVELOPMENT  
CITY OF BRADFORD**

**ECONOMIC DEVELOPMENT LOAN PROGRAM**

***Eligibility:***

Manufacturing,

Eligible applicants for the Economic Development Loan Program include businesses located in the City of Bradford. Consideration is also given employers whose operations are located in the surrounding townships and whose employees include City of Bradford residents. Eligible participants may request additional loans for subsequent investment, however, approval is based on fund availability and first-time borrower projects will be given preferential treatment over those of previous EDLP loan recipients.

***Purpose of Program:***

The purpose of the program is to stimulate private investment through the expansion of existing businesses or the startup of new businesses. Investment will improve the overall economic conditions, primarily, employment opportunities, stimulate business activity or increase real estate tax income.

***Use of Funds:***

Funds can be used for acquisition of real estate, building construction, building improvements and the purchase of machinery and equipment.

***Service Area:***

100% of the loans are made to businesses in the City of Bradford, or employers in the City or surrounding townships; Bradford Township, Foster Township, and the Borough of Lewis Run.

***Fees:***

A 1% fee on the loan request (\$250.00 minimum) is required at the time of application. The fee will be used to defray the costs of credit reports, payment books, document preparation, legal fees, collateral filing fees, etc.

Applicants are responsible for all recording/filing fees (i.e., record mortgage, file UCC-1, etc.).

***Project Funding:***

Generally, the maximum loan amount is equal to or less than one-third (33.3%) of the hard costs of the project. Exceptions may be made based on the economic impact of the project.

***Business Plan:***

New business applicants are required to submit a business plan that includes pro forma projections. Applicants are referred to the Business Resource Center of The University of

Pittsburgh at Bradford (814-362-5078) or Small Business Development Center (SBDC) at Clarion University (814-393-2060 or toll free at 877-292-1843). There is no charge for the assistance.

***Application Process Requirements:***

Applicant forms, business plan, business and personal financial statements. A credit report is obtained from The Credit Bureau of Erie, Pennsylvania and inquiries are made to the City of Bradford and McKean County offices. City utilities including water, sewer and garbage must be paid up along with all City, County and School Real Estate Taxes to receive loan approval.

***Rate:***

Minimum interest rate is 5%, fixed.

***Collateral:***

The City will secure each loan to the maximum extent possible through mortgages, UCC Filings and Personal Guarantees.

***Monitoring and Reporting Requirements:***

Recipients of the Economic Development Loan Funds will provide upon request quarterly or monthly financial statements, yearly financial statements, annual audit, annual performance cash flow, etc.

***Equal Opportunity and Nondiscrimination Requirements:***

The recipient will not discriminate against any employee on the basis of sex, marital status, race color, religion, national origin, age, physical or mental disability.

***Contact:***

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## **Retail Development Loan Fund**

### ***Description:***

A version of the City's Revolving Loan Fund is intended to assist City retail business owners with projects that need inventory to improve customer attraction and/or retention. The loan funds are used to help leverage other inventory purchase dollars.

### ***Eligible Uses:***

Inventory purchases for sale at retail businesses.

### ***Terms:***

1. The City's loan amount is limited to 1/2 of the total inventory purchase, and must create or retain one job for each \$10,000 in City loan funds.
2. The loan will be made at 5% interest for a period of up to six months.
3. The maximum loan amount is \$10,000.
4. A business owner can only request one loan in any twenty-four-month period.
5. As with the City's other "revolving loan fund programs" eligible participants may request additional loans for subsequent investment, however, approval is based on fund availability. First-time borrower projects will be given preferential treatment over those of previous Retail Development Loan Fund loan recipients.