

The Capital Project Loan supports businesses and non-profits undertaking capital projects such as building acquisition, renovation, leasehold improvements or equipment purchases and need additional financing to complete the project. PIDC can typically fund up to 40% of the total project cost (with a maximum loan size of \$750,000) and borrowers must create at least 1 new full time equivalent job for every \$35,000 lent.

USES

- Property Acquisition
- Construction / Building Renovation
- Machinery and Equipment
- Soft Costs - legal, accounting, engineering, architectural fees, permits, appraisals and other related expenditures

FINANCING

Loan Amount:	Range from \$50,000 to \$750,000, and one full-time equivalent job must be created for every \$35,000 lent. PIDC can fund up to 40% of total project costs.
Equity Required:	10% minimum equity contribution.
Term:	Loan terms are matched with amortization of related asset types, including: <ul style="list-style-type: none">a) Property, Construction, Renovation – 15 year maximum termb) Machinery & Equipment – 7 year maximum termc) Furniture, Fixtures, Equipment – 5 year maximum term
Interest Rate:	Half of the prime interest rate, with a floor of 2.75%.
Underwriting:	Capital Project Loans are typically secured with fixed assets. PIDC reviews a combination of credit, cash flow, collateral, financial position, management capacity, and industry risk.
Other:	Davis-Bacon prevailing wage requirements generally apply with this program.

TIMING & PROCEDURE

Client submits a completed application to PIDC for staff review at which time a thorough credit analysis is performed. For applications that receive a positive credit evaluation, the loan is presented to the PIDC Loan Committee, the Board of Directors, and the City Director of Commerce. Following loan approval, PIDC issues a commitment letter to applicant. Settlement of the loan may occur once the terms of the commitment are satisfied. The process from application submission to settlement generally takes approximately 60 to 90 days to complete. The loan funds are disbursed on either a pro rata basis with other funding sources or on a reimbursement basis supported by documentation of paid invoices. Documentation of all project expenditures is required.

FEES

Fees will vary with each transaction and generally include:

Application:	\$250 - \$1000 depending on loan size - nonrefundable fee, payable at time of application submission.
Origination:	1.5% of the financing amount provided, payable upon acceptance of PIDC's commitment letter.
Closing:	Approximately \$500-\$3,750 depending on loan size (does not include third party costs such as appraisals, construction monitoring, and UCC filings)

Fees are subject to change. Please confirm all transaction fees with PIDC prior to application.

For more information visit PIDCphila.com or contact
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