

COMMERCIAL KITCHEN FINANCING PROGRAM



The purpose of the Commercial Kitchen Financing Program is to establish a fund to assist commercial property owners with financing needs by providing a loan and/or a secondary subordinate loan for the purpose of purchasing food service related equipment to fulfill the City of Jordan vision to encourage the continuation and expansion of viable commercial activity for city-wide commercial redevelopment projects as supported by the Downtown Jordan Master Vision plan and the City Comprehensive Plan. This program is not intended for new construction development financing needs.

FINANCING PROGRAM GUIDELINES

Eligible Applicants: Commercial property owners and business owners. Applicants may be individual owners, partnerships corporations, tenant operators, or contract for deed purchasers of commercial property within City of Jordan city limits, but must provide all documentation of entity status requested on the application form.

The commercial property in which the applicant business is located must be of a conforming or legal non-conforming use under the City of Jordan Zoning Ordinance. Funds are available to properties within the Jordan City limits in commercial zoning districts that are making improvements and/or installing equipment as approved by the City building inspector. The applicant cannot be delinquent on taxes or water bills in order to qualify or receive funds.

Projects utilizing the matching grant program may not begin prior to approval of the design review, approval of the matching grant or issuance of a building permit.

Improvement Requirements: All building renovation improvements are to be brought into conformance with City codes and policies.

Use of Funds: New or used food service related equipment including but not limited to hoods, fire suppression, fryers, ovens, refrigeration, grills, equipment used to produce alcoholic and edible cannabinoid beverages and/or spirits, and elevators. (Excluded is general business furniture to be used outside of the commercial kitchen area)

Loan Funding Amount: Loan funding amounts are available at a minimum of \$5,000 and up to a maximum amount of \$50,000. A loan cannot exceed 90% of the estimated market value of the project.

Elevators only: Loan funding amounts for the purchase of food service related elevators are available at minimum of \$5,000 and up to the maximum amount of \$75,000. Loan funds for elevator purchases may be provided in tandem with the Building Code Improvement grant. Loan funding amounts for elevators shall not exceed 40% of the cost of the overall project. Loan funds for elevators may not be used for costs not associated with elevator expenses.

Interest Rate: Loans shall be at 2% less than the project's participating lender's rate at finance closing. If there is no participating lender the interest rate shall be 2% below the Federal Prime Rate and fixed at the time a completed application form is presented for consideration.

Terms: Financing terms will not exceed seven (7) years or ten (10) years for loans to provide funds for elevator expenses. As part of loan closing, payment will be established by A.C.H. for automatic check withdrawal from the borrower's checking account.

The loan recipient must remain in business within the improved building for two (2) years minimum from the date the loan funds are distributed. If the applicant transfers ownership to another entity, the new entity must maintain the business in the improved building for one (1) year and follow the same terms.

Collateral Requirements: Personal guarantees are required. Applicant must demonstrate the financial means to repay the loans, as determined by the Jordan Economic Development Authority (EDA). The City Council may require a mortgage or lien on the property.

Fees: \$150 processing fee plus \$20 for each name search required for UCC.

Application Limits: Applicants are only limited to one (1) loan per property during every calendar year. The City will not accept or approve additional applications until the previous loans have been repaid.

Disbursement of Funds: Funds are disbursed by the Jordan Economic Development Authority to the extent that they are available upon approval of the loan application and satisfaction of any conditions of approval.

Applicants have one year following grant approval to satisfy collateral requirements and advance the project to the point where grant funds are requested and issued. If funds are not issued before 1-year deadline, the applicant will need to reapply for funds. Once funds are granted, applicants have one year to complete a project.

DISCRETION OF FUNDS

The Jordan Economic Development Authority (EDA) and City Council reserve the right to the discretion and restriction of the use of loan funds. Funds will vary and are available on a first come-first serve basis, while funds remain.

CONFLICT OF INTEREST

Conflict of Interest: The applicant shall submit the name(s) of the owner(s), shareholder(s), partner(s) sole proprietor, corporation member(s) or other person(s) or business(es) with any financial interest in the project and its financing in order to preclude any conflict of interest in the loan review and approval process.