



CITY OF PITTSFIELD

DEPARTMENT OF COMMUNITY DEVELOPMENT, CITY HALL, 70 ALLEN STREET, RM 205, PITTSFIELD, MA 01201

CITY OF PITTSFIELD SMALL BUSINESS FUND

PROGRAM DESCRIPTION:

The Small Business Fund provides loans to existing Pittsfield based small businesses. The grants and loans are designed to provide funding to businesses unable to obtain funding from commercial sources or in situations where commercial funding is not sufficient to meet needs. The source of funding for this program is the Pittsfield Economic Development Fund (formerly referred to as the GE Economic Development Fund). Funding can be combined with other business assistance provided directly by the City or through the Pittsfield Economic Revitalization Corporation (PERC).

Program requirements and funding levels build on the successful components of the City's existing business assistance programs, increasing the amount of funding available to existing small businesses. Program requirements also follow the guidelines established by the Pittsfield City Council, Rule 38, for use of the Pittsfield Economic Development Fund. The program is expected to assist 10-15 existing businesses.

Completed applications will be submitted to the Mayor, who will refer the application to PERC for review and development of a funding recommendation. The Department of Community Development (DCD) will administer the program and assist small businesses with the application process as well as provide staff support to PERC during their review process. PERC recommendations, documenting favorable approval by at least two-thirds of the PERC Board, will be forwarded to the Mayor for final decision. A decision by the Mayor which is not consistent with the recommendation of the PERC Board requires approval by the City Council with a two-thirds vote of those present and eligible. A line by line item report will be submitted twice a year to the City Council on the use of these funds.

FUNDING AVAILABLE:

Technical Assistance (capped at \$100,000.00)

- Up to \$20,000 per business
- Assistance will be in the form of a non-interest bearing, deferred payment 3 year loan
- In making its recommendation for funding, PERC will take into consideration the business' ability to:
 - provide matching funds
 - create at least one permanent full time job with benefits within the term of the loan.
- The loan may be forgiven at the end of the three year period, at the recommendation of PERC which shall take into consideration if the business has been able to create any new permanent full time jobs with benefits.
- Examples of uses of technical assistance:
 - Accounting services to plan restructuring of financing
 - Software and technical support for inventory and/or financial control
 - Manufacturing consultant to create a more efficient facility layout
 - Marketing consultant to devise plan for expanding into a new market segment
 - Legal, architectural, engineering services required for expansion and/or acquisition of new location
 - Other professional consulting services that improve business management

Working Capital

- Up to \$25,000 per business
- Wall Street Journal prime rate plus 1%
- Repayment may be deferred for up to 1 year, with up to 5 year repayment schedule.
- At least one permanent full time job with benefits created within two years and shall remain in place through the term of the financing.
- \$10,000 of the principal forgiven for each additional permanent full time job with benefits above the base job creation commitment; with these additional jobs to be in place a minimum of two years prior to the end of the financing period.
- Examples of uses of working capital loans:
 - Meeting cash flow needs while business expands and/or relocates
 - Purchase inventory needed to meet demand for product from major customer
 - Cover employee payroll costs during training period of launch into new product production
 - Other business cash needs

Capital Investments

- Up to \$100,000 per business
- Wall Street Journal prime rate
- Repayment may be deferred for up to 3 years, with up to 10 year repayment schedule

- At least one permanent full time job with benefits created within three years (or half way through the term of the financing whichever is shorter) for every \$20,000 of funding provided.
- \$10,000 of the principal forgiven for each additional permanent full time job with benefits created above the base job creation commitment; with these additional jobs to be in place a minimum of three years prior to the end of the financing period.
- Examples of uses of capital investment loans:
 - Real estate acquisition
 - Equipment acquisition
 - Computer hardware
 - Purchase of other business assets

ELIGIBILITY REQUIREMENTS:

- ◆ The business must be located in Pittsfield, be for profit, and be able to demonstrate that the business has been in existence for at least three (3) years. The business will also need to demonstrate, through its business plan and other supporting documentation that it can continue to succeed in the future. Locally owned and operated businesses that are subsidiaries of national or regional companies may be eligible at the discretion of the Mayor.
- ◆ This fund is intended to primarily assist Pittsfield based small manufacturing companies and service companies such as: financial and computer service companies; heating and cooling, cleaning, property maintenance and landscaping companies; construction firms and related trades; and other similar types of small businesses.
- ◆ Preference will be given to companies with less than 50 full time employees at the time of application.
- ◆ Applicants should be prepared to document the types of jobs being created, the wage ranges to be offered, and the benefits provided to employees.
- ◆ Applicant must commit to:
 - Providing quarterly payroll reports to the City; and
 - Reporting annually to the City, including an annual meeting with PERC to review the prior year's business accomplishments and the business plan for the coming year.

CONTACT:

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