

Shop Baltimore Loan Program

A. Description and Purpose

Administered by the Baltimore Development Corporation (BDC), the purpose of the Shop Baltimore Loan Program is to promote attractive and healthy neighborhood retail districts by providing flexible gap financing in the form of below-market interest rate loans to eligible retail businesses located in designated commercial districts, Retail Business District License (RBDL) areas, and Main Street districts.

B. How the Program Works

- Potential applicants meet with BDC Commercial Revitalization (CR) team member to discuss eligibility
- Applicants submit application to the CR Team.
- BDC determines whether proposed use is consistent with program's guidelines; if yes, BDC underwrites loan request
- BDC staff seeks approval from BDC Loan Committee
- BDC staff prepares loan documents; applicant executes loan documents
- BDC staff seeks Baltimore City Board of Estimates approval
- Disbursement of funds

C. Eligible Applicants

Retail businesses, including retail service providers, in designated commercial districts, Retail Business District License (RBDL) areas, and Main Street districts.

D. Eligible Uses of Funds

- Real estate acquisition for redevelopments and expansion
- Rehabilitation and new construction
- Leasehold improvements
- Facade improvements
- Machinery and equipment
- Certain other costs associated with opening or expanding a small business

E. Loan Terms*

- Maximum \$100,000, not to exceed 50% of total project costs (refinancing will not be considered under this program)
- 1% origination fee, \$150 application fee
- Interest rate is below market, based on underwriter's analysis
- Loan term is 10 to 15 years for real estate transactions depending on use and loan size
- Machinery and equipment terms will not exceed 125% of useful life of asset
- Minimum ten percent (10%) equity requirement from borrower
- Personal guarantees and collateral are required
- No prepayment penalties

Shop Baltimore Loan Program

F. Loan Criteria

- Project viability and potential
- Significant exterior improvements; removal of vacant, blighting building in a commercial corridor
- Impact of the project on its neighborhood
- First floor commercial or retail space use which generates street level activity
- Improvements to a vacant/underutilized building or site
- Introduction of needed goods or services to a neighborhood
- Creation of new jobs
- Readiness to proceed

G. Restrictions

- Priority is given to projects that strengthen neighborhood commercial districts and are part of a greater revitalization strategy. The following types of projects and activities will not be considered for NBDP financing:
 - o Refinancing
 - o Facilities such as community halls, fire stations, hospitals, colleges, or universities
 - o Adult bookstores, adult video shops, other adult entertainment facilities, gambling facilities,
 - o gun shops, liquor stores, blood or plasma donor center, massage parlors, pawn shops, or tanning salons

H. Small Business Resource Center (SBRC)

- The SBRC is prepared to provide technical Assistance to those applicants who may need additional assistance in putting together their loan proposals.

The Small Business Resource Center is located at:

1101 East 33rd Street, Suite C-307
Baltimore, Maryland 21218
(443)451-7160
ptaylor@sbrcbaltimore.com

For Additional Information Contact:

William L. Beckford, Director
Commercial Revitalization
Baltimore Development Corporation
36 S. Charles Street, Suite 1600
Baltimore, Maryland 21201
410-837-9305
wbeckford@baltimoredevelopment.com

* These terms subject to change without notice

Updated 01-25-05