



MARBITCO

## **Application for the Maryland Urban Agriculture Commercial Lending Incentive Grant**

Beginning urban farmers face major challenges, but despite these challenges they are uniquely positioned for niche food business success due to several characteristics. Because beginning urban farmers operate small growing operations and must maximize productivity, they are known to be innovative, thrifty and resourceful. In addition, they are keenly aware of the interaction between their farming operations, the environment, and the community in which they operate. They know how to market and distribute their fresh products locally in an impactful and profitable manner, particularly in retail settings (e.g., farmers markets, sidewalk stands, etc.). Some urban farmers do not utilize just one distribution channel, but they optimize their distribution channel mix (both wholesale and retail) to achieve desired business results.

Despite these advantages, the up-front costs of starting a growing operation are typically too great for many beginning urban farmers, and few financing programs are available to help meet their needs, particularly with respect to "equity capital". For many beginning urban farmers, a very small amount of equity capital could make a significant difference in helping these business owners to obtain bank financing (commercial loans) that facilitates business success. With the support of Farm Credit, MARBITCO's Maryland Urban Agriculture Commercial Lending Incentive Grant (MUACLIG) is designed to meet this need, by providing an incentive for beginning urban farmers to seek commercial lender financing for the development of their urban agricultural enterprises, including the purchase of a farm property in an eligible urban area.

### **Program Description**

The Maryland Agricultural and Resource-Based Industry Development Corporation (MARBITCO) was created with a mission to assist Maryland's farm, forestry, and seafood businesses with achieving profitability and sustainability, promoting agricultural entrepreneurship, and nurturing emerging food and fiber markets. MARBITCO has partnered with Horizon Farm Credit to establish and manage a fund to offer grants of between \$1,000 and \$15,000 for equipment and working capital and up to \$35,000 for real estate purchases.

**Eligible applicants** must be Beginning Urban Farmers, which are defined as being farmers (either individuals or incorporated businesses) with the principal operator(s) having:

- ten or fewer years of commercial farming experience – either in a for-profit or not-for-profit setting or having limited personal or business financial resources (net worth less than \$300,000);
- a commercial food/fiber growing operation located in an urban area as defined by the United States Census Bureau and any incorporated municipality recognized by the State of Maryland
- ; and

**Eligible business activities** include the purchase of:

- real estate
- agricultural inputs and supplies such as seed, fertilizer, compost, and baskets;
- farm tools and equipment;
- greenhouses, high tunnels, refrigeration, and irrigation systems; and
- hired labor (at no more than 20% of the total eligible project cost).

**Commercial lender funds are required to complete the project.** Applicants must verify in their application that commercial lender or Farm Service Agency loan proceeds are available to help complete the proposed farming project.

Applicants that are awarded grants may not materially deviate from their approved business plans without approval from MARBIDCO and the participating commercial lender.

**MUACLIG Grant Terms and Conditions**

- Maximum Amount of Grant: \$15,000 for equipment and working capital and \$35,000 for real property, but no more than 25% of the project’s total cost. In addition, the grant amount can be no more than 33% of the amount of the approved commercial loan for this project.
- Minimum Amount of Grant: \$1,000. (This means that there must be an approved commercial loan of at least \$3,000.)
- Commercial Lender Participation: Required. A commercial lender must have approved a loan to fund the proposed urban farming project before a grant will be awarded.
- Disbursement of Funds: Funds will be disbursed to approved applicants on a schedule to be determined when the grant is awarded.
- Send Completed Applications to: MARBIDCO Programs  
1410 Forest Drive, Suite 21  
Annapolis, MD 21403

**How did you hear about this MARBIDCO financial program? Please check a box below:**

- Search Engine (Google, Bing, etc.)
- Social Media
- Recommended by a Friend
- Event table
- MARBIDCO Newsletter
- Advertisement, where:

- Referred by:**
- Maryland Dept. of Agriculture
  - Maryland Dept. of Commerce
  - County Agricultural or Econ. Development Office
  - UMD Extension
  - Commercial Bank or Farm Credit
  - Other:

**Application for the Maryland Urban Agriculture Commercial Lending Incentive Grant**

**SECTION 1: SPONSORING LENDER INFORMATION**

*(To be completed by a sponsoring bank or Farm Credit Association representative.)*

Loan Officer Name \_\_\_\_\_ Title \_\_\_\_\_

Work Telephone \_\_\_\_\_ E-mail \_\_\_\_\_

Mobile Telephone \_\_\_\_\_ Fax Number \_\_\_\_\_

Lending Institution Name \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

County \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

**GRANT REQUEST INFORMATION**

**Total Amount of Project Cost:** \_\_\_\_\_

**Total Amount Provided by the Sponsoring Lender:** \_\_\_\_\_

**Total Amount Requested from MARBIDCO:** \_\_\_\_\_

**Other Funding/Applicant Investment:** \_\_\_\_\_

**Lender Terms:** \_\_\_\_\_ **Interest rate to be charged:** \_\_\_\_\_ (Fixed or Variable)

Use of Funds	Amount
	\$
	\$
	\$

**Sources of Equity and/or Matching Funds:**

Source	Amount
<i>Borrower</i>	\$
<i>MARBIDCO (Same amount requested above)</i>	\$
<i>Other (Please identify source: _____)</i>	\$
<i>Other (Please identify source: _____)</i>	\$
<b>Total</b>	\$

**COLLATERAL (If Applicable)**

*(List all collateral that the Lender is using for security for the loan and any other lien holders on each item of collateral.)*

Collateral	Value	Lien Holders	Lien Amount
	\$		\$
	\$		\$
	\$		\$

**LENDER CERTIFICATION**

I certify that the above information is accurate to the best of my knowledge.

**Loan Officer Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**SECTION 2: GRANT RECIPIANT INFORMATION**

Business/Farm Name \_\_\_\_\_

Business Address \_\_\_\_\_ County \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Contact Person \_\_\_\_\_ Title \_\_\_\_\_

Work Telephone \_\_\_\_\_ E-mail \_\_\_\_\_

Home Telephone \_\_\_\_\_ Mobile Phone \_\_\_\_\_

**BRIEF DESCRIPTION AND HISTORY OF BUSINESS**

*(Include details and history of your operation and experience of principal business owner(s).)*

**SECTION 3: BUSINESS INFORMATION**

**BUSINESS STRUCTURE**

Year & State Established/Incorporated \_\_\_\_\_

Corporation  Partnership  Proprietorship  LLC (NAICS Code \_\_\_\_\_)

**EMPLOYMENT DATA**

# of full-time jobs current \_\_\_\_\_ # of NEW full-time jobs projected within 36 months \_\_\_\_\_

# of part-time jobs current \_\_\_\_\_ # of NEW part-time jobs projected within 36 months \_\_\_\_\_

**MANAGEMENT/OWNERSHIP**

1-Name \_\_\_\_\_ Title \_\_\_\_\_

Social Security # \_\_\_\_\_ Date of Birth \_\_\_\_\_ % Ownership \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip Code \_\_\_\_\_ Telephone \_\_\_\_\_

2- Name \_\_\_\_\_ Title \_\_\_\_\_

Social Security # \_\_\_\_\_ Date of Birth \_\_\_\_\_ % Ownership \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip Code \_\_\_\_\_ Telephone \_\_\_\_\_

3- Name \_\_\_\_\_ Title \_\_\_\_\_

Social Security # \_\_\_\_\_ Date of Birth \_\_\_\_\_ % Ownership \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip Code \_\_\_\_\_ Telephone \_\_\_\_\_

4- Name \_\_\_\_\_ Title \_\_\_\_\_

Social Security # \_\_\_\_\_ Date of Birth \_\_\_\_\_ % Ownership \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip Code \_\_\_\_\_ Telephone \_\_\_\_\_

**DECLARATIONS**

*If answering "yes" to any of these questions, please provide an explanation on a separate sheet and attach.*

- 1. Is the business or any of the top management personnel a party to any claim or lawsuit?     Yes                       No
- 2. Has the business or any of the top management personnel ever declared bankruptcy?     Yes                       No
- 3. Does the business or any of the management personnel owe any taxes for prior years?     Yes                       No

**SECTION 4: PROJECT INFORMATION**

**A) BRIEF DESCRIPTION OF THE URBAN AG PROJECT**

**Location of growing operation (neighborhood or community name and site address):**

**List products to be grown:**

**Describe growing methods (including a mention of inputs and water availability):**

**What labor that will be needed and when?**

**Where will the products be sold?**

**How has the community been engaged in planning this project?**

**Do you have any required government licenses and permits?**

**B) BRIEF DESCRIPTION OF HOW THE LOAN AND GRANT FUNDS WOULD BE USED:**

**OTHER PROJECT ADVISOR(S) (If Applicable)**

1-Name \_\_\_\_\_ Title \_\_\_\_\_

Institution/Firm \_\_\_\_\_

Work Telephone \_\_\_\_\_ E-mail \_\_\_\_\_

1-Name \_\_\_\_\_ Title \_\_\_\_\_

Institution/Firm \_\_\_\_\_

Work Telephone \_\_\_\_\_ E-mail \_\_\_\_\_

**SECTION 5: SIGNATURES**

**CERTIFICATION**

I/We certify all information in this application and the attachments is true and complete to the best of my/our knowledge.

Signature \_\_\_\_\_ Signature \_\_\_\_\_

Printed Name \_\_\_\_\_ Printed Name \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_ Signature \_\_\_\_\_

Printed Name \_\_\_\_\_ Printed Name \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

**SECTION 6: ATTACHMENTS**

**ATTACHMENTS CHECKLIST**

1. Commercial Lender loan commitment letter/agreement and term sheet
2. Proposed business and marketing plan (if available)
3. Proposed project budget/detailed expenses list
4. Two years of Federal income tax returns (if available)
5. Balance Sheet

**Note:** MARBIDCO agrees to hold Recipient's Application and Financial Reports in confidence to the extent reasonably permitted by Title 4 of the General Provisions Article of the Annotated Code of Maryland. Notwithstanding the foregoing, MARBIDCO shall not be obligated to maintain in confidence any information: 1) which was already known to MARBIDCO; or, 2) which is or comes into the public domain through no fault of MARBIDCO; or, 3) which is independently developed by MARBIDCO; or, 4) which comes to MARBIDCO from a third party which is not in violation of any obligation of confidentiality to Applicant or MARBIDCO.