

METCO Loan Programs



ONE LOUISVILLE

The **Metropolitan Business Development Corporation** (METCO) administers Louisville Metro's small business and mixed-use property loans for new and expanding businesses in Jefferson County. Loans can be used for start-up and expansion costs, including equipment purchases, buildout, and working capital, as well as for commercial property improvements. Loan applications are evaluated on: business plan, financial feasibility, owner experience, and credit-worthiness. Collateral is required for all METCO loans except the Business Accelerator Loan.

Small Business Start Up/Expansion Loans

MidiLoan – Loans are \$15,000 - \$50,000 at a minimum interest rate of 5%, repayable over 5 years.

Business Accelerator Loan – For small businesses in low to moderate income neighborhoods without access to collateral or commercial lending. For businesses open less than 1 year, loans are \$15,000 - \$30,000. Businesses open more than 1 year may apply for up to \$50,000. Loans are repayable over 7 years at an interest rate of 8%. No collateral required.

Commercial Property Loans

Collateral will include the improved property; additional collateral may be required.

Façade Loan – Provides financing for exterior property improvements to revitalize neighborhood commercial corridors. Eligible expenses include storefronts, masonry repair, door and window replacements, siding, painting, etc. **(Roofs and carpentry, signage, and landscaping, sidewalks are not eligible.)** Loans are \$15,000 - \$100,000, at an interest rate of 3%, repayable up to 10 years.

Accessibility Loan – Provides financing to improve building accessibility and ADA-compliance. Eligible expenses include interior and exterior accessibility improvements. Loans are \$5,000 - \$15,000 at an interest rate of 3%, repayable over 4 years.

Commercial Renovation Loan – Provides financing for the renovation of a commercial property that is otherwise unsuitable for the operation of a business, or for commercial lease. Loans are \$15,000 - \$250,000 or more, at an interest rate of 3%, repayable up to 10 years.

Project Gap Loans

Gap Financing Loan – Provides project gap financing of up to 25% of project budget. Borrower must either have a primary lender in place, or have been declined by a commercial lender. Eligible expenses include: equipment, furnishings/fixtures, supplies, inventory, and working capital. Loans are \$15,000 - \$200,000, at a minimum interest rate of 5%, and repayable up to 10 years.

Small and Disadvantaged Gap Financing Loan – Provides project gap financing of up to 50% of project budget. All other terms of the Gap Financing Loan apply.

Specialty Loans

GoGreenLoan – Provides financing for energy-efficiency upgrades or businesses creating green products or services. Loans are \$15,000 - \$200,000 or more, at a minimum interest rate of 3%, repayable up to 10 years.

Louisville Agribusiness Loan – Provides financing to businesses that process, distribute, or otherwise add value to food grown by Kentucky farmers. Loans are \$15,000 - \$250,000 at a minimum interest rate of 3%, repayable up to 10 years.

Brownfield Cleanup Loan – Provides financing to prospective and existing property owners for the environmental cleanup costs of eligible brownfields so the property may be returned to productive use.

To learn more or to apply, visit:
onelouisville.org/metco

Business Incentive Programs

As you start and grow your business, the Louisville Forward team is ready to assist you with applicable public incentives. In addition to the METCO Loan Program, Louisville Metro and the state of Kentucky have tax abatement programs to save you money as you grow your business.

MANUFACTURING TAX MORATORIUM

This program allows companies tax relief for locating or expanding a manufacturing facility in Louisville Metro. The Manufacturing Tax Moratorium allows property taxes to be abated for five years for a new manufacturing company locating in, or moving into, Louisville Metro; or the increased value of a building/equipment for an existing manufacturing company that is expanding its operations for a new product line in Louisville Metro.

<https://www.louisvillealliance.org/incentives>

PROPERTY ASSESSMENT MORATORIUM

The Property Assessment/Reassessment Moratorium allows the waiver of the local incremental tax value for added improvements from the assessment of a structure for five years. The following properties are eligible:

- Structures older than 25 years are eligible if improvements are at least 25% of the property's value; or
- Structures in a qualifying target area (a census tract where at least 70% of the residents are below 80% of the median income for Jefferson County) are eligible if improvements are at least 10% of the property's value; or
- The qualifying property will, at the conclusion of the improvement plan, be LEED-certified.

www.louisvilleky.gov/government/construction-review/tax-moratorium

KENTUCKY SMALL BUSINESS TAX CREDIT PROGRAM

This program offers between \$3,500 and \$25,000 per year for small businesses that have:

- Hired and sustained at least one, full-time new job in the last year, earning a minimum of \$10.88/hour
- Purchased at least \$5,000 in qualifying equipment or technology

Businesses with 50 or fewer employees are eligible for the program. The amount of the tax credit depends on how many jobs were created and the amount of investment made.

<https://ced.ky.gov/Entrepreneurship/KSBTC>

BROWNFIELD Loans

Louisville Metro Government offers below-market rate loans to support environmental cleanup of brownfield properties. Loan funds can be applied to the environmental cleanup portion of a brownfield redevelopment project and are available to both current property owners and prospective purchasers. For more information, please visit:

<https://louisvilleky.gov/government/office-planning/brownfield-redevelopment>

To learn more or to apply, visit:
onelouisville.org/metco