

RESTAURANTS AND COVID-19

Central to the vibrancy and success of the borough's tourism-based economy are the restaurants that serve the countless hungry visitors each year. COVID-19 has struck a blow to these businesses, adversely affecting the livelihoods of so many Gettysburg residents who make a living in the industry. The virus itself, coupled with strict restrictions designed to curtail its spread have led to reduced revenues, job losses, and permanent closures for many restaurants.

While some improvement was seen in the industry during the summer months, recent case numbers have led to the return of restrictions imposed at the federal level. Recognizing many restaurants in the borough cannot survive the entire winter with these restrictions, the borough has implemented a loan program to help restaurants survive the new round of restrictions.



**The Emergency
Restaurant Zero
Interest Loan
Program
(ERZILP) aids
restaurants who
have struggled
throughout the
COVID-19
pandemic.**



**Emergency
Restaurant
Zero Interest
Loan Program**

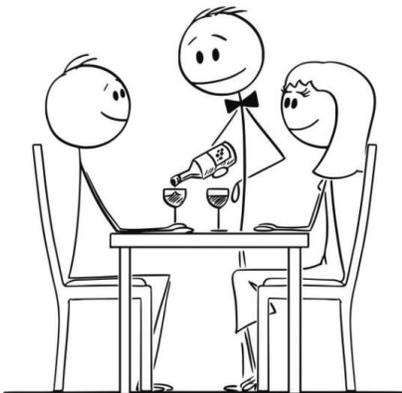
**59 EAST HIGH STREET
GETTYSBURG, PA 17325
717-334-1160
WWW.GETTYSBURGPA.GOV
CGABLE@GETTYSBURGPA.GOV**

ERZILP

The Emergency Restaurant Zero Interest Loan Program offers a minimum of \$3,000 and a maximum of \$50,000 loans to assist restaurants that have experienced substantial revenue losses as a result of COVID-19 or COVID-19 related restrictions. This loan is intended to assist with overhead costs, payroll expenses, and inventory costs. Regardless of the principal amount loaned, each loan will have a 0% interest rate for the full length of the term. Funding for this loan comes from Fund 40, the Borough's revolving loan fund.

To be eligible, a restaurant must prove revenue losses and meet the criteria listed in this brochure. This loan is not intended to serve as capital for the completion of new projects.

To apply, please visit the Borough's website and submit a complete application as well as attach the necessary documentation listed with the application. Applications for first-round loans will be open until February 28th, 2021, with the possibility of a second round if funds still remain.



TERMS OF THE LOAN AND REPAYMENT

This loan has a maximum term of 5 years and payments must be made monthly starting in the third year. An invoice will be sent by the borough starting in the 24th month and each month thereafter until the loan is repaid. A \$95 processing fee will be included in the repayment schedule. Applications for this loan will be accepted from early January to February 28th. Each loan will have a 0% interest rate.

Loans can only be used for rent, utilities, payroll, and inventory costs. Loan amounts cannot exceed the total amount of short-term costs. Restaurants must have been open for at least four years to be eligible for this loan. Each individual who owns at least 20% of the restaurant must provide their information in the application and sign a Personal Guarantee.



LOAN REQUIREMENTS

- Restaurant must be a non-franchise located in the Borough of Gettysburg.
- Restaurant must have been open for 4 years and employed at least 10 employees in 2019.
- Restaurant must have provided dine-in services in 2019.
- Demonstration of 50% revenue loss from Q2 of 2019 to Q2 of 2020.
- Must be current on all taxes.
- Completion of the appropriate loan application.
- Proof of insurance.
- Proof of worker's compensation.
- Signature of a Personal Guarantee.
- Two trade references (with application)

To see the full list of required paperwork and criteria, please observe the requirements checklist located at the end of each loan application. For information regarding interest rates, review the interest rate tables posted on the website. Please do not hesitate to reach out with questions or to get started on an application today!





Gettysburg Borough Emergency Restaurant Zero Interest Loan Program (ERZILP)

A financial program to assist local Gettysburg Borough Restaurants respond to the ongoing mandated closures and capacity restrictions necessitated by the Coronavirus Pandemic.

About This Program and Intent:

The COVID-19 Pandemic has brought unique challenges to communities that operate tourism-based economies. Restaurants have been heavily impacted by COVID-related restrictions put in place by other levels of government. The local industry is in obvious danger of collapse. Gettysburg Borough seeks to respond to restrictions recently enacted by the state that again limit indoor dining operations. The Borough hold funds restricted for use as an economic development tool in Fund 40, more commonly known as the Revolving Loan Fund. These monies will be loaned to Borough restaurants to assist them in bridging the gap between the current date and the time where indoor dining operations can resume. These loans are intended to aid struggling restaurants who have seen significant revenue loss and meet the criteria listed below. The Borough of Gettysburg reserves the right to alter the terms of this program.

ERZILP Open Enrollment Period:

The enrollment period will expire on February 28, 2021. The Borough Council may call for a second round of applicants if funds remain available. Loans will be provided on a first come first serve basis until funds have been exhausted.

Applicant Expectations:

1. Applicant must submit the following:
 - a. Completed application
 - b. Required documentation
 - c. Signatures on all loan documents
2. Applicant must allow for monitoring of the loan's intended use
3. Applicant must provide at least two (2) trade references to demonstrate the ability to repay the loan
4. Applicant must provide a Personal Guarantee once loan is approved
5. Applicant must use the loan in accordance with the program's intended uses

Applicant Criteria:

1. Applicant must have provided dine-in services during the second quarter (Q2) of 2019
2. Applicant must demonstrate at least a 50% loss in food/beverage revenue when comparing the second quarter (Q2) of 2020 to the second quarter (Q2) of 2019
3. Applicant business must be a non-franchise restaurant
 - a. Restaurant has been in operation for four (4) or more years
 - b. Restaurant brick and mortar location AND over 75% of said business' operations must be physically located within the geographic boundaries of Gettysburg Borough
4. Applicant must have employed no less than ten (10) individuals throughout 2019
 - a. The business' owner(s) must be excluded from the calculation above
5. Applicant must be current on all local, state, and federal taxes

Intended Uses:

1. Overhead costs (i.e., rent, utilities, etc.)
2. Payroll expenses
3. Inventory or other goods/products for sale

NOTE: This program is not intended for capital purchases, building repairs, signage, or other items of this nature

Loan Terms:

1. Loan amount:
 - a. Minimum \$3000
 - b. Maximum \$50,000
2. Repayment term
 - a. Maximum loan repayment term is sixty (60) months (five years)
 - i. No payments due in first twenty-four (24) months (two years)
 - b. A monthly invoice indicating amount due and due date will be issued in the 24th month of the loan and each month thereafter until loan is repaid.
3. A one-time application and processing fee of \$95 (ninety-five dollars) will be added to the loan amount and incorporated into the loan repayment schedule.
4. No penalties for early repayment
5. In the event the property for which the loan was made is sold by the Borrower or the Borrower's estate, any remaining balance on the loan must be repaid in full within 60 days of the settlement of the sale
6. In the event the business for which the loan was made relocates outside of Gettysburg Borough, any remaining balance on the loan must be repaid within 60 days of the business' relocation
7. Collateral: Each loan will be secured with a Personal Guarantee signed by the Borrower
8. Insurance: Proof of personal or business insurance must be provided prior to approval of the loan.

Program Management:

1. Oversight: The application for the ERZILP Loan Program and all supporting documentation will be completed and submitted online via ADOBE Sign or other platform/method as designated by the lender.
 - a. The Borough Manager, Borough Accountant, and a member of Borough Council will determine if the applicant meets the program's criteria and is eligible for the loan.
 - i. If rejected, the applicant will be notified via email
 - ii. If accepted, the terms of the loan will be emailed to the applicant and the loan will be disbursed within 7 business days of notification of acceptance.
2. Upon completion of each year of the loan's term, the restaurant must file a report with the Borough outlining their use of the funds and any applicable repayment progress. The Borough will send the borrower the necessary forms for this report on or about the anniversary date of the loan's disbursement.
3. Funding: Funding for this program comes from Fund 40, the Revolving Loan Fund. Monies

in this fund have been designated for use in the Historic District Revitalization Revolving Loan Program, however, the Borough Council has expanded its use Borough-wide for this specific purpose. The ERZILP takes precedence in this emergency scenario and will have the option to access all existing funds in Fund 40.

Penalties and the Default Process:

1. In the event of a returned check marked insufficient funds, the Borough will charge the Borrower a fee equal to its incurred bank charges, plus a \$40 processing fee for each occurrence
2. After a loan payment is late by 90-days, the Borough of Gettysburg will provide a written notice that they intend to seek action to recoup the full amount of the loan's remaining payments:
 - a. The Borough Accountant will report the default to major credit reporting agencies
 - b. Assets listed under the Personal Guarantee will be seized by the Borough until the value of the assets matches the value of the remaining loan payments and the value of legal fees incurred by the Borough Solicitor



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A financial program to assist local Gettysburg Borough Restaurants respond to the ongoing mandated closures and capacity restrictions necessitated by the Coronavirus Pandemic.

Emergency Restaurant Zero Interest Loan Program (ERZILP)

Program Application and Approval Process

STEP 1 – Provide Initial Information and Documentation

Please complete the application attached and save a copy. Send this application and all required documentation listed below to CGable@GettysburgPA.gov under the subject “**ERZILP Application**”. Please complete the checklist below to ensure all necessary documentation and the completion of the application packet.

- Copy of Completed Application (see below)
- Cash Flow Statements for 2019 and 2020 to prove revenue loss from previous year
- Tax Return for 2019 to prove number of employees
- Proof of insurance
- Proof of worker’s compensation
- Personal Guarantee form (see application description on website for link)

STEP 2 – Loan Request and Approval

- The loan request will be reviewed by a committee comprised of Borough Council and staff members.
- If the business meets all criteria and is deemed eligible, the applicant will be notified of approval, and conversely of a denial.

STEP 3 – Loan Closing

- The loan will be disbursed within 7 business days of approval.
- All signatures will be completed remotely via ADOBE Sign. Other options will be considered on a case-by-case basis if online methods are too onerous.

ERZILP Application

Restaurant Information

Section I

Applicant (Business Name in Full): _____

Business Address: _____

Business Structure:

- Sole Proprietorship LLC LLP S Corp C Corp

Date Business was Established: _____

Employment Identification Number (EIN): _____

Total Full-Time (FT) Employees in 2019 (excluding owners): _____

Total Part-Time (PT) Employees in 2019: _____

Average Gross Monthly Payroll: \$ _____

Monthly Rent or Mortgage: \$ _____

Other Monthly Overhead: \$ _____

Please list other overhead expense types:

Net Revenue Generated in 2019 Q2: \$ _____

Net Revenue Generated in 2020 Q2: \$ _____

Is the applicant business current on all local, state, and federal taxes? Yes No

Did the applicant restaurant provide dine-in services in Q2 of 2019? Yes No

Is the applicant restaurant a franchise? Yes No

Is this a female or minority-owned business (Optional) Yes No

Section II

Owner Information (must own at least 20% of the business)

Owner 1 Information:

Name: _____ Social Security #: _____

Percent of Ownership: _____

Mailing Address: _____

Phone: _____ Email: _____

Have you ever filed for bankruptcy? Yes No

If YES, what year(s)? _____

Have you ever had any legal judgements filed against you? Yes No

If YES, what year(s)? _____

Are you delinquent on any local, state, or federal taxes? Yes No

If YES, what year(s)? _____

Owner 2 Information:

Name: _____ Social Security #: _____

Percent of Ownership: _____

Mailing Address: _____

Phone: _____ Email: _____

Have you ever filed for bankruptcy? Yes No

If YES, what year(s)? _____

Have you ever had any legal judgements filed against you? Yes No

If YES, what year(s)? _____

Are you delinquent on any local, state, or federal taxes? Yes No

If YES, what year(s)? _____

Owner 3 Information:

Name: _____ Social Security #: _____

Percent of Ownership: _____

Mailing Address: _____

Phone: _____ Email: _____

Have you ever filed for bankruptcy? Yes No

If YES, what year(s)? _____

Have you ever had any legal judgements filed against you? Yes No

If YES, what year(s)? _____

Are you delinquent on any local, state, or federal taxes? Yes No

If YES, what year(s)? _____

NOTE: If more than 3 owners, please provide the same information for each additional owner.*

Loan Information

Loan Amount Requested (cannot exceed \$50,000): \$ _____

Loan Term Requested (cannot exceed 5 years): _____

Please provide a brief description of how the restaurant will use these funds:

Trade References:

Reference 1:

Vendor/Company: _____ Contact Name: _____

Phone: _____ Email: _____

Reference 2:

Vendor/Company: _____ Contact Name: _____

Phone: _____ Email: _____

Application Certification:

I/We authorize the Borough of Gettysburg to make inquiries as necessary to verify the accuracy of the statements made and to determine my/our creditworthiness. I certify the above and the statements contained in the attachments are true and accurate as of the stated date. These statements are for the purpose of obtaining a loan, guaranteeing a loan, or continuing credit. I/we understand FALSE statements may result in forfeiture of benefits and possible prosecution.

Owner 1:

Name: _____

Signature: _____ Date: _____

Job Title: _____

Owner 2:

Name: _____

Signature: _____ Date: _____

Job Title: _____

Owner 3:

Name: _____

Signature: _____ Date: _____

Job Title: _____

PERSONAL GUARANTY AGREEMENT

This Personal Guaranty Agreement is made this _____ day of _____, 2021, by _____, (the "Guarantors") to The Borough of Gettysburg, 59 E. High Street, Gettysburg, Pennsylvania (the "Lender").

Background of Agreement

_____ has entered into a Note with Lender dated _____ (the "Note") for a loan from Lender to _____.

NOW, THEREFORE, in order to induce Lender to make the Loan to _____ and for other good and valuable consideration, the receipt of which is hereby acknowledged, Guarantors do hereby agree as follows:

1. **Unconditional Guaranty of Payment and Performance.** Guarantors absolutely and unconditionally promise and guaranty to Lender the due and punctual payment and full and faithful performance of all amounts and obligations required to be paid or performed by _____ pursuant to the Note when and as the same shall become due and payable or subject to performance, whether at maturity, by acceleration or otherwise according to the terms of the Note.

2. **Confession of Judgment Against Guarantors.** If any amount due Lender under the Note remains unpaid or if _____ is in default under any of the terms of _____ agreements with Lender, then Guarantors hereby authorize and empower irrevocably the Prothonotary, Clerk of Court or any attorney of any Court of record to appear for Guarantors in such Court at any time and confess judgment in favor of Lender, with or without the filing of an averment or declaration of default, for such amount as may appear to be unpaid, all interest due thereon and all reasonable costs

incurred in connection with the collection of such amount, together with reasonable attorney's fees. The authority herein granted shall not be exhausted by one exercise thereof, but judgment may be confessed as aforesaid from time to time and as often as any default shall occur hereunder.

Guarantors acknowledge that they understand the meaning and effect of the confession contained in the foregoing paragraph. Specifically, Guarantors understand among other things that:

- a. Guarantors are relinquishing the right to have notice except as provided herein, an opportunity to be heard and the right to have the burden of proof of default rest on the judgment creditor prior to the entry of judgment;
 - b. The entry of judgment may result in a lien on Guarantors' property;
 - c. Guarantors will bear the burden and expense of attacking the judgment and challenging execution on the lien and sale of the property covered thereby; and
 - d. Enough of Guarantors' property may be taken to pay the principal amount, interest, cost and attorney's fees.
3. **Cost of Collection and Legal Fees.** In addition to all the sums payable hereunder, Guarantors agree to pay the reasonable costs and expenses incurred by Lender in connection with all action taken to enforce collection under this Guaranty, whether by legal proceedings or otherwise, including reasonable attorney's fees and court costs.
4. **Absolute and Unconditional Nature of Guarantors' Obligation.** The liability of Guarantors under this Guaranty is absolute and unconditional, without regard to the liability of any other person. Guarantors' liability will not in any manner be affected by reason of any action or not taken by Lender, which action or inaction is herein consented and agreed to.

5. **Guarantors' Consents and Waivers.** Guarantors hereby:
- a. Consent that Lender may without Guarantors' consent and without affecting Guarantors' obligations,
 - i. exchange, release or surrender any collateral now or hereafter held as security or the obligations of _____ guaranteed hereunder;
 - ii. renew, extend or modify the terms of any of the obligations guaranteed hereunder or any instrument or agreement evidencing the same.
6. **Successors and Assigns.** This Guaranty will inure to the benefit of Lender, its successors and assigns, and will be binding upon Guarantors, their successors and assigns.
7. **Term of Guaranty.** This Guaranty shall be effective from the date hereof until payment in full of all amounts due under the Note or any of _____ agreements with Lender.

IN WITNESS WHEREOF, Guarantors, intending to be legally bound hereby, have executed this Personal Guaranty Agreement for the purposes herein stated this _____ day of _____, 2021.

ATTEST:

Guarantor's Signature

Guarantor's Printed Name