



**City of Belle Plaine
Economic Development Authority**

**REVOLVING LOAN FUND POLICY
2018**

Belle Plaine Economic Development Authority

Members

Rick Krant, President, 2018

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Council Liaison Chris Meyer

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**POLICY AND PROCEDURES FOR THE REVOLVING LOAN FUND OF THE BELLE
PLAINE ECONOMIC DEVELOPMENT AUTHORITY (BPEDA)
IN AND FOR THE CITY OF BELLE PLAINE**

I. PURPOSE

The purpose of the Revolving Loan Fund (RLF) is to establish a low interest loan program to provide the capability and incentive for owners and tenants of new and existing businesses to upgrade the appearance, structural condition, and operating efficiency of their places of business, thereby improving their marketability and retaining and expanding job opportunities.

II. GOALS FOR THE USE OF RLF FUNDS

By providing low interest loans to existing or new businesses, the BPEDA has established the following goals:

1. The project will remove, prevent or reduce slums and/or blight, thereby protecting property values and the general public's health, safety and welfare.
2. The project must be a conforming use in the Zoning District in which it is located and generally consistent with the City of Belle Plaine's Comprehensive Plan.
3. The project use of the RLF requires quality construction and must promote the highest and best use of the land.
4. The project will not significantly or adversely increase the impacts on existing utility service needs in the City.
5. The project must meet the design guidelines established by the Belle Plaine Zoning Ordinance, and Belle Plaine Design Manual.
6. The project should seek to utilize local contractors, suppliers, vendors, professionals, and/or financial institutions.

III. QUALIFYING IMPROVEMENTS AND USE OF FUNDS

RLF proceeds may be used for the following purposes:

1. To improve the exterior appearance of buildings and property, land or building acquisition; building construction; expansion, renovation and/or modernization of buildings; façade improvements; or energy efficiency improvements within the City of Belle Plaine.
2. For interior improvements to a building; in addition to the goals set forth in Section II above, the loan must be made for one or more of the following:
 - A. Job creation and/or retention,
 - B. Required compliance with an existing Building Code violation,
 - C. Necessary to obtain a valid certificate of occupancy from the City of Belle Plaine,

- D. Meet any City approved economic development or redevelopment plans and goals,
 - E. Meet any City sponsored or established design guidelines; or
 - F. Prevention or elimination of slums or blight.
3. Other fixed asset financing, including machinery and equipment, solely for the purpose of job creation and/or retention. These items must be defined to have a useful life of at least five (5) years.

Loan proceeds may NOT be applied to work in process or purchases already made at the time of application. Additionally, loan proceeds may not be applied to properties located in the flood plain, refinancing existing debts, non-fixed asset improvements, “soft” costs, working capital, inventory, or sweat equity (payment for the applicant’s own labor and performance for construction or improvements. Qualifying Improvements must begin construction (Section III, Items 1 and 2) or be purchased (Section III, Item 3) within 90 days of loan closing, unless an extension is requested and approved.

IV. APPLICANT ELIGIBILITY

Applicants may be individual owners, partnerships, corporations, tenant operators, or contract for deed purchasers of property and building within the City of Belle Plaine and shall provide all documentation of entity status requested in the application forms. Applicants must have the ability to repay the loan and be an acceptable credit risk as determined by the participating lender and/or by the BPEDA.

V. NATURE OF LOANS

The BPEDA will review each loan application, pursuant to the goals and policies set forth in this document, on a case by case basis.

- 1. Minimum Loan Amount. The minimum loan amount shall be \$5,000.
- 2. Maximum Loan Amount. The maximum loan amount is at the discretion of the BPEDA but shall not exceed 75% of the funds on deposit in the RLF; or 40% of the total project cost for land/building purchase/construction/renovation, or 25% of the total purchase price of machinery or equipment; whichever is less.
- 3. Loan Terms. The terms for any loan will be determined by the BPEDA, depending on the purpose of the funds, based on the parameters outlined below:

<u>Loan Purpose</u>	<u>Limits</u>	<u>Maximum Term*</u>	<u>Rate**</u>
Land/Building Purchase; Building Construction or Renovation	The BPEDA loan may not exceed 40% of project cost	10-years	2.50%
Purchase of Machinery or Equipment	The BPEDA loan may not exceed 25% of purchase price	7-years	3%

*The term for any loan will be determined by the BPEDA

**The interest rate will be a fixed rate, and set at 2% below the prime interest rate established at the time of closing, or the percentage allowed depending on the use of the RLF proceeds, based on this chart, whichever is greater

4. Equity Participation. There shall be a minimum of 10 percent equity investment of total project costs required of all applicants.
5. Loan Costs. The applicant is responsible for all hard loan costs such as title opinions, appraisals, filing fees, abstracting costs, recording fees, legal fees, fees pertaining to production of loan documents, and mortgage tax.
6. Payments on the loan shall be allocated first to interest due, then to principal due, then to reasonable collection costs.
7. Documentation. Each loan shall be supported by a loan agreement providing the terms of the assistance. The Borrower's repayment obligation shall be evidenced by a promissory note. Other documentation required includes any security documents described in Section 7 hereof. All required documents must be executed before funds can be disbursed.
8. Loan Security and Guarantees. The applicant must be able to secure the loan with a first or second position mortgage upon the building, land, and/or assets involved or other approved collateral. If machinery or equipment owned by the Borrower is proposed as security a first or second position security interest evidenced by a security agreement in said machinery or equipment is required. The value of approved collateral will be discounted up to a maximum of 80% of appraised market value for land/building, and up to 65% for machinery and equipment. Personal guarantees from company owners (greater than 20% ownership) shall also be required for all loans. The BPEDA may also require corporate guaranties of entities related to the Borrower as additional collateral. The BPEDA may also require additional agreements, such as a security agreement and a business subsidy agreement to be executed by the Borrower if the loan is subject to the Minnesota Business Subsidy Act, Minnesota Statutes, Section 116J.993 through 116.995 as amended. The applicant must demonstrate the financial means to repay the loans as determined by the BPEDA and/or other participating financial institutions in their sole discretion.
9. Insurance. The applicant must demonstrate that the assets involved are insured for an amount not less than the total outstanding loans. The Applicant shall provide proof of insurance listing the City as an additional insured.
10. Balance Due. If the applicant sells or transfers title to the improved building or equipment, or relocates any portion or all of the business outside the City of Belle Plaine, prior to full repayment of the loan, the loan must be paid in full with interest. The property transfer applicant may apply for a BPEDA RLF loan subject to the terms of this policy, however, existing RLF loans are not transferable or assumable.

VI. PARTICIPATING LENDERS

For Loan applications in which there is another participating lender other than the BPEDA as part of the project financing package; the participating lender shall supply to the BPEDA a Letter of Intent to participate in the project funding; along with copies of any supporting documents generated by the participating lender, such as a financial statements, tax returns, projections, credit report or UCC lien search, and any other items as required as part of the application. In the event a participating lender is not utilized as part of the project financing, the applicant may

be required to work with one to prepare the financial documents required for the application. The BPEDA and/or participating lenders shall be a part of the loan closing, obtaining properly executed mortgages, promissory notes, guaranties, and all other forms and documents required by law or regulations from loan recipients. The BPEDA and/or participating lenders shall close the loans, obtaining properly executed mortgages, promissory notes, guaranties, other documents required by the BPEDA in accordance with this policy, and all other data required by regulations from recipients.

VII. REVIEW GROUP

The BPEDA shall appoint a Finance Subcommittee who will serve as the Review Group for loan applications prior to being forwarded to the full BPEDA. The Finance Subcommittee shall be made up of the Executive Director and two members of the BPEDA, plus the Finance Director of the City of Belle Plaine.

IIX. GUIDELINES FOR APPLICATION AND APPROVAL

Any interested loan applicant should meet with the BPEDA Executive Director to obtain information about the RLF, discuss the proposed project, and obtain application forms.

1. A completed application form must be submitted to the Executive Director of the BPEDA prior to review and consideration. The following items are required as part of the application:
 - A. An application fee of \$300 or 1.5% of the loan, whichever is greater. (For example, a loan request of \$5,000 would pay a \$300 application fee; and a loan request for \$25,000 would pay a \$312.50 application fee). Such application fee is non-refundable. Applicants are also responsible for any costs relating to closing on the loan.
 - B. Quotes from vendors, contractors, subcontractors, etc, to support the loan request. Proposed contractors and subcontractors must be licensed, insured and bonded.
 - C. Letter of Commitment from the participating lender (if applicable).
 - D. Business Plan (template provided in application).
 - E. Financial Statements:
 - 1) Historical-at least three years (if established business)
 - 2) Projections- at least two years; identifying proposed cash flow and net income illustrating the ability to service existing and proposed debt.
 - F. Tax Returns- at least two previous years.
 - G. Credit Report for the business and all individuals listed as on the application.
 - H. Verification that real estate taxes are current for the business and personal property.
 - I. Identified collateral. If the collateral is:
 - 1) Secured by Building/Land- the following items are required:
 - a) Appraisal or purchase price of the property; or assessed value, whichever is lower.

- b) Current title search identifying prior liens and/or conditions to be met. If land/building proposed as collateral a current title commitment is required.
 - c) Proof of insurance on the property. If the loan is approved the Applicant must provide evidence the City of Belle Plaine is listed as an insured on items in which the City has a security interest.
 - d) A mortgage will be required to be executed and recorded in connection with the closing.
- 2) Machinery/Equipment- the following items are required:
- a) UCC lien search. If machinery or equipment is approved as collateral, a Security Agreement from the Borrower to the BPEDA will be executed in connection with the closing and a UCC filing will be filed with the Minnesota Secretary of State at the time of closing.
 - b) Purchase price or established Fair Market Value of the item(s).
- J. A summary of project costs showing the expected estimated cost of the project and all anticipated sources and uses of financing.
- K. Documentation demonstrating commitments from other sources of financing.
- L. All organizational documents of the Borrower such as articles of incorporation, bylaws, a certificate of good standing from the Minnesota Secretary of State's Office, etc.
- M. Any other information requested by the BPEDA Executive Director deemed necessary to review the application.
2. Once BPEDA staff determine an application is complete, it will be reviewed by the Financial Subcommittee to determine conformity to this Policy; and all City policies and ordinances.
 3. If the project includes façade improvements, the Design Committee shall review to determine conformity to the Belle Plaine Design Manual and Zoning Ordinance.
 4. Subsequent to review by the Financial Subcommittee and, if necessary, Design Committee, the application will be placed on the next available meeting schedule for the BPEDA and City Council; subject to any public hearing requirements associated with the request. Costs for any specially requested meetings shall be paid by the applicant; per the City's Fee Schedule, as amended. In considering whether to recommend approval of an application, or which application to give priority, in addition to the Purpose and Goals listed above, the BPEDA may consider:
 - A. The date of the application;
 - B. The nature and extent of improvements leveraged by the RLF;
 - C. The size and extent of the proposed structure; and
 - D. The extent of new or expanded business and employment opportunities resulting from the proposed improvements.
 5. The BPEDA shall approve or reject such application and state the reasons for the decision. The City Council shall have final review and authority to determine whether or not a loan is approved. The BPEDA and the City reserves the right to approve or reject projects on a case by case basis, taking into consideration established policies. Meeting policy criteria does not guarantee the award of business assistance to the project.

Approval or denial of one project is not intended to set precedent for approval or denial of another project.

6. Approvals shall be contingent upon, but not limited to, the following:
 - A. Property taxes being current on the property in which funds are being used.
 - B. A credit bureau report has been obtained identifying a minimum score of 650.
 - C. A Secretary of State Name Search is completed, confirming the business is registered.
 - D. A Judgment search is completed.
 - E. A UCC lien search is completed.
 - F. Approval from the Financial Subcommittee and, if appropriate, the Design Committee.
7. If rejected, an application may be resubmitted with appropriate modifications.
8. If approved, an appropriate amount of money in the RLF shall be reserved to cover the RLF's anticipated participation in the loan or the BPEDA shall indicate that insufficient funds for such participation then exist, in which case the application shall be placed on a waiting list until such time as funds become available or the application is withdrawn.
9. At any time prior to closing on a loan, the City Council or participating lender may disapprove an application which had obtained preliminary approval, based upon changed circumstances or for any other reasonable cause, determined in its sole discretion.

IX. DISBURSEMENT OF LOAN PROCEEDS

Loan proceeds shall be disbursed directly to applicants only after the work for which payment is requested has been performed and the work has been accepted in writing by the BPEDA or its Executive Director. The quality and progress of the work shall be monitored by the loan recipient and the BPEDA or its representative. All invoices and other necessary information as related to the project costs shall be provided to the BPEDA or its representative prior to the disbursement of funds. THE BPEDA may allow proceeds to be released earlier than upon completion of work if used as a down payment on a building purchase and/or to allow payment to be made directly to the participating lender, contractor or vendor.

All work is to be performed in accordance with all applicable laws and ordinances and shall be inspected by the City-designated Building Inspector, whether or not the work requires a permit, to insure compliance with specifications prior to final payment.

X. REPAYMENT

1. No deferral of principal or interest payment will be permitted.
2. Borrowers shall agree to and provide required repayment installments through an electronic fund transfer. The Borrower will execute all necessary document to effectuate this requirement.

3. Late penalties as provided for in the City's fee schedule shall apply to loan payments made after their due date.
4. Additional principal payment may be made one time at the close of each calendar year.

XI. DURATION

Loans may be made under these policies to the extent that funds are available, as allocated to the fund by the BPEDA and so long as there are lenders participating and eligible loan recipients. The RLF may be terminated, upon written notice to all participating lenders of the BPEDA's intention to terminate the RLF. If the RLF is so terminated, such termination shall not affect the rights and obligations of the participating lenders nor those of the BPEDA with respect to loans outstanding on the effective date of such termination. A participating lender may withdraw from the program at any time, with respect to future loans, by giving written notice to the BPEDA of its intent to withdraw.

XII. MINNESOTA BUSINESS SUBSIDY LAW

Pursuant to Minnesota Statutes, Sections 116J.993 to 116J.995 (the "Business Subsidy Law"), business loans subject to the Business Subsidy Law and recipients of such loans will be required to enter into a subsidy agreement with the BPEDA, which will require, among other things, the satisfaction of certain wage and job goals and a commitment to maintain operation of a business for a certain length of time. See description included in the loan application supplemental materials.

XIII. OWNERSHIP DISCLOSURE AND CONFLICT OF INTEREST

The applicant shall submit the name(s) or the owner(s), shareholder(s), partner(s) sole proprietor, corporation member(s), or other person(s) or business(es) with a financial interest exceeding twenty percent of the business or project in order to preclude any conflict of interest in the RLF loan review and approval process.

XIV. DISCRIMINATION PROHIBITED

All persons/businesses submitting an application and receiving RLF loan proceeds agree, by accepting said proceeds, to comply with all federal and state laws and related rules and regulations which prohibit discrimination. Generally, these laws and rules make it an unfair employment practice, except when based on limited, statutory exception or a bona fide occupational qualification, for an employer to refuse to hire, to discharge, or otherwise treat a person differently with respect to hire, compensation, terms, upgrading, conditions, facilities or privileges of employment because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, age, or sexual orientation; or in reprisal for objection to, or participating in the investigation or litigation of, alleged

discrimination or for associating with disabled person or persons of a different race, color, creed, religion, sexual orientation or national origin.

XV. REQUESTS FOR SUBORDINATION

1. Loan recipients requesting subordination of the interest of the BPEDA in real property must submit an application for subordination including all required supporting documentation, and a processing fee as assigned in the annual fee schedule.
2. The following information must be submitted with the subordination request application:
 - A. A written letter, dated and signed by the mortgagor stating the reason for the requested subordination and the use of any equity being removed as part of the loan transaction.
 - B. A copy of a current appraisal, dated within six months of application, or other evidence of market value of the property that is acceptable to the BPEDA/City.
 - C. A copy of current title work disclosing outstanding liens and/or conditions to be met.
 - D. Explanation of remaining debts or liens with supporting documentation such as the most recent mortgage invoice.
 - E. Estimated closing costs/settlement statement, where applicable.
 - F. A copy of the mortgagor's loan application.
 - G. Evidence that real estate taxes are paid/current.
 - H. Evidence the property is insured. If the subordination is approved, the Applicant must provide evidence the City of Belle Plaine is listed as an insured on items in which the City has a security interest.
 - I. Additional documentation as may be required by the BPEDA/City.
3. The following criteria will be considered when evaluating subordination requests:
 - A. Repayment history and current status of the BPEDA loan.
 - B. Whether or not real estate taxes are current or escrowed by the superior mortgage holder.

- C. Evidence the property is insured.
 - D. Whether or not the request is to refinance the first mortgage is at prevailing market rates with reasonable closing costs.
 - E. Whether or not the BPEDA/City finds the payment terms of the refinancing are within the financial means of the borrower.
 - F. The total debt secured by the property, including the BPEDA lien and all superior mortgages does not exceed eighty percent (80%) of the documented market value of the property.
 - G. Any equity being removed beyond the cost of the loan transaction will be used to improve the property. A written letter, dated and signed by the borrower, must be submitted stating the use of any equity being removed.
 - H. Whether or not other subordination requests have been approved by the BPEDA in the past two (2) years.
 - I. Whether the subordination request is part of refinancing an additional senior loan or for a new loan that will place the BPEDA in a lower security position.
- 4. The EDA/City will not subordinate to reverse mortgage, interest only loans or loans with interest-only options, revolving lines of credit or debt consolidation.
 - 5. Subordination requests will be processed by City staff and approved by the BPEDA and City Council. If the subordination is denied a letter explaining the rationale for denial will be sent to the applicant.

XVI. DATA PRACTICES ACT

The information provided in an application to the BPEDA will be used to assess eligibility for financial assistance. The BPEDA will not be able to process your application without this information. The Minnesota Government Data Practices Act (Minnesota Statutes, Chapter 13, as amended) governs whether the information that you are providing to the BPEDA is public or private. If financial assistance is provided for the project, the information submitted in connection with your application will become public, except for those items protected under Minnesota Statutes, Section 13.59, Subdivision 3(b) or Section 13.591, Subd. 2, as may be amended.

**BELLE PLAINE ECONOMIC DEVELOPMENT AUTHORITY
REVOLVING LOAN FUND (RLF) PROGRAM
APPLICATION FOR FUNDS**

APPLICANT - INFORMATION

Applicant Name: _____

Business Name: _____

Current Address: _____

Phone: _____ **E-mail:** _____

Primary Contact Person: _____

Title: _____

Phone: _____

Nature of Business: _____

Form of Business Organization:

- | | | |
|--|--|---------------------------------------|
| <input type="checkbox"/> CD Purchaser | <input type="checkbox"/> Tenant Operator | <input type="checkbox"/> Cooperative |
| <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> Limited Partnership | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Corporation | |

Current Number of Employees: _____ Full-Time _____ Part-Time

Proposed Number of Employees: _____ Full-Time _____ Part-Time

Property Owner(s): _____

(If applicant is other than owner of business, a letter of project approval from the owner must accompany this application.)

Is there pending, current, or a previous history of litigation applicable to the Applicant or business:

- Yes, please explain: _____
 No

PROJECT DESCRIPTION

Briefly describe the nature of the project: _____

RLF Amount Requested: _____

RLF Percentage of Total Project Cost: _____

Funds To Be Used For: _____

RLF Terms Requested: Interest Rate: _____ Number of Years: _____

Other Proposed Project Financing:

Financing Source: _____

Amount of Financing: _____

Proposed Terms: _____

Contact Name: _____

Phone Number: _____

Financing Source: _____

Amount of Financing: _____

Proposed Terms: _____

Contact Name: _____

Phone Number: _____

Financing Source: _____

Amount of Financing: _____

Proposed Terms: _____

Contact Name: _____

Phone Number: _____

Proposed Loan Security: _____

PROJECT INFORMATION

Is the proposed building a conforming use or legal non-conforming use under the City of Belle Plaine's Zoning Ordinance? Yes No

Please outline the scope and detail of the work to be performed (please attach additional information as needed): _____

Please detail the project schedule: _____

Please attach the following documents along with your application:

- An application fee equal to the greater of \$300 or one and a half percent (1.5%) of the requested loan is required. The application shall submit \$300 at the time of application. If a 1.5% loan origination fee is required, the initial \$300 payment shall be applied toward the origination fee and is due at or before closing.
- A copy of a current, government issued photo identification (driver's license or passport) for the individual authorized to act on behalf of the Applicant.
- If Applicant is an entity (as opposed to an individual) attach a completed "Certification of Beneficial Owners Form" (provided below).
- Quotes from vendors, contractors, subcontractors, etc, to support the loan request.
- Names, contact information, and addresses of proposed contractors and subcontractors. Note contractors and subcontractors must be licensed, insured and bonded.
- Letter of commitment from the participating lender (sample provided below).
- Business plan (template provided below).
- Business financial statements:
 - A. Historical profit/loss and balance sheets (previous year ends and current year to date, monthly) for at least the previous three years (if established business)
 - B. Projections – at least two years; identifying proposed cash flow and net income illustrating the ability to service existing and proposed debt.
- Tax returns – at least two previous years, business and personal.
- Two credit references for the business entity.
- Secretary of State Name Search confirming business is registered and in good standing.
- Release of information disclosure for purpose of loan review by City of Belle Plaine (sample attached).
- Credit report for individuals listed as on the application and/or individual shareholders having a twenty-five (25) percent or greater interest in the business.

- Verification that real estate taxes are current for the business and personal property.

- Identified collateral. If the collateral is:
 - A. Building/Land- the following items are required:
 - 1) Appraisal or purchase price of the property; or assessed value, whichever is lower.
 - 2) Title Commitment identifying prior liens.
 - 3) Proof of insurance on the property.

 - B. Machinery/Equipment- the following items are required:
 - 1) UCC lien statement(s)
 - 2) Purchase price or established fair market value of the item(s).

- Other information requested by the BPEDA Executive Director deemed necessary to review the application:

NOTICE TO COMPANY: Data Practices Act

The information that you supply in your application to the City of Belle Plaine/Belle Plaine EDA ("City") will be used to assess your eligibility for financial assistance. The City will not be able to process your application without this information. The Minnesota Government Data Practices Act (Minnesota Statutes, Chapter 13) governs whether the information that you are providing to the City is public or private. If financial assistance is provided for the project, the information submitted in connection with your application will become public, except for those items protected under Minnesota Statutes, Section 13.59, Subdivision 3(b) or Section 13.591, Subdivision 2.

I have read the above statement and I agree to supply the information to the City with full knowledge of the matters contained in this notice. I certify that the information submitted in connection with the application is true and accurate. Further, I have read, understand, and agree to comply with the Plan for the Revolving Loan Fund of the Belle Plaine Economic Development Authority and the City of Belle Plaine.

Signature / Title Date

Name (printed)

Signature / Title Date

Name (printed)

Signature / Title Date

Name (printed)

Signature / Title Date

Name (printed)

Signature / Title Date

Name (printed)

SAMPLE LETTER OF COMMITMENT

Belle Plaine Economic Development Authority
c/o Executive Director
Belle Plaine Government Center
218 North Meridian Street
P.O. Box 129
Belle Plaine, MN 56011

RE: Participation in the Revolving Loan Fund

Dear Commissioners:

On behalf of the _____ (the lender) the undersigned hereby notifies you of the lender's intent to commit to loan funding in a project described as _____ which includes a loan from the City of Belle Plaine Revolving Loan Fund as described in the Plan and Policies adopted by the Belle Plaine Economic Development Authority. I warrant that I am authorized by the lender to issue this letter on its behalf and that the lender is an FDIC or FSLIC insured lender. The lender has received and reviewed a copy of the Plan and Policies and hereby agrees to its terms, including all responsibilities assigned therein to participating lender.

The lender is submitting this letter as a result of its decision to approve the loan application in the total amount of \$_____ (\$_____ from lender, \$_____ from BPEDA).

After reviewing the aforementioned application, the lender, in its best judgment, deems _____ to be credit worthy and eligible to participate in the Revolving Loan Fund Program.

Date

Name of participating lender

Printed Name of Individual Signing

Signature

Title

OUTLINE OF SIMPLIFIED BUSINESS PLAN

- I. **Summary Statement**
- I. **Business Analysis**
 - A. Business History
 - 1. History
 - 2. Keys to Success
 - 3. Customer Base
 - B. Management Team
 - C. Industry Analysis
 - 1. Industry Trends
 - 2. Market Share
 - 3. Competition
- III. **Strategic Opportunities**
 - A. Business/Market Opportunity
- IV. **Financial Information**
 - A. Funds/Resource Needed
 - B. Financial Statements (If Requested)
 - 1. Business
 - 2. Personal

Date: _____ Name of Applicant: _____

Home Address: _____

Telephone (Home): _____ (Work): _____

Proposed or Existing Business: _____

Address: _____

Landlord (if applicable): _____

Type of Business: _____

I. **SUMMARY STATEMENT**

The summary statement is used to summarize and emphasize the high points of the Simplified Business Plan. It should enable the reader to identify and understand the company's objective and strengths. Although the Summary Statement appears first in the Simplified Business Plan, it should not be written until the remainder of the plan has been completed.

II. **BUSINESS ANALYSIS**

A. Business History

This section should contain a brief history of the business, its purpose and main product or service. It should also discuss the “competitive advantage” that has been the Key(s) to the success of the business and finally where the customer base is located.

B. Management Team

This section should describe the experience, training and history of the management team.

C. Industry Analysis

This section should discuss the characteristics and trends of the industry. It should also contain information about the competitors – their locations, strengths and weaknesses and finally the share of the market of each competitor.

III. **STRATEGIC OPPORTUNITIES/BUSINESS/MARKET OPPORTUNITY**

This section should discuss in detail the opportunity that exists and is the basis for the request for funds or resources.

IV. FINANCIAL INFORMATION

A. Funds/Resources Needed

This section should detail the funds/resources that are needed to take advantage of the opportunity that exists and how they are to be used.

B. Financial Statements

Attach financial statements as required.

BUSINESS SUBSIDY DEFINED

116J.993 DEFINITIONS.

Subd. 3. **Business subsidy.** "Business subsidy" or "subsidy" means a state or local government agency grant, contribution of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient, any reduction or deferral of any tax or any fee, any guarantee of any payment under any loan, lease, or other obligation, or any preferential use of government facilities given to a business.

The following forms of financial assistance are not a business subsidy: (1) a

business subsidy of less than \$150,000;

(2) assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;

(3) public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;

(4) redevelopment property polluted by contaminants as defined in section 116J.552, subdivision 3;

(5) assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance provided for designated historic preservation districts, provided that the assistance is equal to or less than 50 percent of the total cost;

(6) assistance to provide job readiness and training services if the sole purpose of the assistance is to provide those services;

(7) assistance for housing;

(8) assistance for pollution control or abatement, including assistance for a tax increment financing hazardous substance subdistrict as defined under section 469.174, subdivision 23;

(9) assistance for energy conservation;

(10) tax reductions resulting from conformity with federal tax law; (11)

workers' compensation and unemployment insurance;

(12) benefits derived from regulation;

(13) indirect benefits derived from assistance to educational institutions;

(14) funds from bonds allocated under chapter 474A, bonds issued to refund outstanding bonds, and bonds issued for the benefit of an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1999;

(15) assistance for a collaboration between a Minnesota higher education institution and a business; (16)

assistance for a tax increment financing soils condition district as defined under section 469.174, subdivision 19;

(17) redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;

(18) general changes in tax increment financing law and other general tax law changes of a principally technical nature;

BUSINESS SUBSIDY DEFINED

(19) federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;

(20) funds from dock and wharf bonds issued by a seaway port authority; (21)

business loans and loan guarantees of \$150,000 or less;

(22) federal loan funds provided through the United States Department of Commerce, Economic Development Administration; and

(23) property tax abatements granted under section 469.1813 to property that is subject to valuation under Minnesota Rules, chapter 8100.

CERTIFICATION OF BENEFICIAL OWNERS FORM

Name of Entity: _____

Entity Address: _____

Name of Person Completing Form: _____

Contact Number of Person Completing Form: _____

Entity Tax Identification Number: _____ **NAICS CODE:** _____

Beneficial Owner(s): The following information is required for each individual person or entity, if any, who directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise owns 20 percent or more of the equity interests of the legal entity listed above.

Name/Title	Ownership %	Address
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Control Person: The following information for one individual with significant responsibility for managing the legal entity listed above, such as an executive officer or senior manager, or any other individual who is legally authorized to act on behalf of the aforementioned legal entity.

Name	Title
_____	_____
Address	Phone
_____	_____

Conflict of Interest/Disclosure: Describe in detail any direct benefit to be gained by a public official of the City of Belle Plaine and/or family members of a public official of the City of Belle Plaine as the result of this development or any contract, proposal, request for proposal, invitation to bid, grant, in-kind donation, or other monetary benefit resulting from the proposed loan. If no potential conflict of interest exists, please specify no potential conflict of interest exists.

CERTIFICATION OF BENEFICIAL OWNERS FORM

Certification: By signing below, I certify under oath and penalty of perjury that all statements on or attached to this form are true and correct to the best of my knowledge. I further understand that omissions shall be cause for disqualification from loan consideration.

Signature of Control Person	Date
Signature of Beneficial Owner	Date
Signature of Beneficial Owner	Date
Signature of Beneficial Owner	Date
Signature of Beneficial Owner	Date
Signature of Beneficial Owner	Date

Definitions:

"Business Entity" means any corporation, partnership, limited partnership, proprietorship, firm, enterprise, franchise, association, self-employed individual, or trust, whether fictitiously named or not, doing business in the state of Minnesota.

"Family or Family Members " means included but limited to individuals who are related to a public official as father, mother, son, daughter, brother, sister, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, half-brother, half-sister, person who is engaged to be married to a public official or who otherwise holds himself or herself out as or is generally known as the person whom a public official intends to marry or with whom a public official intends to form or has formed a household.

"Person" means an individual, firm, partnership, association, joint venture, cooperative, or corporation, or any other group or combination acting in concert.

"Public Official" means a person either elected to a governmental position, or appointed to a governmental position who is authorized by statute, resolution or code to exercise part of the sovereign power of the governmental entity and whose duties of involve the exercise of discretion on behalf of the governmental entity.

BORROWER AUTHORIZATION TO RELEASE INFORMATION

Privacy Notice: This information is to be used by the Belle Plaine Economic Development Authority and the City of Belle Plaine or its assignees in determining whether you qualify for a perspective loan through the Belle Plaine Revolving Loan Fund. The information will not be disclosed outside the agency except as required or permitted by law. You do not have to provide this information, but if you do not your application for a revolving loan fund loan may be delayed or rejected.

BORROWER(S)

Name: _____

Address: _____

Name: _____

Address: _____

Name: _____

Address: _____

Name: _____

Address: _____

Name: _____

Address: _____

LENDER: Belle Plaine Economic Development Authority/City of Belle Plaine, 218 Meridian Street North
P.O. Box 129, Belle Plaine MN 56011, (952)873-5553

Borrower Authorization: I hereby authorize the lender to verify information contained on the loan application needed to process my loan application. I further authorize _____, the proposed lead lender, to share loan application and associated information with the Belle Plaine Economic Development Authority and the City of Belle Plaine to be used only in the processing of my application for a revolving loan fund loan.

Signature of Borrower

Date