

CITY of RUSHFORD VILLAGE
Business Subsidy & RLF Full Application Checklist
(Minimum of 60-90 days starts when application is complete) –DRAFT-

The Applicant must complete and sign the Business Subsidy / Revolving Loan Fund Application (with Equity commitment) and provide all supplementary information and attachments as follows for the Business Assistance being requested (See Business Subsidy Criteria A6.5: "Data Privacy", governed by Minnesota Statutes).

- _____ 1. A "but for" letter documenting the need for public financing assistance as set forth in the Business Subsidy Criteria Policy (May be combined with #2 below).
- _____ 2. Letter(s) of commitment from a bank, other lender, or private financing stating the terms and conditions of their participation, and interim loans (May be included with #1 above)
- _____ 3. A Letter of Agreement re: administrative and legal costs (Appendix B attached)
- _____ 4. A fee deposit as prescribed for the projected costs of the subsidy being requested according to the guidelines applicable to that subsidy.
- _____ 5. Job Creation / Retention Documentation in Application; Job Creation Timetable and Signed Assurance of Jobs Created and Benefits.
- _____ 6. The applicant shall sign a waiver to allow the City and the EDA to check the backgrounds and financial history of the applicant, applicant's officers and major owners.

The Business Plan (Also see Appendix C – Business Plan Summary Outline)

- _____ 7. Summary and Overview of Project / Business Plan Narrative
 - a. Brief History or Narrative of Company
 - b. Markets and Marketing Strategies (Market Research)
 - c. Detail intended use of capital required and written cost estimates
 - d. Purchase agreements from vendors
 - e. Personal and business references
- _____ 8. Financial Projections
 - a. Monthly Cash Flow Analysis for the next twelve (12) months (3 years for a start-up)
 - b. Profit and Loss Statement for current year (within 90 days), the last three (3) years, & three (3) future years
 - f. Balance Sheet for the last three (3) years, current year, and for three (3) future years
 - g. ProForma analysis as appropriate
- _____ 9. Schedule of Business Debts; Credit review summary or bank credit report.
- _____ 10. Statement of Collateral - a detailed listing to secure loan, and/or
- _____ 11. Appraisal(s) of Real Estate, Proposed Lease Agreement and/or Purchase Options or Agreements, or
- _____ 12. Evidence of ownership or control and marketable title for property, including legal description, tax parcel ID number, size of parcel(s), current market value and estimated market value upon completion (land and improvements); and
- _____ 13. Survey map showing exact boundaries of proposed development, Building and site plans.
- _____ 14. Resume(s) and Personal Financial Statements (on Bank form or SBA form) of all Principals (officers and owners with 20% or more ownership).
- _____ 15. Affiliates per Appendix B - Letter of Commitment re: Administration and Legal costs.
- _____ 16. Partnership Certificate of Authorization or Corporate Certificate of Authority and Incumbency;
- _____ 17. Articles of Incorporation and By Laws; Resolution to Borrow or enter into agreement(s) with the City/EDA.
- _____ 18. A statement addressing any special requirements, e.g., Environmental Review, & evidence of compliance.
- _____ 19. List of other development /business projects the Applicant has completed. List the value, debt load, and lender(s) of each project and note if the Applicant has ever defaulted on any loan commitment, development or redevelopment agreement, or other subsidy for any of the projects listed.
- _____ 20. Commitment /provide evidence insurance naming City/EDA as additional Loss Payee.
- _____ 21. Any other information deemed necessary or desirable by the City Council or the EDA.

City of Rushford Village
BUSINESS SUBSIDY / REVOLVING LOAN FUND (RLF) APPLICATION

TYPE OF SUBSIDY: _____ **Date:** _____
RLF Loan: _____ Tax Abatement: _____ Tax Increment Financing(TIF): _____ JOBZ _____

Request: \$ _____ Total Project: \$ _____ Parcel#: _____

Name of Business: _____

Business Address: _____

City: _____ State: _____ Zip: _____ Phone: _____

Contact Person: _____ Phone: _____

Type of Business: Sole Proprietor _____ Partnership _____ Corporation _____

Nature of Business: _____ **Date Established:** _____ **SIC Code:** _____

Employer's Federal Identification Number: _____

Employer's State Identification Number: _____

Name of Owner #1: _____

Name of Owner #2: _____

Percentage Owned: _____%

Percentage Owned: _____%

Home Address: _____
City, State, Zip: _____

Home Address: _____
City, State, Zip: _____

Home Phone: _____

Home Phone: _____

Professional Services / References

Name of Bank: _____

Bank Address: _____

City: _____ State: _____ Zip: _____ Phone: _____

Contact Person: _____ Account#: _____

Name of Attorney: _____

Attorney Address: _____

City: _____ State: _____ Zip: _____ Phone: _____

Name of Accountant: _____

Accountant Address: _____

City: _____ State: _____ Zip: _____ Phone: _____

General Description of Principal Business or Product

Annual Sales:

Present: \$ _____

Future: \$ _____

General Description of Proposed Project, Building and Site

(Attach site and building plans)

Building size: _____ Materials: _____

Estimated Market Value upon completion (land & improvements): \$ _____

Expected Start Date: _____ Expected Completion Date: _____

Other Potential Use(s) of Proposed Facility: _____

Potential to Attract other Related Business / Industry: _____

Current and Projected Employment

| <u>Type of Employment</u> | <u>Existing Jobs</u> | <u>Employment Projections</u> | |
|---|----------------------|-------------------------------|--------------------|
| | | <u>First Year</u> | <u>Second Year</u> |
| Professional/Managerial/Technical Wage Rate: _____ | ____ FT ____ PT | ____ FT | ____ FT ____ PT |
| Skilled Wage Rate: _____ | ____ FT ____ PT | ____ FT | ____ FT ____ PT |
| Semi-skilled/Unskilled Wage Rate: _____ | ____ FT ____ PT | ____ FT | ____ FT ____ PT |
| TOTALS: | ____ FT ____ PT | ____ FT | ____ FT ____ PT |

Public Benefit

State how the project will benefit the community and impact the local tax base:

Declarations:

- A. Have there ever been judgments or injunctions against the company or owners? Yes___ No___
- B. Is there any pending, anticipated or final regulatory or legal (civil or criminal) litigation involving the business, principals, officers, or shareholders? (If Yes, Explain.) Yes___ No___
- C. Has the company, or the owners of the company, ever filed bankruptcy? Yes___ No___
- D. Has the company, or the owners ever been or currently are delinquent on State or Federal taxes? Yes___ No___
- E. Has the company or the owners ever defaulted on any loan commitment, development or redevelopment agreement, or other business subsidy? Yes___ No___
- F. Note any potential conflicts that may be encountered should a business subsidy be approved:

- G. The undersigned specifically acknowledge(s) and agree(s) that:
1. All statements made in the application are made for the purpose of obtaining the business subsidy indicated herein;
 2. Verification or reverification of any information contained in the application may be made at any time by the Grantor / Lender, its agents, successors, and assigns, either directly or through a credit reporting agency, from any source named in this application, and the original copy of this application will be retained by the Grantor / Lender, even if the business subsidy is not approved;
 3. The Grantor / Lender, its agents, successors and assigns will rely on the information contained in the application and I/we have continuing obligation to amend and/or supplement the information provided in this application if any of the material fact which I/we have represented herein should change prior to closing;
 4. In the event my/our payments or obligations for the business subsidy indicated in this application become delinquent or otherwise in default, the Grantor / Lender, its agents, successors and assigns, may, in addition to all their other rights and remedies, report my/our name(s) and account information to a credit reporting agency;
 5. Ownership of the business subsidy / loan may be transferred to successors or assigns of the Grantor / Lender without notice to me/us and/or the administration of the business subsidy / loan account may be transferred to an agent, successor or assign of the Lender without notice to me/us.

Attachments:

Exhibits B, C, and see Full Application Checklist for business subsidy requested.

CERTIFICATION: I/we certify that the information provided in this application is true and correct as of the date set forth opposite my/our signature(s) on this application and acknowledge my/our understanding that any intentional or negligent misrepresentation(s) of the information contained in this application may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both and liability for monetary damages to the Grantor / Lender, its agents, successors and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation which I/we have made on this application.

Name of Business: _____

Borrower: _____ Title: _____ Date: _____

Co-Borrower: _____ Title: _____ Date: _____

Co-Borrower: _____ Title: _____ Date: _____

Co-Borrower: _____ Title: _____ Date: _____

SOURCES & USES OF FUNDS

| | | <u>BANK</u> | <u>EQUITY</u> | <u>Other</u> | <u>CITY-</u> | | <u>TOTAL</u> |
|--|--|-------------|---------------|--------------|--------------|------|--------------|
| PROPERTY ACQUISITION | | | | | | | |
| IMPROVE/RENOVATE EXISTING BUILDING | | | | | | | 0.00 |
| NEW CONSTRUCTION | | | | | | | 0.00 |
| PURCHASE / REPAIR MACHINERY / EQUIPMENT | | | | | | | 0.00 |
| INVENTORY | | | | | | | 0.00 |
| WORKING CAPITAL | | | | | | | 0.00 |
| PROFESSIONAL FEES | | | | | | | 0.00 |
| OTHER / CONTINGENCIES | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL PROJECT: | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | |
| | | | | | | | |
| | | <u>BANK</u> | <u>EQUITY</u> | <u>Other</u> | <u>CITY-</u> | | <u>TOTAL</u> |
| SOURCE AMOUNTS | | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| % PROJECT COST | | % | % | % | % | % | 100.00% |
| TERM YEARS | | | | | | | |
| INTEREST RATE | | % | | % | % | % | |
| MONTHLY DEBT SERVICE | | | | | | | |
| LIEN POSITION | | 1st | | | | | |
| Status of Financing Source: | | Secured | | | | | |
| (Note if secured or pending) | | | | | | | |

Application Appendix A

**CITY OF RUSHFORD VILLAGE
Business Subsidy / Revolving Loan Fund (RLF) Application
WAIVER AND RELEASE OF INFORMATION**

The undersigned (the “Applicant”) hereby authorizes City of Rushford Village, its Economic Development Authority (EDA), or their duly authorized employees, officers, and agents (collectively, the “Grantor”), to obtain personal, financial, business, and other records, reports, and other information, from any or all sources (collectively, the “Data”), pertaining to the Applicant and to any entity owned or under the control of the Applicant, for the purpose of evaluating the Applicant’s application for a Business Subsidy / Revolving Loan Fund. The Applicant further authorizes any individual, corporation, partnership, financial institution, and any other person to release the Data to the Grantor and agrees to execute any other form necessary to effectuate such release.

The Applicant makes this authorization voluntarily with full knowledge of the purposes thereof, and hereby agrees, to the full extent permitted by law, to release, protect, defend, indemnify, and hold harmless the Grantor from any and all damages, costs, attorneys and other fees, and other liability resulting from the Grantor’s collection, review, distribution, disposal, and any other use of the Data. The Applicant acknowledges that the Data may be governed by state and federal laws, rules, and regulations, including but not limited to the Minnesota Government Data Practices Act (the “Laws”) and warrants that the Applicant has reviewed and understands the Laws and grants this waiver and release with the intention of providing all authorizations required by the Laws. Nothing herein shall limit or waive any immunity from or limitation on liability to which the Grantor is entitled under law.

The Applicant further warrants that all Data provided to the Grantor by or at the direction of the Applicant is true and correct as of the date it was provided and that the Applicant will immediately notify the Grantor upon any material change to the Data.

This Waiver and Release shall be governed by and construed in accordance with the laws of the state of Minnesota and any dispute arising out of it shall be heard in the state or federal courts of the state of Minnesota, the Applicant hereby waiving any objection to such jurisdiction, whether based on convenience or otherwise.

This Waiver and Release may not be modified, waived, or otherwise amended except by a writing signed by the City and the EDA.

A copy of this authorization will be treated in the same manner as the original.

Print Name of Applicant

Signature

Dated

[A separate form must be signed by Applicant and each of Applicant’s partners, officers, owners / shareholders]

Application Appendix B

**CITY OF RUSHFORD VILLAGE
ECONOMIC DEVELOPMENT AUTHORITY
BUSINESS SUBSIDY / REVOLVING LOAN FUND (RLF) APPLICATION
LETTER OF AGREEMENT
Re: Administrative and Legal Costs**

President and Commissioners of
the Rushford Village Economic Development Authority
43038 State Hwy 30
Rushford Village, MN 55921

RE: Application of _____ for a Business Subsidy / Revolving
Loan Fund Loan for a Development Project in the City of Rushford Village

President and Commissioner of the Rushford Village EDA:

This Letter of Agreement (the "Agreement") is given by _____
as (a) (the) (general partner) (president-vice president) of _____,
a _____ organized under the laws of the State of Minnesota
(the "Applicant") in connection with the review and consideration of a Business Subsidy / RLF
Loan for the _____ (the "Project"). In consideration, the Applicant hereby
covenants and agrees as follows:

- 1.) Consulting Services The City shall have the right to employ legal counsel, bond counsel, accounting, real estate, financial, engineering, architectural and other consultants to review the proposed Project and all proposed financing therefor in accordance with the policy statement (the "Policy Statement") attached to this letter, the cost not to exceed \$_____.
- 2.) Other Costs and Expenses The City shall also have the right to allocate and charge to the proposed Project costs and expenses for photocopies, publications, postage and other similar items rendered for incurred with respect thereto, the cost not to exceed \$_____.
- 3.) Payment of Costs The Applicant shall pay all costs, expenses and consulting services incurred by the City with respect to the Project and the issuance of Business Subsidy / RLF Loan Obligations to finance all or part of the cost thereof, including but not limited to costs and expenses of the types enumerated in Paragraphs 1 and 2, whether or not the Project is approved and constructed or the City issues Obligations therefor. The Applicant submits therewith a check in the amount of \$_____, the proceeds of which may be deposited in a savings account by the City and used and disbursed by the City to pay such costs, expenses and consulting services when due. Upon completion of consideration of the Project or the issuance of Business Subsidy / RLF Loan Obligations therefor, all such costs, expenses and consulting services not otherwise paid shall be paid from such deposit shall be returned to the Applicant. The fees advanced by the Applicant and expended for costs, expenses and consulting services may be reimbursed in accordance with the Policy Statement.

4.) Termination of Consideration Notwithstanding anything to the contrary herein, if the City, the EDA, or both, have not, by no later than _____, 20_____, entered into one or more final development / RLF Loan agreements with the Applicant that expressly supersede this Agreement, this Agreement shall automatically terminate. In addition to the foregoing, the Applicant acknowledges that neither the City nor the EDA shall have any obligation pursuant to this Agreement, including but not limited to any obligation to enter into a final development /RLF Loan agreement with the Applicant or provide any financial or other assistance to the Project, and that the City, the EDA, or both will evaluate the Project in their respective sole discretions.

5.) Indemnification Except for any willful misrepresentation or any willful or wanton misconduct or negligence of the following named parties, the Applicant agrees to protect, defend, and indemnify the City, the EDA, and their governing body members, officers, agents, servants, and employees, now or forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action, damages, costs, attorneys and other fees, and other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby, or the acquisition, construction, installation, ownership, and operation of the Project. All covenants, stipulations, promises, agreements, and obligations of the City or the Authority contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of the City and the Authority, respectively, and not of any governing body member, officer, agent, servant, or employee of the City or the Authority in the individual capacity thereof. The provisions of this Section 5 shall survive termination of this Agreement.

6.) Assignment The Applicant acknowledges and agrees that neither the Applicant's obligations, nor its rights, if any, pursuant to this Agreement may be assigned, sold, hypothecated, pledged, or otherwise transferred.

7) Counterparts; Modifications This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument. This Applicant's obligations under this Agreement may not be modified, waived, or otherwise amended except by a writing signed by the City and the EDA.

8.) Governing Law; Venue This Agreement shall be construed in accordance with the laws of the State of Minnesota. Any dispute arising from this Agreement shall be heard in the state or federal courts of Minnesota, and the Applicant waives any objection to the jurisdiction thereof, whether based on convenience or otherwise.

9.) Effective Date The effective date of this Agreement is _____, _____.

Applicant:

By _____

Its _____

Date _____

CITY OF RUSHFORD VILLAGE
BUSINESS SUBSIDY / REVOLVING LOAN FUND

BUSINESS PLAN SUMMARY OUTLINE

A. Summary and Overview of Project /Business Plan Narrative

1. Brief History or Narrative of Company
2. Markets and Marketing Strategies (Market Research)
3. Detail intended use of capital required and written cost estimates
4. Purchase agreements from vendors
5. Personal and business references

B. Financial Projections Provide the following financial projection information:

1. Monthly Cash Flow Analysis for the next twelve (12) months:
2. Profit and Loss Statement for the last three (3) years, the current year, and for three (3) future years.
3. Balance Sheet for the last three (3) years, the current year, and for three (3) future years.

C. Schedule of Business Debts Provide a detailed report of all business debt.

D. Statement of Collateral Provide a detailed list of all collateral offered, its value, and security position by funding sources.

E. Appraisals/Proposed Lease/Purchase Options or Agreements An independent appraisal will be required for any real estate which is a subject of the proposed financing or which is offered as a major source of collateral to secure the public funding. Also include copies of existing or proposed lease(s), purchase options or agreements, or other financial agreements.

F. Lender Commitment Letters Include commitment letters from banks or others stating the terms and conditions of their participation.

G. Resumes and Personal Financial Statements Include resumes of all principals as well as current, dated and signed personal financial statements (on Bank form or SBA form) on all principals with significant financial interest in this business (officers, and owners with 20% or more ownership).

H. Affiliates Description of any affiliates or subsidiaries of business or principals requesting assistance, as well as balance sheets and income statements for past two fiscal years on such affiliates or subsidiaries.

I. Partnership Certificate of Authorization, or Corporate Certificate of Authority and Incumbency Include minutes of the corporate meeting adopting this certification, where applicable.

J. Articles of Incorporation and By Laws; Resolution to Borrow or enter into agreement(s) with the City/EDA.