

**GENERAL FINANCIAL REQUEST GUIDELINES
FOR THE EYOTA REVOLVING LOAN FUNDS**

Definition:

1. **Eyota Investment Fund** (Originally Minnesota Investment Fund Flood Dollars)
2. **Revolving Loan Fund** (RLF)

Whenever an individual, group of individuals, business or firm would like the Eyota EDA to provide funds or assistance thru the Eyota Investment Fund (revolving loan funds) to help them in their business plans the following steps will be followed:

Guidelines:

1. The people or firm seeking assistance must contact the Economic Development Director and/or the City Manager.
2. As a general rule, individuals or businesses seeking financial assistance from the EDA and/or from a Revolving Loan Fund should have at least 10% -15% (ten to fifteen percent) equity in the proposed project. The 10-15% figure will be based on the total project cost. Loans to a private enterprise must be for a principal amount not to exceed one-half of the cost of the project for which financing is sought.
3. As a general rule, businesses seeking assistance shall be located within the Eyota City limits, or be relocating to Eyota from another location.
4. As a general Rule the business seeking financial assistance will have paid in full or be seeking refinancing of previously approved financial assistance that was provide by the City of Eyota.
5. Those seeking financial assistance must first complete the attached "Application for EDA Assistance" form and return it to the Economic Development Director. No assistance will be considered until the application is completed fully and accurately. The EDA will confer with other agencies and individuals to determine what type or types of business assistance match the needs of the proposed project. As a condition for financial assistance, the EDA may require that the individual(s) agree to work with the Small Business Development Center (SBDC) or the Service Corps of Retired Executives (SCORE). These groups can provide existing business and start-ups with technical assistance that they may require in order to ensure a successful business venture.
6. The EDA may provide assistance in any or all of the following manners: Loans made through the Revolving Loan Fund, or loans made thru the Eyota Investment Fund; consideration will be given to requests for tax increment financing, tax abatement and or Job Z.

**EYOTA INVESTMENT FUND (EIF)
REVOLVING LOAN FUND GUIDELINES AND APPLICATION**

Definition:

- 1. Eyota Investment Fund (EIF – revolving loan fund)**
- 2. Revolving Loan Fund (RLF)**

1. The “Application for EDA Assistance” and an interview with the party seeking assistance will be used as the Eyota Investment Fund application when assistance is requested.
2. The money in the Eyota Investment Fund will be used only for loans and will be used as “gap financing” where other lenders are involved. The Eyota Investment Fund is designed to assist individuals or businesses established themselves or expand their current business in Eyota, including those businesses relocating. Any money obtained through private, state, or federal grants for a project and placed into the Eyota Investment Fund will be subject to the respective funding agency’s guidelines (state statute MS.116J.8731) and not to those contained herein (see attached state statute). However, money paid back to the Eyota Investment Loan Fund from these projects will follow these guidelines.
3. Eyota Investment Fund capital can be used for individual, commercial, industrial, or retail business ventures. The funds can be used to help an existing business expand, to help a local business purchase additional equipment, and can be used to help a new business become established within the community.
4. Any Eyota Investment Funds provided will be done at a loan collateral ratio of 1:1. The EDA will assume a first position on items used for collateral purposes. In situations where there are many funding sources, the EDA will assume a subordinate position on the appropriate collateral. The typical rate will be fixed at one half percent higher than the prime interest rate at the time of the application. The rate may be negotiable if it is determined that a lower rate is required to make the proposed project work.
5. Loans being made will follow accepted banking procedures (Including a 90 day expiration period for all commitments) The terms, however, can be altered in order to structure a deal that will best match the applicant’s needs and make the project financially feasible.
6. The Eyota Investment Fund will not be used to help an existing or new business compete with another like business already located in Eyota. The exception to this rule would be when a market survey, compiled by a reputable source, shows that the market for the new business or for the business planning expansion was adequate to allow the business venture to take place.
7. Money loaned for “working capital” cannot be used for salary purposes.
8. As a general rule, the business or individual(s) requesting assistance from the EDA must have at least 10% of their own equity invested into the project. Exceptions may be made if it is determined by the EDA and the EDA Board that the project would work well with less equity investment.
9. As a general rule, one full-time job or equivalent must be created or retained for every \$10,000 requested. This requirement is based on 24 months from the time the assistance was approved (closing date). Additional requirements must be met for amounts over \$25,000 (see adopted business subsidy criteria).

10. Depending on the circumstances of the business venture and the financial status of the City, the EDA can request the City Council to transfer money into the Eyota Investment Fund to be used for project financing.
11. The suggested terms for different types of loans are as follows:
 - a. Machinery & Equipment – 5 to 10 years
 - b. Permanent Working Capital – 1 to 5 years
 - c. Land & Buildings – 15 to 20 years
12. All loan requests will be kept confidential until such time that they need to be brought to the EDA board for approval. The EDA holds open, public meetings and as such all information brought before the board becomes public. If confidentiality is an issue, it will be necessary for the applicant to inform the EDA so that he/she can take appropriate measures.

Eyota
ECONOMIC DEVELOPMENT AUTHORITY

Next page is the application page

Loan Documentation Checklist

- Business Plan
- Business Financial Statement
- Personal Financial Statement
- Projected Cash Flow
- Worse-Case Scenario Cash Flow
- Federal Taxes (2-Years: Personal, Partnership, Corporate)
- Lease or Purchase Agreement
- Real Estate Appraisal (if property purchase)
- Rental Agreements (Apartments or Sub-Lease)
- Business Expansion Plans
- Plans/Blueprints (new construction/additions)
- Other: _____

All of the applicable items above should be completed and available to the EDA prior to an EDA loan being approved.

Name of Borrower: _____
Business Name: _____
Business Address: _____

Loan Purpose:

- | | |
|--|--|
| <input type="checkbox"/> Start a New Business | <input type="checkbox"/> Business Expansion |
| <input type="checkbox"/> Purchase an Existing Business | <input type="checkbox"/> Business Renovation |
| <input type="checkbox"/> Equipment Purchase | <input type="checkbox"/> Working Capital |
| <input type="checkbox"/> Building/Land Purchase | <input type="checkbox"/> Other: _____ |

**COMMERCIAL REVOLVING LOAN FUND
PRE-APPLICATION**

1. Business Name: _____
2. Owners: _____
3. Project Description: _____

4. Total Project Amount: \$ _____
5. Requested Loan Amount: \$ _____
6. Payment Schedule: \$ _____ Monthly \$ _____ Yearly
Other: \$ _____ Describe _____

7. Number of Jobs Created or Retained: _____

8. Source of Other Funds	Amount	Secured	Pending
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

9. Description of Collateral: _____

10. In connection with this application, the EDA is authorized to check my/our credit history and employment history or any other information deemed necessary.

Signature(s): _____

Date: _____

RLF Loan Review and Recommendation: _____

Date: _____

APPROVE _____
DENY _____
Chairperson: _____

SUMMARY OF MONEY NEEDED

1. Land/Building \$ _____

2. Machinery/Equipment \$ _____

3. Furniture/Office Improvement \$ _____

4. Inventory/Materials \$ _____

5. Consulting Fees or Miscellaneous Expenses

_____ \$ _____

_____ \$ _____

_____ \$ _____

6. Anticipated Operating Cash Required

(accounts receivable financing, wages or other)

_____ \$ _____

_____ \$ _____

_____ \$ _____

7. Total Project Cost \$ _____

8. Amount You or Others Anticipate Investing \$ _____

Source of equity	Amount
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_____	_____
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_____	_____
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_____	_____
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9. Amount of Loan requested (line 7 minus line 8) \$ _____



Release of Client Information

The privacy of our client data is of utmost importance to the Minnesota SBDC and necessary to maintaining a trusting relationship between our clients and consultants. The SBDC will not provide personal information to commercial or other third party entities unless required to by law. However, in order to provide you with great service there are some exceptions which may call for the release of your information. Please read the following and indicate if you agree or disagree to the following exceptions to our privacy clause.

- I give permission for the SBDC to request and share information with individuals or organizations that may be of assistance in the development of my business endeavor.
- I give permission for the SBDC to use my name, business name and location for reports, SBDC funding requests and promotional purposes. I understand that the information provided will be general in nature and that financial information related to my business venture will not be disclosed.
- I understand that I may elect to have other exceptions granted for the release of information if it is mutually determined by the SBDC and me that such release will serve to be a positive factor in furthering my project toward a successful conclusion.

I accept the release of information concerning my project with the SBDC, within the parameters outlined above.

If you agree with this statement, sign below

Client Signature: _____ Date: _____

CITY OF EYOTA, MINNESOTA

Business Subsidy Application

Business Name: _____

Business Address: _____

Contact Person: _____

Phone #: _____ Fax #: _____

Type of assistance requested:

_____ Tax Increment _____ Tax Abatement

_____ Loan _____ Other (please specify)

_____ JOBZ

Amount of assistance requested: \$ _____

Projected start date: _____ Projected completion date: _____

PROJECT INFORMATION

(please attach a description of the proposed project and explain why the assistance is needed. Be specific)

Estimated Costs (please itemize)

Financing Sources (please itemize)

_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____

TOTAL COSTS \$ _____ TOTAL FUNDS \$ _____

** Financial statements for the past two years are to be submitted with this application. Businesses without financial statements will be required to submit personal tax returns for all principals of the business for the previous two years. The applicant must submit information on all current business related installment debts, contracts, notes, or mortgage payables. A bank reference letter will be requested.*

Banker's information:

Name of Bank: _____ Contact Name: _____

Address: _____ Phone Number: _____

If the assistance is for a building project:

Estimated value *after* project completion: \$ _____

Size of Building _____ sq. ft. Building Type _____

Function of Building: _____

Provide a sketch plan and/or site plan for the project

PUBLIC PURPOSE & JOB CREATION INFORMATION

What benefits will the City and its residents gain if assistance is provided?

_____ Job Creation* _____ Job Retention _____ Job Training _____ Land Clean Up

_____ Tax Base _____ Blight Removal _____ Redevelopment _____ Other (please list)

**If job creation is part of your proposal, please list:*

of full-time jobs created _____ # of part-time jobs created _____

Avg. full-time salary \$ _____ Avg. part-time salary \$ _____

OWNERSHIP / COMPANY INFORMATION

Type of company (corporation, etc.): _____

Owner(s) name(s): _____ Address: _____

Phone #: _____ Is there a parent company? _____

If there is a parent company, please describe the relationship in detail.

Has the business, owners or parent company ever declared bankruptcy? Yes or No

If yes, you must include information about the bankruptcy.

Has your business or parent company received a business subsidy, for this or any other project, from another Minnesota unit of government during the past 5 years? Yes or No

If yes is checked, please attach a description of the subsidy and by whom it was provided.

This application must be accompanied by a \$ _____ 0.00 application fee. Depending upon the type of assistance requested, you may also be required to provide the City with a deposit to cover administration and consulting expenses associated with your project. Unused funds will be returned upon completion of this process. The applicant agrees to provide additional information if requested by the City.

The undersigned does hereby certify that the information provided within and attached to this application is true and correct to the best of his/her knowledge.

Applicant(s)

Title

Date