

# Economic Development Revolving Loan Fund

Applicant Information:  
Instructions, Checklist and Application



City of Evansville, Wisconsin

Approved by Economic Development Committee on March 21, 2016

Contact the Community Development Director for application assistance:  
[jason.sergeant@ci.evansville.wi.gov](mailto:jason.sergeant@ci.evansville.wi.gov) or (608)-882-2285



## **PURPOSE**

The RLF is designed to facilitate business development projects within the City of Evansville that create investment and employment opportunities for start-up and expanding businesses.

## **ELIGIBILITY**

Any Chief Executive Officer, President, or owner seeking to establish a new operation, expand an existing or start-up a new business in the City of Evansville area, may submit an application. Municipal officials, employees, agents or Common Council Members who exercise decision-making functions or responsibilities relating to the RLF are prohibited from receiving program funds. No loans will be made which are in conflict with any applicable local, state and federal statutes.

Loans *cannot* be used for debt financing, non-essential specialized equipment, residential projects (unless directly related to business conversion), studies or other "soft" costs, maintenance, the payment of assessments for public utilities, or involuntary relocation payments. Nor can funds be used to finance any of the following businesses: speculative investment and/or real estate investments, non-profit business or corporations (unless paying property taxes or a payment in lieu of taxes), lending institutions, gambling operations, non-public recreation facilities, religious organizations or groups, or education facilities.

The following activities are eligible for program funds: land, building, and fixed equipment acquisition; site preparation and construction, including site clearance, demolition, removal or rehabilitation and improvements; the reconstruction or installation of buildings and fixed equipment; working capital, including marketing; workforce development and/or training.

## **REQUIREMENTS**

To be eligible for funding, all of the following minimum conditions will be considered:

1. A minimum of \$1 dollar of private funds leveraged for every \$1 dollar of loan funds requested. Matching funds will be determined on a case by case basis and may include in-kind labor hours, equipment purchases, business expenses, etc.;

2. Demonstration of need based on balance sheet, income statement and cash flow statement.
3. The creation/retention of at least [1] full-time equivalent, permanent position - excluding those filled by owners/partners or family members - for every \$20,000 program funds requested;
4. Project viability and ability to repay the loan;
5. Compliance with all applicable local, state, federal codes and laws;
6. Project completion within 24-months of loan approval, detailing hiring, construction and other relevant time-bound schedules.
7. Satisfactory completion of criminal and financial background check

### **CONDITIONS**

Applications may be submitted at any time during the year. All completed applications are subject to review by Evansville Economic Development Committee and the RLF Review Board. The City's Common Council determines all final loan decisions.

Loan amounts are subject to program fund availability and eligibility criteria. Maximum terms excluding deferral period are as follows (not longer than the term of private financing): working capital - 5 yrs.; machinery, equipment and fixtures – 7 yrs.; and real estate - 10 yrs. Rates are negotiable per RLF Review Board and EDC approval. To secure 100% of the loan, assets to be purchased with loan proceeds and any/all other assets owned and/or used in the business, plus personal guarantees are required. No funds will be released without *written* commitments from other funding sources.

Repayment schedules are monthly; interest and/or principal may be deferred for up to one (1) year, depending on recommendations of the said review. Interest shall accrue during this deferment period, and be added to the principal loan amount. Thereafter, both interest and principal shall be collected for the remaining term of the loan to maturity. No loan shall be subject to any penalty for prepayment prior to the term of the project. However, late payment penalties are applicable.

Failure to comply with any of the provisions of the RLF may result in default. In addition to the said requirements in the Loan Recipient Obligations section, the following shall also be considered as a default:

1. Recipient's failure to create / retain the specified number of jobs within a specified time frame;
2. Failure to make any payment of interest or principal within 30 days after payment due date;
3. Defaulting on other loans with private lenders;
4. Cessation of operations or movement of business from the City;
5. Sale of the business.

### **DISTRIBUTION OF FUNDS**

Upon Notice of Award the following conditions, in addition to those previously stated, must be met and verified prior to releasing funds:

1. Evidence of all necessary permits, licenses, and any other registration requirements;
2. Evidence of program expenditures, such as invoices, receipts, final bills, etc.;
3. Evidence of purchased and installed fixed equipment from program funds;
4. A prepared loan agreement and repayment schedule by the City;
5. A promissory note prepared by the recipient;
6. A prepared mortgage or lien instrument(s) by the City.

### **LOAN RECIPIENT OBLIGATIONS**

All RLF recipients shall agree to comply with the following conditions. Noncompliance may result in financial penalties, notice of default, foreclosure and/or other collective actions.

1. Create/retain obligated number of jobs within 24-months of RLF Agreement;
2. All applicable local, state and federal statutes, as amended and all regulations pursuant to these acts;
3. Funds shall only be used in accordance with the Loan Agreement;
4. Recipients shall permit the City the right of performance monitoring and audit/inspection of all projects and properties assisted with loan funds. Inspections include, but not limited to, contracts, material equipment, payrolls, and conditions of employment. The recipient shall comply with inspection requests within four (4) working days of the request;

5. Recipients shall keep such records of the project, as may be requested by the City. All records shall be kept for at least three years after completion of work for which the loan has been obtained.
6. Recipient shall maintain fire and extended coverage insurance on the property required during the term of the business loan. City of Evansville shall be listed as "other" or "additional" insured on the policy. Term life insurance may be required of the applicant to cover the loan balance through the life of the loan.
7. Recipient must abide by all federal laws where applicable. These include, but may not be limited to: the Civil Rights Act of 1964; the Age Discrimination Act of 1975; the Contract Work Hours and Safety Standards Act; the Copeland "Anti-Kickback" Act; and all regulations pursuant to these acts.
8. The applicant must submit annual progress reports to the EDC to give an update on the project, including minimum current and projected employment levels, and the financial statements for the period covered.

## CITY OF EVANSVILLE REVOLVING LOAN FUND (RLF) APPLICATION

Instructions: Please read carefully. Prior to submitting an application, please discuss the program with City Staff to ensure all necessary materials are provided.

To receive full consideration, each applicant must provide a complete application. Incomplete applications will not be reviewed until all noted deficiencies are corrected. Applications may be resubmitted, pending review recommendations. (Please Print or Type)

### APPLICANT INFORMATION and BUSINESS PROFILE

Business/Company Name:

\_\_\_\_\_ SIC Code: \_\_\_\_\_

Address:

\_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_ Fax: \_\_\_\_\_

Business Ownership:

Individual,  Partnership,  Corporation, or  Other \_\_\_\_\_

Chief Executive Officer, President or Owner (Recipient):

\_\_\_\_\_

Person Preparing Application: \_\_\_\_\_

Date of Business Incorporation or Start-Up: \_\_\_\_\_

Total Number of Current Employees: \_\_\_\_\_, provide breakdown below:

Clerical \_\_\_\_\_, Skilled \_\_\_\_\_, Semi-skilled \_\_\_\_\_, and Professional \_\_\_\_\_

Part-Time \_\_\_\_\_, specify avg. weekly hours per employees: \_\_\_\_\_

Full-Time \_\_\_\_\_, specify avg. weekly hours per employees: \_\_\_\_\_

Type of Business:

Service,  Retail,  Industrial/Manufacturing, or  Other: \_\_\_\_\_

Most Recent annual Revenue and Profits: \_\_\_\_\_

**APPLICANT INFORMATION and BUSINESS DESCRIPTION**

As an attachment please provide the following financial information: (1) prior three years Federal Income Tax returns for both business and individual(s); (2) prior three years and current (within 90 days) signed financial statements documenting balance sheets, profit/loss statements, and accountant notes; and (3) Articles of Incorporation or partnership agreement.

Applicants have the option to either provide a written business plan (including equivalent information) as an attachment, or provide a written business description below. If attached indicate in the space provided.

Please describe the qualifications and experience of each principal associated with the current and/or proposed business noting the following items: (1) years of experience and education background, and (2) their personal involvement/ role:

---

---

---

---

---

---

---

---

---

---

---

---

Describe the current and/or proposed business operations, noting the following items: (1) date established or proposed start-up and (2) type of operation, legal structure, markets, and products:

---

---

---

---

---

---

---

---

---

---

---

---

## PROJECT DESCRIPTION AND NEED

Describe the planned RLF usage; in addition attach a 24-month project timeline, noting hiring, construction, and other relevant project time schedules:

---

---

---

---

---

---

---

---

---

---

**Need for Project is Caused By:**  Business Expansion,  Product Expansion,  New Business, or  Necessary to Remain in Business (explain):

---

---

Has a Market Analysis or other investigations been performed to evaluate this project's feasibility?  Yes or  No (If Yes, attach copies)

### Description of all Project Costs

_____ Land/Building Acquisition	\$_____
_____ Rehabilitation/Const.	\$_____
_____ Acquisition of Equipment	\$_____
_____ Other	\$_____

Total Amount of Loan Requested \$\_\_\_\_\_

Anticipated Source of Private Funding Match:

Not Determined  
 in-kind (specify): \_\_\_\_\_  
 Financial Institution: \_\_\_\_\_

Has project been reviewed by a private financial institution? [ ] Yes, [ ] No

If Yes, provide institution and loan officer name: \_\_\_\_\_

Action Taken, if Any (please provide written documentation)

[ ] Approved, [ ] Denied, or [ ] Conditional

### PROJECTIONS

Please attach pro forma financial statements, including all notes and schedules over a three-year period. At a minimum, these must be signed compiled statements by an independent accountant.

Total Number of New Jobs Created by Project \_\_\_\_\_ (provide breakdown below)

Clerical \_\_\_\_\_  
Semi-skilled \_\_\_\_\_

Skilled \_\_\_\_\_  
Professional \_\_\_\_\_

Part-Time \_\_\_\_\_  
Full-Time \_\_\_\_\_

Ave. Weekly Hr/Emp \_\_\_\_\_  
Ave. Weekly Hr./Emp \_\_\_\_\_

Expected Salary/Wage Range (\$/hr) \_\_\_\_\_

Total Number of Jobs Retained by Project \_\_\_\_\_ (provide breakdown below)

Clerical \_\_\_\_\_  
Semi-skilled \_\_\_\_\_

Skilled \_\_\_\_\_  
Professional \_\_\_\_\_

Part-Time \_\_\_\_\_  
Full-Time \_\_\_\_\_

Ave. Weekly Hr/Emp \_\_\_\_\_  
Ave. Weekly Hr/Emp \_\_\_\_\_

Expected Salary/Wage Range (\$/hr) \_\_\_\_\_

**APPLICANT SIGNATURE AND VERIFICATION**

I/WE HAVE READ AND UNDERSTAND THE CONDITIONS, OBLIGATIONS AND REQUIREMENTS ASSOCIATED WITH THE CITY OF EVANSVILLE REVOLVING LOAN FUND (RLF). I/WE ALSO UNDERSTAND THAT THIS INITIAL APPLICATION WILL BE UTILIZED TO DETERMINE RLF ELIGIBILITY. I/WE AGREE TO PROVIDE ADDITIONAL INFORMATION AS REQUESTED BY THE ECONOMIC DEVELOPMENT COMMITTEE AND/OR OTHER RELEVANT PARTIES, INCLUDING A CRIMINAL AND FINANCIAL BACKGROUND CHECK

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (type or print)

\_\_\_\_\_  
Name (type or print)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\*\*\*\*\* Official Use Only \*\*\*\*\*

Date Submitted \_\_\_\_\_

Review Date \_\_\_\_\_

Loan Review Board Recommendation

\_\_\_ Approved \_\_\_ Disapproved

Explanation\_\_\_\_\_

\_\_\_\_\_

Action taken by EDC

\_\_\_ Approved \_\_\_ Disapproved

Explanation\_\_\_\_\_

\_\_\_\_\_

<b>ECONOMIC DEVELOPMENT REVOLVING LOAN FUND CHECKLIST</b>	
<b>Complete RLF Application</b>	
<b>Business Profile. Written description of the business including the following:</b>	
	A brief history of the existing or proposed business including when it started or is to start, type of operation, legal structure, markets, and products.
	Key customers and clients, if requested to verify the soundness of the business plan.
	A brief personal resume of each principal associated with the business including: years of experience, educational background, and personal involvement in the proposed or existing business.
	Three years of financial history (if applicable) compiled, reviewed or audited in accordance with generally accepted accounting principles, including balance sheets, profit/loss statements, and accounting notes.
<b>Project Description. Written description of how the business plans to use the requested funds, including the following:</b>	
	Sources and Uses of Funds Statement
	18 month project timeline
<b>Lender Commitment Letters/ Loan Documentation. Written commitments/ documentation of commitments from all other lenders making loans to the project, including the following:</b>	
	Descriptions of the type of loan being made by the lender (First mortgage, permanent financing, construction financing, etc.).
	The amount of the loan, interest rate, term, and security.
	Statements that the loan is contingent only on the receipt of program financing, if applicable.
<b>Financial Projections. Financial statements over a three-year period or until a break-even point is reached. (Assuming business will receive the requested loan) Statements should be at a minimum accepted accounting principles and clearly show the requested loan is necessary to make the project work. Please include the following:</b>	
	Balance sheet
	Income statement
	Cash flow statement
<b>Background Check Paperwork</b>	
<b>Proof of insurance (e.g. Product Liability, Life, etc.)</b>	
<b>Articles of Incorporation and/or relevant business organization status documentation</b>	
<b>Other Relevant Documentation. The Loan Review Board or Economic Development Committee may require additional information as needed.</b>	