



**RED WING PORT AUTHORITY  
LOAN APPLICATION  
REVOLVING LOAN FUND PROGRAM**

**\*Please type or print**

**\*Submit application to: Red Wing Port Authority 419 Bush Street, Red Wing, MN 55066**

**\*THIS INSTITUTION IS AN EQUAL OPPORTUNITY PROVIDER\***

Date of Application: \_\_\_\_\_

Name of Business (Legal Name): \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Business Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_

Federal Tax ID# \_\_\_\_\_ State Tax ID# \_\_\_\_\_

Dun & Bradstreet Number: <http://fedgov.dnb.com/webform/displayhomepage>

NAICS CODE: \_\_\_\_\_

**Type of Business:**  Sole Proprietorship  Partnership  Corporation  
 LLC  Other

Date Business Established: \_\_\_\_\_ Dun# \_\_\_\_\_

**Principals:**

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Percentage Owned: \_\_\_\_\_% Percentage Owned: \_\_\_\_\_%

Address: \_\_\_\_\_ Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_ City, State, Zip: \_\_\_\_\_

**Participating Lender Information:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Contact Phone: \_\_\_\_\_

**Project Information:**

\_\_\_\_ New Business                      \_\_\_\_ Expansion of Existing Facility

\_\_\_\_ Transfer of Ownership              \_\_\_\_ Other

**Current and Projected Employment:**

<u>Type of Employment</u>	<u>Existing</u>	<u>1<sup>st</sup> year</u>	<u>2<sup>nd</sup> year</u>
Professional/Management	__ FT __ PT	__ FT __ PT	__ FT __ PT
Skilled	__ FT __ PT	__ FT __ PT	__ FT __ PT
Unskilled / Semi Skilled	__ FT __ PT	__ FT __ PT	__ FT __ PT
TOTALS:	__ FT __ PT	__ FT __ PT	__ FT __ PT

**Sources and Uses of Funds:** Port    Bank    Equity Other    Other    Total

Property Acquisition	\$__	\$__	\$__	\$__	\$__	\$__
Renovation	\$__	\$__	\$__	\$__	\$__	\$__
Site Improvement	\$__	\$__	\$__	\$__	\$__	\$__
Equipment / Machinery	\$__	\$__	\$__	\$__	\$__	\$__
Inventory	\$__	\$__	\$__	\$__	\$__	\$__
Working Capital	\$__	\$__	\$__	\$__	\$__	\$__
New Construction	\$__	\$__	\$__	\$__	\$__	\$__
Other	\$__	\$__	\$__	\$__	\$__	\$__

<b>Financing Terms</b>	Port	Bank	Equity	Other
Loan Amount	\$ _____	\$ _____	\$ _____	\$ _____
Term (Years)	_____	_____	_____	_____
Interest Rate	_____	_____	_____	_____
Annual debt Service	\$ _____	\$ _____	\$ _____	\$ _____
Type of Collateral	_____	_____	_____	_____
Security Position	_____	_____	_____	_____
Requested Revolving Loan Amount	\$ _____			
Applicant Match of Project Cost	\$ _____			

**Submit completed application to:**

Red Wing Port Authority  
 Attention: Shari Chorney  
 Business Development Manager  
 419 Bush St.  
 Red Wing, MN 55066  
 Direct: (651) 385-3639  
 Email: [Shari.Chorney@ci.red-wing.mn.us](mailto:Shari.Chorney@ci.red-wing.mn.us)

## Additional Required Information

The information included in the attached "Exhibit A-Application Exhibits" shall also be provided to the Red Wing Port Authority as part of this loan application.

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I declare that the information provided on this application and the accompanying exhibits is true and complete to the best of my knowledge. I understand the Red Wing Port Authority has the right to verify this information and will be in contact with those individuals and institutions involved in the proposed project.

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**\*\*RECIPIENTS OF FEDERAL FINANCIAL ASSISTANCE MUST GATHER RADICAL IDENTITY INFORMATION, IN ORDER TO PROVIDE OUR AGENCY WITH THE BREAKDOWN OF PEOPLE BEING SERVED BY THE FEDERALLY FINANCED PROGRAM.**

**PLEASE PROVIDE THE FOLLOWING INFORMATION SO THAT THE PORT AUTHORITY WILL BE IN COMPLIANCE WITH TITLE VI OF THE CIVIL RIGHTS ACT OF 1964**

The information regarding race, color, or national origin designation is requested in order to assure the Federal Government that the Red Wing Port Authority complies with Federal Laws prohibiting discrimination on the basis of race, color, or national origin. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your request for services or to discriminate against you in any way. However, if you choose not to furnish this information, we are required to note your race and national origin on the basis of visual observation or surname.

Please check the appropriate information below:

### RACIAL CATEGORIES

- American Indian or Alaskan Native
- Asian
- Black or African American
- Native Hawaiian or Pacific Islander
- White

### ETHNIC CATEGORIES

- Hispanic or Latino
- Not Hispanic or Latino

*In accordance with Federal law and the U.S. Department of Agriculture's policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability.*

*To file a complaint of discrimination, write to: USDA, Director, Office of Civil Rights, 1400 Independence Ave. SW, Washington D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).*

## **EXHIBIT A: APPLICATION EXHIBITS**

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### **Exhibit 1**

#### **History and Description of Business**

Briefly describe the past operation of the business and / or events leading up to its creation. Include information on the product lines or services, industry, management and key employees, including resumes of owners. Include a Business Plan.

### **Exhibit 2**

#### **The Project and Related Marketing Plan**

Describe the proposed project for which financing is being requested. Detail the marketing strategy and describe how it will support the planned business expansion or start –up. Include information on the following:

- Current customers and target markets
- Manufacturing process and materials
- Major suppliers
- Competition and comparison of products
- Pricing, distribution, and promotion

### **Exhibit 3**

#### **Detailed Source and Use of Proceeds**

Detail how the total project amount will be used including all sources of funds. Attach written cost estimates.

### **Exhibit 4**

#### **List of Collateral**

Provide a detailed list of all collateral offered, new and existing, its value, and security position by funding source. Including marketable title for property/ Property Appraisal

### **Exhibit 5**

#### **Commitment Letters**

Include firm commitments from banks and other participating lenders stating the terms and conditions of their financing.

## **Exhibit 6**

### **Impact of Community / Jobs**

Describe how the proposed project will benefit the community or area in which the business is located.

## **Exhibit 7**

### **Financial Statements**

Provide compiled Financial Statements including Balance Sheets and Income Statements for the past three fiscal years (historical).

## **Exhibit 8**

### **Interim Statement**

Provide Financial Statements including Balance Sheets and an Income Statement that is less than 90 days old (current).

## **Exhibit 9**

### **Projections**

Provide three years of projections. Define the assumptions used to derive the projections.

## **Exhibit 10**

### **Resumes and Personal Financial Statements**

Provide resumes of all principals as well as current, dated and signed personal financial statements on all principals with a significant financial interest in the business.

## **Exhibit 11**

### **Appraisals / Proposed Lease / Purchase Options or Agreements**

An independent appraisal may 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 loan. Also, include copies of existing or proposed lease(s) purchase options or agreements, or other financial arrangements.

## **Exhibit 12**

### **Partnership Certificate or Authorization or Corporate Certificate of Authority**

## **Exhibit 13**

**Debt Schedules** – include a list of all debt.

**Exhibit 14**

Credit Review Summary or Bank Credit Report

**Exhibit 15**

Personal and business references

**Exhibit 16**

**Required attachments**

- A. Business Plan (See Exhibit A)
- B. Signed Personal Financial Statement dated as of the date of application for any person who owns 20% or more interest in the business.
- C. Federal tax returns filed by the business for the previous three years, if the applicant is a sole proprietorship, partnership or corporation that does not have complied financial statements.
- D. Key Man Life Insurance

## CREDIT CHECK AUTHORIZATION AGREEMENT

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Telephone Number \_\_\_\_\_

Social Security Number \_\_\_\_\_

Date of Birth \_\_\_\_\_

I hereby give the Red Wing Port Authority permission to do a credit check on my credit background.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



## CONFLICT OF INTEREST

1. List all concerns that are in any way affiliated with the Red Wing Port Authority, its officers, directors, or employees.

2. Does the Red Wing Port Authority buy from, sell to or use the services of the ultimate recipient or its officers, directors or employees? No \_\_\_\_ Yes \_\_\_\_ if yes, please list:

3. List below any names of Port Authority employees, directors or officers who are related by blood, marriage or adoption that have had any past direct or indirect financial interest with the ultimate recipient.

Name and Address

A. \_\_\_\_\_  
Details of Relationship or Interest \_\_\_\_\_

B. \_\_\_\_\_  
Details of Relationship or Interest \_\_\_\_\_

C. \_\_\_\_\_  
Details of Relationship or Interest \_\_\_\_\_

\_\_\_\_\_  
Ultimate Recipient Signature

Date: \_\_\_\_\_

## TENNESSEN WARNING: DATA PRIVACY STATEMENT

All information you provide about you is considered private data as defined by the Minnesota Data Practices Act.

The information collected from you, other agencies and individuals (authorized by you) is used to determine your eligibility for the revolving loan fund program.

We will use your private data only when it is required for administration and management of the program. Persons of agencies with whom this information may be shared include:

1. The local loan committee members who approve the applications.
2. Staff who are involved in program administration.
3. Auditors who perform required audits of our programs.
4. Authorized personnel from the Minnesota Department of Employment and Economic Development and the U.S. Department of Housing and Urban Development or other state and federal agencies providing funding assistance to you.
5. Those persons who you authorize to see the data.
6. Law enforcement personnel in the case of suspected fraud.

Unless otherwise authorized by state statute or federal law, other government agencies using the private data must treat it as private; you may wish to exercise your rights as contained in the Minnesota Government practices act. Those rights include:

1. The right to see and obtain copies of the data maintained on you,
2. Be told the contents and meaning of the data, and
3. Challenge the accuracy and completeness of the data.

To exercise these rights, contact Randy Olson, Executive Director, Red Wing Port Authority, 315 W. 4th St., Red Wing, MN 55066, 651-385-3697.

I/we certify that all statements on this application are true and correct to the best of my/our knowledge. I/we understand that any intentional misstatements will be grounds for disqualification. I/we authorize representatives the right to access the property to be improved for the purpose of the deferred loan program.

APPLICANT(S): \_\_\_\_\_ DATE: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## **APPLICATION AND REVIEW PROCESS**

### **APPLICATION PROCESS**

Applicant will first complete the application and / or meet with Red Wing Port Authority staff to discuss business plans. The application will be reviewed to determine preliminary eligibility, financing needed, and to explore all financing options. After examination of the application and discussion with the applicant, a meeting with the Red Wing Port Authority Loan Review Committee will be scheduled to review the application with final approval being provided by the Red Wing Port Authority Board of Commissioners.

The staff at the Red Wing Port Authority are available to assist each borrower in the completion of the application package. Please contact Shari Chorney at (651)385-3639.

Completed applications may be accepted at any time, but will be reviewed and acted upon by the Port Authority Board of Commissioners at their next regularly scheduled meeting. Applications, which are determined to be incomplete by the Port Authority staff or Loan Review Committee, will be held over until the next monthly meeting.

### **LOAN REVIEW AND IMPLEMENTING PROCESS:**

Upon approval of the full loan application, the Red Wing Port Authority Loan Review Committee shall then make a recommendation to the Red Wing Port Authority Board of Commissioners, whether or not to fund the applicant. The Board of Commissioners shall make the final determination on loan applications. No loan shall be made prior to Port Authority Board authorization.

Following approval, the applicant shall proceed with signing of a loan agreement, promissory notes, mortgages, and / or other documents required for the loan closing. Failure of the applicant to progress towards closing of the loan within 60 days shall result in canceling the loan for the project.

Upon completion of the improvements, the applicant's property shall comply with all applicable code, permit and license requirements, and shall have a current certificate of occupancy. Loan repayment to the Red Wing Port Authority Revolving Loan Fund shall be according to the amortization schedule included in the loan documents.

### **LOAN REVIEW CRITERIA**

The following checklist shall be used in reviewing loan applications to determine that the proposed loan is deemed necessary or appropriate.

1. Submission of written requests for funds stating loan purpose
2. Job creation or retention
3. Existence of matching funds or matching capital from other sources
4. Repayment ability
5. Management capability / skill
6. Credit risk of applicant

**RED WING PORT AUTHORITY  
REVOLVING LOAN FUND  
GENERAL LOAN POLICIES**

**ELIGIBLE BORROWERS**

Any legitimate business operating or planning to operate in the City of Red Wing.

**ELIGIBLE USE OF PROCEEDS**

Proceeds may be used for machinery, equipment, building rehabilitation and real estate.

**INELIGIBLE USE OF PROCEEDS**

Refinance debt  
Pay delinquent taxes  
Cover product development costs  
Pay organizational costs of start-up  
Investment of residential real estate  
Working Capital

**LOAN AMOUNTS**

Loan amounts must be a minimum of \$10,000 with a maximum amount not to exceed the current balance in the Industrial Revolving Loan Fund.

**JOB CREATION AND RETENTION**

The business must provide for the retention or creation of new jobs in participation of the RLF program as per State of MN guidelines.

**TERMS OF LOANS**

The Red Wing Port Authority will make loans with terms up to 7 years. The annual interest rate shall be 3% - 8%

**COLLATERAL AND PERSONAL GUARANTEES**

Each loan will be secured by collateral adequate to safeguard the lender. If the Red Wing Port Authority is the sole leader it will take a first security interest in the assets financed and additional security / collateral maybe required. If the Port Authority is in partnership with another lending source, the Port Authority will take a subordinate interest in the assets being financed.

Personal guarantees will be required on all projects. Personal guarantees may be collateralized with personal assets where required by the Port. Key Man Life Insurance will also be required in the amount equal to or greater than the loan amount.

**OWNER PARTICIPATION**

Owner equity must be 10% or more of the project cost. Bank or other outside funding must be part of the funding of the total project. Applicant will be required to provide documentation that RLF Funds will provide gap financing and provide current compiled financial statements and 3 year projections / cash flow.

**OTHER REQUIREMENTS**

Applicants will be required to submit proof of Liability, Property and Workers' Compensation Insurance. Port Authority will be named as Additional Insured on the Property and Liability Insurance. The Port Authority requires annual proof of insurance.

**FEES**

All applicants will be charged a \$100 application fee. If a loan is approved, the developer shall be responsible for all legal fees and shall reimburse the City (Port Authority) for all Closing Costs and related Attorney Fees, reasonably incurred by the City (Port Authority) in making this contemplated loan.