



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

Name of Business (Legal Name): _____

Address: _____

City, State, Zip: _____

Business Phone: _____ Fax: _____

Contact Person: _____ Phone: _____

Federal Tax ID# _____ State Tax ID# _____

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

Date Business Established: _____

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>1st year</u> | <u>2nd 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:

| | <u>Port</u> | <u>Bank</u> | <u>Equity</u> | <u>Other</u> | <u>Other</u> | <u>Total</u> |
|----------------------|-------------|-------------|---------------|--------------|--------------|--------------|
| Property Acquisition | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ |
| Renovation | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ |
| Site Improvement | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ |
| Equipment/Machinery | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ |
| Inventory | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ |
| Working Capital | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ |
| New Construction | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ |
| Other | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ |

| Financing Terms | <u>Port</u> | <u>Bank</u> | <u>Other</u> | <u>Other</u> |
|------------------------|-------------|-------------|--------------|--------------|
| Loan Amount | \$_____ | \$_____ | \$_____ | \$_____ |
| Term (Years) | _____ | _____ | _____ | _____ |
| Interest Rate | _____% | _____% | _____% | _____% |
| Annual debt Service | \$_____ | \$_____ | \$_____ | \$_____ |
| Type of Collateral | _____ | _____ | _____ | _____ |
| Security Position | _____ | _____ | _____ | _____ |

Requested Revolving Loan Amount \$_____

Applicant Match of Project Cost \$_____

Additional Required Information

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

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: _____

Submit completed application to:

Red Wing Port Authority
 Attention: Shari Kullman-Chorney
 Business Development Director
 419 Bush Street
 Red Wing, MN 55066
 Direct: (651) 385-3639
 Email: shari.kullman@redwingportauthority.com

EXHIBIT A: APPLICATION EXHIBITS

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 – Application Exhibits)
- 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 _____
Last First Middle

Address _____

City State Zip Code

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.

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 office 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 Government 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 all 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 Myron White, Executive Director, Red Wing Port Authority, 419 Bush Street, 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 to 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: _____

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 is available to assist each borrower in the completion of the application package. Please contact Shari Kullman-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 5% - 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.