

City of Avon, MN

Revolving Loan (RLF) Application

LARGE LOAN APPLICATION



140 Stratford Street East • Avon, MN 56310 • cityofavonmn@cityofavonmn.com

INSTRUCTIONS: This application is for loans greater than or equal to \$8,001. Please read the Revolving Loan Fund (RLF) Guidelines before completing this application. Completely fill out every section of this application. Questions regarding this application or the RLF Guidelines should be directed to the Avon Economic Development Authority (EDA). Completion of the application does not guarantee loan approval. The EDA will review the application upon submission.

DATE: _____ **APPLICANT NAME:** _____

APPLICANT ADDRESS: _____

APPLICANT PHONE NUMBER: _____ **APPLICANT EMAIL:** _____

BUSINESS NAME: _____

BUSINESS OWNER(S): _____
[If more than one, please include]

YEARS IN BUSINESS: _____ **CORPORATION, PARTNERSHIP, SOLE PROPRIETORSHIP:** _____

BUSINESS/PROJECT ADDRESS: _____

BUSINESS FEDERAL TAX ID NUMBER: _____

BUSINESS/PROJECT PHONE NUMBER (IF AVAIL.): _____

BUSINESS/PROJECT EMAIL (IF AVAIL.) : _____

REQUESTED LOAN AMOUNT: _____ **TERM REQUESTED:** _____

PROJECT START DATE: _____ **PROJECT COMPLETION DATE:** _____



PLEASE COMPLETE AND SUBMIT A BUSINESS PLAN WITH THE FOLLOWING CRITERIA:

A) History & Description of the 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 as well as the operation's growth and affiliates.

B) Project Summary

Briefly describe the project you are proposing. Indicate the part of the project the loan would be used for. Include information on any existing financial or legal situations of the applicant that might affect the credit worthiness of this application.

C) Marketing Plan

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 (provide copies of any contracts, purchase orders, etc. that relate to the loan request).
- Manufacturing process and materials.
- Major suppliers.
- Competition and comparison of products.
- Pricing, distribution & promotion.

D) Business Financial Statements

Provide balance sheets, income statements and statements of cash flow for the past three fiscal years.

E) Projections

Provide pro-forma balance sheets, income statements and statements of cash flow (in both a monthly & annual basis) for the next three years. Define the assumptions used to derive the projections.

F) Personal Resumes & Financial Statements

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

Include notes indicating the basis of value on the assets (market value or acquisition cost) and explanations of other entries (notes payable, receivables, stocks, etc.). Financial statements should be dated within 90 days of filing this application.

Personal financial statements will be returned to the applicant(s) once the loan application has been reviewed and acted upon by the EDA Finance Team and the full EDA Board.

2) Interim Statements

Provide balance sheets, income statements and statements of cash flow that are less than 90 days old, if the business plan does not contain information this current.

3) Commitment Letters

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

4) Other Required Attachments

- A letter from the County Auditor or Treasurer verifying that there are no outstanding judgments or tax liens against the business, property or owners of the business.
- Evidence of payment of last quarter's payroll and sales taxes.
- Evidence of Worker's Compensation coverage.

REVOLVING LOAN FUND OBJECTIVES (PLEASE CIRCLE ALL THAT APPLY):

Business Start-Up • Business Expansion (includes construction and renovation) • Purchase of Machinery and Equipment
Infrastructure Improvements • Property Acquisition • Downtown Redevelopment • Industrial Park Development
Site Improvements • Affordable Housing Issues

DESCRIBE CIRCLED ITEM(S): _____
[If desired, attach additional sheets]

DO THE IMPROVEMENTS OR DOES THE PROJECT SUPPORT MANUFACTURING OR VALUE ADDED BUSINESS?
[If yes, please explain below]

JOBS THAT WILL BE CREATED:
[If desired, attach additional sheets]

FULL TIME: _____ **ESTIMATED WAGE(S):** _____

PART TIME: _____ **ESTIMATED WAGE(S):** _____

DATE THAT JOB(S) WILL BE CREATED: _____

JOBS THAT WILL BE SAVED:

FULL TIME: _____ **ESTIMATED WAGE(S):** _____

PART TIME: _____ **ESTIMATED WAGE(S):** _____

DATE THAT JOB(S) WILL BE CREATED: _____



WILL THE PARCEL THAT THE PROJECT OR IMPROVEMENT IS LOCATED INCREASE THE ASSESSED MARKET VALUE BY AT LEAST 50%? (YES/NO): _____

FINANCING DETAIL:

	Equity	Bank	EDA	Other	Other
Loan Amount	\$	\$	\$	\$	\$
% of Total	%	%	%	%	%
Term of Loan	yrs.	yrs.	yrs.	yrs.	yrs.
Interest Rate	%	%	%	%	%
Monthly Pmt.	\$	\$	\$	\$	\$
Lien Position (i.e. 1st, 2nd, 3rd)					
Approved?					

COLLATERAL DETAIL:

Collateral Provided (Describe)	Position of EDA (i.e. 1st, 2nd, 3rd)	Dollar Amount
		\$
		\$
		\$
		\$
		\$

Total Collateral: \$ _____
[Must agree with EDA Financing]

EXISTING BUSINESS FINANCING OBLIGATIONS

Creditor Name	Original Amount	Current Balance	Monthly Payment	Maturity Date
	\$	\$	\$	
	\$	\$	\$	
	\$	\$	\$	
	\$	\$	\$	
	\$	\$	\$	
	\$	\$	\$	
	\$	\$	\$	

NOTES:

PLEASE SUBMIT:

1. Business plan; as outlined previously
2. The names and addresses of all persons and banks providing financial assistance; including collateral
3. Names and addresses of persons providing accounting services
4. A letter(s) of commitment from a bank or financing company confirming that it will provide a specified amount of financial assistance to the developers project; also include a letter of commitment for collateral

AGREEMENT:

[This is an application agreement, not a loan grantee. The Avon EDA will review this application and respond to applicant with an official decision. If the applicant is approved official loan terms will be presented to the applicant from the Avon EDA]

- If approved, applicant is responsible to repay the full amount of the loan, plus interest, to the Avon EDA.
[Payment schedule and interest rate will be negotiated between the Applicant and the EDA]
- If the qualified applicant's project or improvement plan changes before or after RLF funds are distributed the applicant must notify the Avon EDA immediately.
- The qualified applicant must provide a detailed annual analysis of the present sales, cash flows and job creation/retention status after the project is completed until the EDA loan is completely repaid.
- The Avon Economic Development Authority reserves the right to view financial documents related to the project upon request.
- All jobs must be created/retained within the time frame specified in the development agreement
[If applies]
- Immediate repayment of the entire outstanding balance of the loan will be made if the business relocates outside the corporate limits of the City of Avon.
- Late payments of the RLF will result in fees specified by the EDA
- Upon final approval by the EDA, and the City Council when required, a promissory note, personal guarantees, and/or mortgage will be prepared at closing. All fees related to the document preparation, along with any legal and recording fees are responsibilities of the borrower.

I certify that the firm known as:

_____ agrees to abide by all the requirements of this application and that all information provided to the Avon Economic Development Authority for this project is true and correct.

Authorized Signature / Title

Date