



For questions contact:
 Faribault County Development Corporation
 415 S Grove St, Suite 4 • Blue Earth, MN 56013
 (507)526-2151 • info@fcdcorp.net

Faribault County Economic Development Authority Commercial Rehabilitation Revolving Loan Program w/ Forgivable Incentive

PURPOSE

The Faribault County Commercial Rehabilitation Revolving Loan program (CRRL) is a loan program designed to assist the commercial businesses located within Faribault County. The purpose of the program is to upgrade the appearance of commercial properties to increase sales, property values, create and retain jobs and improve the business climate within the county. One of the goals of the program is to create and retain one job for every \$10,000 loaned. Funds are distributed on a first come, first served basis. As the loans are paid back, the funds will then be loaned out again. After the initial loan funds are used, the forgiveness incentive may no longer be offered. The loan program is processed through the Faribault County Economic Development Authority (FC-EDA) with assistance by the Faribault County Development Corporation (FCDC).

ELIGIBILITY

This program is available to all Faribault County, Minnesota, small and emerging private (for profit) business enterprises, as defined by USDA guidelines. This is defined as any private business that will employ 50 or fewer employees and has less than \$1 million in projected gross revenues.

MAXIMUM REPAYABLE INSTALLMENT LOAN AMOUNT

\$30,000 but can be increased to the level of available funding by the loan committee on a case by case basis.

FORGIVABLE LOAN

20% of the project cost, up to \$2,000

MINIMUM LOAN AMOUNT

\$2,500 but the loan committee can approve a smaller amount on a case by case basis.

OWNER FUNDS

15% of the total project required

LOAN EXAMPLES

Total Project Cost	\$5,000	\$10,000	\$20,000	\$37,647
15% Owner Contribution	(\$750)	(\$1,500)	(\$3,000)	(\$5,647)
Gross Loan Amount	\$4,250	\$8,500	\$17,000	\$32,000
20% Forgivable (\$2,000 maximum)	(\$850)	(\$1,700)	(\$2,000)	(\$2,000)
Net Loan Amount	\$3,400	\$6,800	\$15,000	\$30,000
Estimated Monthly Payment (5 year term, 3% interest)	\$61	\$122	\$269	\$539

LOAN INTEREST, TERM/PAYMENTS & PROPERTY STATUS CHANGE

1. Repayable Installment Loan

- **Interest:** The interest rate can range between 3-5% and typically will not exceed prime by more than 2%. The current interest rate is 3%.
- **Term/Payments:** The term can be up to 7 years with equal monthly payments, however, there is no prepayment penalty so monthly payment can be increased. The current term is 5 years.
- **Property Status Change:** If the property is sold, transferred, conveyed or ceases, the remaining principal of the Repayment Installment Loan is due and payable to the FC-EDA and will be placed back into the CRRL fund or the loan can be transferred to the new owner with the creation/recording of a new Repayable Agreement. Current and new owners are responsible for payment of filing fees.



2. Forgivable Loan Incentive

- **Interest:** The interest rate is 0%
- **Term/Payments:** The term is the same as the repayable installment loan and will **not** require a monthly payment and will be fully forgiven if the property does not change ownership within the term of the repayable installment loan and the repayable installment loan is paid off.
- **Property Status Change:** If the property is sold, transferred, conveyed or the business ceases during the term of the repayable installment loan, the Forgivable Loan is due and payable to the FC-EDA and will be placed back into the CRRL fund or the loan can be transferred to the new owner with the creation/recording of a new Repayment Agreement. Current and new owners are responsible for payment of filing fees.

The forgivable loan funds will be provided by the affiliated local Economic Development Authority (EDA) whom have chosen to partner in this program. This application will also be considered an application for your forgivable loan incentive and the approval process will be through the FC-EDA after review by the Faribault County loan committee. The Blue Earth, Winnebago, and Wells EDA's will be kept informed of all loans in their respective jurisdictions as they will be required to provide the funding for the forgivable portion of the loans.

APPLICATION

The applicant/owner will need to complete an application for the CRRL program that requires proof of property ownership, proof of current paid taxes, insurance, any existing mortgage liens or other encumbrances on the property and other information necessary to determine credit worthiness. Applications are processed on a first come, first served basis. Applicant/owners shall be limited to \$30,000 unless increased to the level of available funding by the loan committee per building in a ten (10) year span. There is a \$10 application fee which covers the cost of each credit check. A credit check will be processed for each named owner. Other costs associated with processing the application such as UCC, lien search fees, filing security documents, legal documents, etc. shall be the responsibility of the applicant. Current records search fee is \$100 which will be collected at the time of application and ordered immediately to assist the underwriting of the loan.

OWNERSHIP

The applicant/owner must own a commercial property within Faribault County. Ownership may include a legally recorded contract for deed. Properties under contract for purchase are not eligible until the legal transaction occurs. All owners and any holders of a contract for deed must approve and signatures obtained prior to application approval.

TARGET AREAS

Commercial building must be located in Faribault County.

EXCLUSIONS

The following activities or conditions disqualify a property from participating in the CRRL program:

- Improvements to properties with buildings in an advanced state of deterioration and not suitable for rehabilitation in the judgment of the FC-EDA and/or staff.
- Properties where insufficient equity or credit exists to secure the loan in the judgment of the FC-EDA and/or staff. Exceptions to the above provision may be considered by the FC-EDA and/or staff when a determination is made that the exception is in the best interest of the County. Appeals may be made to the FC-EDA.
- Uses that are nonconforming with municipal ordinances and considered incompatible with adjacent land uses or applicable redevelopment plans.
- Home-based businesses
- No city, state, federal government buildings will qualify under the CRRL Program.

ELIGIBLE REPAIRS AND IMPROVEMENTS

- Structural Repairs
- Electrical System Repairs
- Accessibility Modifications
- Energy Improvements
- Elimination of asbestos, mold and mildew (Scale tickets will be required to be submitted from the disposal site, identifying the materials)



ELIGIBLE REPAIRS AND IMPROVEMENTS CONTINUED

- Exterior Wall Cleaning and Repair – Cleaning, restoring, replacing, or repairing exterior front or visible sides/facades of buildings.
- Exterior Lighting – Fixtures and the installation of same, attached or connected to a building undergoing renovation including decorative fixtures for exterior of building or lighting for parking areas. Exterior lighting does not include free-standing lighting in the public right-of-way.
- Tuck-pointing
- Roofing Repairs and Treatments
- Demolition of structurally unsound structures or non-confirming structures if the demolition is an integral part of an improvement program for the property. Such demolition must comply with County or City codes governing demolition including the county and state codes. (Scale tickets will be required to be submitted from the disposal site, identifying materials)
- Electrical and Plumbing including air conditioning (HVAC)
- Machinery and equipment provided it is part of a larger project to acquire and/or upgrade an existing business and there is adequate security interest obtained.
- Working capital up to a maximum of \$2,000 provided it is in conjunction with an eligible repair or improvement and adequate security interest is obtained.

INELIGIBLE REPAIRS AND IMPROVEMENTS

Ineligible repairs can be covered by owner's funds. However, CRRL funds may not be used to cover costs of the following improvement items:

- Interior repairs and/or cosmetic improvements that are not related to an eligible repair.
- Interior shelving
- Floor covering
- Other interior work that is considered cosmetic not related to an eligible repair.
- Work started or completed before the loan approval and recording of loan repayment agreement.

PROPERTY INSPECTION

Staff and at least one member of the loan committee will need to visit the site and take pictures of the project before any application is approved and improvements are made. Pictures shall be provided by the applicant unless taken by staff after improvements have been made.

CONTRACTORS

Applicants must obtain at least two proposals for the work to be done. Contractors must have appropriate licenses and adequate insurance.

REPAYMENT AGREEMENTS

The applicant/owner(s) will enter into two loan agreements:

1. The agreements will be filed at the County Recorder's Office. A loan amortization schedule will be created for the Repayable Installment Loan and applicant/owner will make monthly payments directly to Faribault County. The applicant/owner will be allowed to make extra payments and/or pay off loan early in order to decrease amount of interest at no penalty. For the Forgivable Loan Incentive, a separate loan agreement will be required setting forth the 0% interest, that no monthly payments are required during the term of the repayable installment loan, and the full forgiveness of the loan if the property does not change ownership during the term of the repayable installment loan and repayable installment is paid off.
2. Any scheduled payment over 15 days past due will be subject to a late penalty of 5% of the installment amount

The FC-EDA will have the final say as to whether a property is eligible for CRRL funding, based on the program requirements.



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CONTACT INFORMATION

Applicant Name:		
Contact Person:	Title:	
Mailing Address:		
City:	State:	Zip Code:
Office Phone:	Cell Phone:	Fax:
Email:	Website:	
Business Type:		

PROPERTY INFORMATION *(Provide contact information for all property owners)*

Property Address:		
City:	State:	Zip Code:
Owner Name:	Percent Owned:	Contact Number:
Mailing Address:		
City:	State:	Zip Code:
Email:		
Owner Name:	Percent Owned:	Contact Number:
Mailing Address:		
City:	State:	Zip Code:
Email:		

IMPROVEMENT INFORMATION *(Describe the improvements you plan to make to the property)*



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IMPROVEMENT INFORMATION CONTINUED

Estimated Cost of Improvements:

FINANCIAL INFORMATION

Applicant Cash:		Commercial Rehab:		Other:	
NAICS Code:		TIN or EIN Number:		D-U-N-S Number:	
<i>Note: If you do not have a D-U-N-S Number go to: fedgov.dnb.com/webform. There is no charge to obtain a D-U-N-S Number and is usually issued within one business day. Once you obtain your D-U-N-S Number you will need to register it at sam.gov</i>					

CERTIFICATION

I certify that the information provided in this application is true and correct as of the date set forth opposite my signature on this application and acknowledge my understanding that any intentional or negligent misrepresentation(s) of the information contained in this application may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both and liability for monetary damages to the Faribault County Economic Development Authority, its agents, successors, and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation which I have mad on this application.

 Business Owner Signature

 Date

 Property Owner Signature

 Date



Faribault County Credit Check Release Authorization

In connection with my application, I understand that investigative background inquiries are to be made on myself. When applicable, I understand that you will be requesting information from various federal, state and other agencies which maintain records concerning my past activities in relation to my current driving record, credit information and criminal history and other experiences as well as annual audits that may be performed on any of the above reports.

PERSONAL INFORMATION:

First Name:	MI:	Last Name:	
Maiden or former name: (if applicable)			
Social Security Number:		Date Of Birth: (mm/dd/yyyy)	
Driver's License Number:			State of Issuance:
Current Address:			Years at address:
City:	State:	Zip Code:	County:
Previous Address:			Years at address:
City:	State:	Zip Code:	County:

AUTHORIZATION:

I authorize, without any reservations, any party or agency contacted to furnish the aforementioned information. With regard to the following disclosures, I hereby agree to release any person, company, governmental agency or other entity from any and all causes of action that otherwise might arise from supplying the information in t may request.

Applicant Signature

Date

A \$10.00 credit check fee must accompany this form. Please make checks payable to Faribault County.



Faribault County Race and Ethnicity Form

Please provide the following information so that Faribault County 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 Faribault County 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 encourage to do so.** This information will not be used in evaluation 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, color and national origin on the basis of visual observation or surname.

PLEASE CHECK THE APPROPRIATE INFORMATION BELOW:

Racial Categories (check one)

American Indian or Alaskan Native

Asian

Black or African American

Native Hawaiian or Other Pacific Islander

White

Other

Ethnic Categories (check one)

Hispanic or Latino

Not Hispanic or Latino

Who filled out this form (check one)

Participant

Employee Observed

Applicant Signature

Date:

In accordance with Federal Law and 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: Office of Civil Rights
USDA Director
1400 Independence Ave. SW
Washington, DC 20250-9410
Call to: (800) 795-3272 or (202) 720-6382 (TDD)