



WELLS ECONOMIC DEVELOPMENT AUTHORITY Revolving Loan Fund Guidelines

PURPOSE:

The Wells Economic Development Authority (EDA) Revolving Loan Fund (RLF) is a program that is meant to provide assistance to existing and new businesses within the City of Wells. The purpose of this fund is to provide capital for business start-up, business expansion, employee retention or expansion, tax base expansion, and to encourage new business investment in the community. The program works in partnership with local lending institutions to help “fill a financing gap” between available and necessary financial needs. It is fully intended that all funds repaid to the EDA Revolving Loan Fund by any borrower be re-loaned to other businesses for additional expansion and economic development projects within the City.

INVESTMENT AMOUNT:

Up to \$25,000

PROGRAM ELIGIBILITY:

Applicants and the proposed project must meet ALL of the following eligibility requirements in order to submit an application:

1. The project must be located within the City Limits of Wells, Minnesota.
2. The applicant must obtain a commitment letter from a participating private lender.
3. The applicant must have the ability to repay the loan and be an acceptable credit risk as determined by the participating private lender.
4. The property, parcel, or project must not have an outstanding RLF loan or have had an RLF loan in the previous two years under the same owner.
5. No one applicant may have more than two outstanding RLF loans at any one time.
6. Upon completion of the improvements the applicant’s property must pass all required health and safety inspections.
7. The RLF is not able to be utilized for any project whose primary purpose is residential.



APPROVAL CONSIDERATION:

When considering the approval of submitted applications the Wells EDA will base their decision using the following criteria:

1. Creation or retention of living-wage jobs
2. Ability to secure the loan with collateral
3. Sound business plan with financial projections
4. Credit worthiness of applicant
5. Adequate cash flow to service debt
6. Economic impact

APPLICATION REQUIREMENTS:

The following items must be submitted in order to be considered for the RLF program:

1. Completed Loan Application
2. New businesses: Current Business Plan
3. Existing businesses: Two years of business financial statements
4. Existing businesses: Two years of business income tax returns
5. Cash flow projections
6. Personal financial statements of all stakeholders of more than 20%
7. Two years of personal income tax returns for all stakeholders of more than 20%

LOAN APPROVAL:

Upon final approval by the EDA, the EDA will prepare a Promissory Note, Security Agreement, and Mortgage (if applicable) to be signed and recorded. All fees related to document preparation, legal fees, and recording fee are the responsibility of the borrower.

MAIL OR DELIVER COMPLETED APPLICATIONS TO:

City of Wells
Attn: Wells EDA
125 S Broadway
Wells, MN 56097



REVOLVING LOAN FUND APPLICATION

BUSINESS INFORMATION

Business Name:	
Address:	
Office Phone:	Office Fax:
Email:	Website:
Structure of Business (circle):	
Proprietorship Partnership Corporation S Corp C Corp LLC	
Tax Identification Number:	NAICS Number:

BUSINESS OWNER INFORMATION

Owner Name:	Title:
Address:	
Contact Number:	Email:
Social Security Number:	Percent of Ownership:
Owner Name:	Title:
Address:	
Contact Number:	Email:
Social Security Number:	Percent of Ownership:



ABOUT YOUR BUSINESS

New Business _____ Existing Business _____ Number of Years Existing _____

Describe the company's business:

Describe the Proposed Project:

LOAN REQUEST DETAILS

Loan Amount: \$ _____ Term of Loan: _____

Special Payment Terms or Conditions Requested:



FINANCIAL INFORMATION

Existing Business Financial Obligations:

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

Use and Source of Funds:

Use of Funds	Source of Funds (EDA, Bank, Equity, Etc.)	Amount
Property Acquisition:		\$
Site Improvement:		\$
Building Renovations:		\$
New Construction:		\$
Machinery & Equipment:		\$
Working Capital:		\$
Inventory:		\$
Debt Refinancing:		\$
Other:		\$
Other:		\$
TOTAL		\$



Proposed Financing Terms:

	EDA	Bank	Equity	Other	Other
Loan Amount:					
% Project Cost:					
Term of Loan:					
Interest Rate:					
Annual Payment:					
Collateral:					
Lien Position:					
Guarantees:					
Approved Y/N					

Conventional Business Lender Name, Address, Phone Number, and Contact Person:



JOB IMPACT

	Current	Additional Created
Full Time Positions (Year-Round)		
Part Time Positions		
Average Full Time Hourly Wage		
Average Part Time Hourly Wage		

Applicant Signature: _____ Date: _____

Applicant Signature: _____ Date: _____

EDA President Signature: _____ Date: _____