

Osceola County

Economic Development Commission

REVOLVING LOAN FUND APPLICATION

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**LOAN RECIPIENTS WILL BE RESPONSIBLE FOR ALL COSTS
ASSOCIATED WITH LOAN CLOSING.**

OSCEOLA COUNTY ECONOMIC DEVELOPMENT REVOLVING LOAN FUND

PURPOSE

The objective of the Osceola County Economic Development Revolving Loan Fund is to further the public purpose of economic development through joint public and private investments involving the creation of new jobs and income or the retention of existing and income that would otherwise be lost.

Before RLF funds are used as financial assistance to private persons or on behalf of private persons for economic development the Osceola County Economic Development Commission shall determine that a public purpose will reasonably be accomplished by the dispensing or use of these funds. The Osceola County Economic Development Commission shall give consideration to factors including but not limited to the following:

- A. Businesses that add diversity to, or generate new opportunities, should be favored over those that do not.
- B. Development policies in the dispensing of the funds should attempt to attract, retain or expand businesses that produce products for domestic consumption, exports, or import substitutes.
- C. Development policies in the dispensing of public funds should be targeted toward businesses that generate public gains and benefits, which gains and benefits are warranted in comparison to the amount of funds dispensed.
- D. Development policies in dispensing the funds should not be used to attract a business presently located within the State of Iowa unless the business is considering in good faith to relocate outside the State of Iowa or unless the relocation is related to an expansion which will generate significant new job creation.
- E. The potential economic impact on the County of the loss of jobs associated with a business leaving the County or ceasing operations.
- F. Quality of jobs and wages paid will be a consideration in approving RLF Applications

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1. The Osceola County Economic Development Revolving Loan Fund.
 - A. The initial funding commitment will be approximately \$400,000.00
 - B. The initial funding commitment will be provided by Osceola County, the City of Ashton, the City of Harris, the City of Melvin, the City of Ocheyedan, and the City of Sibley.
 - C. Interest earned on the unloaned portion of the RLF will remain within the RLF.
 - D. RLF funds loaned will be secured through the use of liens, security agreements or mortgages subordinate to private lending institutions whenever possible, proportional to the amount of participation.
 - E. The contributing entities shall have the option of reviewing the RLF annually. After full review, they may make decisions regarding the future of the RLF.
 - F. The RLF will be dissolved only if a majority of the contributing entities vote to withdraw from participation in the RLF.
 - G. If for any reason the fund is dissolved, all monies and interest will revert to the funding parties on a pro rata basis.

2. Revolving Loan Fund Administration
 - A. The RLF will be in the custodial care of the OCEDC Board of Directors including, but not limited to, loan disbursements and receipt and deposit of payments.
 - B. The Osceola County Economic Development Commission will have full responsibility for loan approval or denial and overall administration of the RLF. This includes, but is not limited to, negotiating with borrowers such items as loan amounts, loan duration and pay back terms.
 - C. Whenever appropriate, a member of the participating private lending institution shall be a non-voting participant in the OCEDC loan approval discussions. In addition, a representative from a non-participating private lender located in the County should be included as non-voting participant in loan approval discussions whenever possible.

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- D. The Executive Director of the OCEDC shall also be included as a non-voting participant in all discussions regarding loan application approval or denial.
- E. A quorum of the OCEDC, consisting of 67% or four voting members, must be present to approve or deny loan applications.
- F. Approval by a simple majority of those present is needed to approve loan applications.

3. Use of RLF Funds

- A. RLF funds may be used for the following:
 - Land Purchases
 - Building Purchases
 - Building Construction
 - Equipment Purchases
 - Inventory Purchases
 - Working Capitol
 - And any other uses deemed necessary and proper by the OCEDC.

4. Project Participation/Lending Limits.

- A. Any eligible project located within the boundaries of Osceola County may apply for funds.
- B. The RLF financial participation in an eligible project cannot exceed the lesser of 40% of the total project cost or \$100,000.00. However, individual projects with a unique impact on Osceola County may petition the OCEDC Board for additional funding on a case-by-case basis. Any loan amounts over \$100,000 will be limited to 5 years or less.
- C. The RLF applicant must provide a minimum of 60% of the total project cost through equity injection, additional financing, or some combination of the two.

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- D. The RLF applicant must provide a minimum of 20% of the total project cost. This 20% must be in the form of cash or equivalents. This can take the form of personal assets, such as a house or other items of value used to secure the loan.
- E. If the applicant chooses to utilize conventional financing as a portion of their 60% minimum total project contribution, they must first attempt to use a lending institution located within Osceola County to be eligible to use RLF funds. If no Osceola County lending institutions are willing or able to participate, applicant is free to pursue financing outside of Osceola County.

5. Loan Structure and Terms.

- A. All funds loaned from the RLF for 5 years or less will be at ½% below the prime interest rate. Once approved, this interest rate will be fixed for the full term of the loan. (Generally, loans are written for 5 years or less. However, they may include a 10 year amortization schedule with a balloon payment due at the end of 5 years. Any loan request for more than 5 years requires special action from the OCEDC Board of Directors.)
- B. The interest on each loan will be paid back into the RLF.
- C. If amortization is more than 5 years the rate is negotiable. It is possible to request a 10-year amortization, however there will be a balloon payment due in 5 years. If a company is doing well at the end of 5 years, the OCEDC would then encourage the business to seek conventional funding.
- D. There will be a 10 year maximum loan payback.
- E. If the program is ever dissolved, current outstanding loans will continue for the term of the loan.
- F. Repayment terms will be negotiated by the OCEDC and the applicant.

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- G. If the recipient of RLF funds fails to comply with any provisions of their specific loan agreement, any portion of these guidelines or to meet job creation/retention goals offered as justification for use of RLF funds, the Osceola County Economic Development Commission reserves the right to call the loan due, accelerate payment or utilize other remedies to enforce compliance.
- H. Loan amounts will be based on job creation, businesses adding to the tax base of the county, and/or any other business use deemed necessary to the county.
6. Loan to Job Ratio and Job Expectations
- A. There will be a maximum of \$15,000.00 loaned for each full-time equivalent job created or retained in Osceola County. However, projects with a unique impact on Osceola County may petition the OCEDC Board for additional funding on a case-by-case basis.
- B. A full-time equivalent job is identified as:
- Any job that pays in excess of 100% of the median Osceola County annual income.
 - Any combination of full-time jobs that individually pay less than the Osceola County median income can be converted by taking the total projected annual payroll of the new jobs and dividing this figure by the median Osceola County income.
 - The method outlined above in (2), can also be used to convert part-time jobs to full-time equivalent jobs for purposes of the RLF.
- C. There will be a maximum of two years allowed for projected job creation.

REVOLVING LOAN FUND APPLICATION FOR FINANCIAL ASSISTANCE

1. BUSINESS NAME:

ADDRESS:

CONTACT PERSON:

TELEPHONE NO.

I hereby give permission to the Osceola County Economic Development to research the company's history, make credit checks, contact the company's financial institution, and perform other related activities necessary for the reasonable evaluation of the proposal.

SIGNATURE OF COMPANY OFFICER:

DATE:

2. DESCRIPTION AND HISTORY OF BUSINESS:

3. TYPE OF APPLICATION: (sole proprietor; Corporation; L.L.C.; Non-profit etc.etc. If a Corporation, L.L.C. etc. then please furnish a copy of your organizational documents.)

4. DESCRIBE IN DETAIL THE PROPOSED “PROJECT” BEING UNDERTAKEN: (e.g. Company relocation, new business start-up, plant expansion or remodeling, new product line, etc.)

5. WHAT PERCENTAGES OF THE COMPANY’S SALES WILL BE OUTSIDE OSCEOLA COUNTY?

6. WHAT PERCENTAGE OF THE COMPANY’S TOTAL OPERATING EXPENDITURES (INCLUDING WAGES AND SALARIES) WILL BE SPENT WITHIN OSCEOLA COUNTY?

7. WHAT DATE WILL THE PROJECT BEGIN?

WHAT DATE WILL THE PROJECT BE COMPLETED?

8. HAS ANY PART OF THE PROJECT BEEN STARTED YET?

YES

NO

IF YES, PLEASE DESCRIBE:

9. HOW MANY EMPLOYEES ARE CURRENTLY EMPLOYED BY THE COMPANY?

IF THIS COMPANY HAS MORE THAN ONE FACILITY, HOW MANY FULL-TIME EMPLOYEES ARE THERE AT THE FACILITY AFFECTED BY THIS PROPOSAL?

HOW MANY PART-TIME EMPLOYEES?

10. **HOW MANY NEW, FULL-TIME EMPLOYEES WILL YOU ADD TO THE PAYROLL WITHIN 24 MONTHS, IF THIS PROJECT IS ACCOMPLISHED? _____ PART-TIME? _____**
11. **WHAT IS THE ESTIMATED ANNUAL PAYROLL FOR THE NEW EMPLOYEES RESULTING FROM THIS PROJECT? _____**
12. **WHAT IS THE AVERAGE WAGE RATE PROJECTED TO BE FOR THE NEW EMPLOYEES? _____**
13. **WILL ANY OF THE CURRENT EMPLOYEES LOSE THEIR JOBS IF THE PROJECT DOES NOT PROCEED? _____ YES _____ NO**
14. **IF YES, HOW MANY? _____**

EXPLAIN WHY?

15. **HOW WILL THIS PROJECT BENEFIT THE CITY/COUNTY, ETC?**

16. SUMMARY OF PROJECT COSTS AND PROPOSED FINANCING SOURCES:

ACTIVITY	\$ AMOUNT	\$ AMOUNT	PROVIDED BY
1. Land Acquisition			
2. Site Preparation			
3. Building Acquisition			
4. Building Construction			
5. Building Remodeling			
6. Machinery & Equip. Furn. & Fixtures Vehicles:			
7. Working Capital <ul style="list-style-type: none"> • Receivables • Inventory • Marketing • Other 			
8. Other (Admin) <ul style="list-style-type: none"> • Customer List • Covenant Not to Compete • Goodwill 			
TOTAL			(2 columns must be equal)

17. TERMS OF PROPOSED FINANCING:

	AMOUNT	TYPE (grant/loan/etc.)	RATE	TERM
Osceola Co. RLF				
Conventional Financing				
Job Training				
Community Participation				
State Assistance				
Other: Owner Equity Contrib. Equip.				
Other: Owner Equity Cash				

18. EXPLAIN WHAT FORM THE BUSINESS CONTRIBUTION TO THE PROJECT IS (i.e. cash, loan, equity, etc.)

19. IDENTIFY ALL AGENCIES OR INSTIUTIONS INVOLVED IN THE PROJECT AND WHAT THEIR INVOLVEMENT IS:

20. IS THERE ANY POTENTIALLY ADVERSE ENVIRONMENTAL IMPACT FROM THIS PROJECT? IF SO EXPLAIN.

21. EXPLAIN REQUEST FOR A LOW INTEREST LOAN AND IF MARKET RATE LOAN IS NOT SUFFICIENT, WHY NOT?

22. WHAT TYPE OF SECURITY AND IN WHAT AMOUNT WILL THE ASSISTED BUSINESS PROVIDE THE COUNTY?

Mortgage _____ \$ _____ What seniority or position? _____

Lien on _____ \$ _____ What seniority or position? _____

Personal Guarantee _____ \$ _____

Other _____ \$ _____

None _____

23. GENERALLY A DECISION BY THE COMMISSION OF OSCEOLA COUNTY ON THIS APPLICATION CAN BE EXPECTED WITHIN 30 DAYS OF RECEIPT OF THE APPLICATION. IS THERE AN URGENT NEED FOR A MORE IMMEDIATE DECISION (i.e. 1-2 weeks) ON THIS APPLICATION?
YES _____ NO _____

IF SO, WHY?

24. IS THIS COMPANY WILLING TO GIVE PREFERENCE IN HIRING TO LOW AND MODERATE INCOME PERSONS? _____ YES _____ NO

25. IS THIS COMPANY WILLING TO GIVE HIRING PREFERENCE TO IOWA RESIDENTS OR RESIDENTS OF SIBLEY? _____ YES _____ NO

**26. REQUIRED ATTACHMENTS:
CHECK OFF EACH ONE SUBMITTED. IF NOT SUBMITTED,
EXPLAIN WHY NOT:**

- Capitol Equipment List or Current Depreciation Schedule
- List of Positions for Jobs to be Created (i.e. 5 welders, 3 assemblers etc.)
- Business Plan
- Profit and Loss Statements (3 year historical & 2 yr. projections)
- Balance Sheets or Financial Statements (3 yr. historical & 2 yr. projections)
- Business Tax Returns (3 yr. historical)
- Credit score and/or credit report
- Letters of Commitment of Funds (from banks, applicant etc.)
- Description of Standard Fringe Benefits Provided to Employees
- Market Demand Summary/Purchase Orders
- Resume of Principles with Personal Financial Statements
- Copies of Company's Quarterly Iowa "Employer's Contribution Payroll Report for the past year and a copy of the most recent monthly Payroll Register
- A list of any Civil Criminal Violations of State or Federal Law which the Company has been charged with or convicted of during the last five years. Please include the violations and date, the agency which charged the violation, the outcome, resolution and any penalties or settlement terms.
- Will the Project involve a transfer of operations or jobs from any other Iowa facility or replace operations or jobs currently being provided by your company. If yes, please indicate the facility(s) and/or company's affected.
- Personal Financial Statement

COMPANY'S FEDERAL IDENTIFICATION NUMBER: _____

27. EXPLANATION OR OTHER COMMENTS:

I HEREBY CERTIFY THAT THE INFORMATION PROVIDED IS CORRECT AND AUTHORIZE THE OSCEOLA COUNTY ECONOMIC DEVELOPMENT COMMISSION TO RESEARCH THE COMPANY'S HISTORY, MAKE CREDIT CHECKS, CONTACT THE COMPANIES FINANCIAL INSTITUTIONS AND PERFORM OTHER RELATED ACTIVITIES NECESSARY FOR THE REASONABLE EVALUATION OF THIS PROPOSAL.

SIGNATURE OF COMPANY OFFICER

Return completed application to: Osceola County Economic Development Comm.
300 7th Street
Courthouse
Sibley, Iowa 51249

If you have any questions, please contact: Andre Abadie 712-754-2523

DATA REQUEST AND DISCLOSURE STATEMENT

The following information is requested by the Federal Government for certain types of loans and grants, in order to monitor compliance with civil rights laws. You are not required to furnish this information, but are encouraged to do so. The law requires that a program recipient may neither discriminate on the basis of this information nor on whether you choose to furnish it. However, if you choose not to furnish it, under federal regulations, this program representative is required to note race/ethnicity on the basis of visual observation or surname.

_____ I do not wish to furnish this information.

Ethnicity:

_____ Hispanic or Latino

_____ Not Hispanic or Latino

Race: (Mark one or more)

_____ White

_____ Black or African American

_____ American Indian/Alaska Native

_____ Asian

_____ Native Hawaiian or other Pacific Islander

Gender:

_____ Male

_____ Female