

CITY OF SUTTON

LB 840 Loan & Grant Application

Please answer Every Question (if question does not apply mark – NA)

Section #1: Business Information:

Name of Business making request: _____

Business Owner Name: _____

Corporate Executive Contact: _____

Federal ID#: _____ DUNS # _____

Current Business Address: _____

City: _____ State: _____ Zip: _____

Applicant Name (contact) _____

Telephone (work) #: _____ (Cellular #) _____

Fax # _____ E-mail: _____

Website: _____

Business Classification: *(Check one)*

Manufacturing Service Administrative Management (HDQT)

Research & Development Warehousing & Distribution

Other (please indicate) _____

Business Organization Structure: *(Check one)*

Proprietorship Corporation: Status & Type: _____

Partnership (Type) _____

Other (Specify) _____

Subsidiary Company (Parent Company & address) _____

Business Type: *(check one)*

Start-up (0 to 5 years old)

Buy Out (Succession of existing business)

Existing* (Intention to expand current business owned)

*List Number of Years in Business: _____ Start Date: _____

Recruitment

Ownership Identification: List officers, directors, partners, owner, co-owners and all stockholders with 20% or more of the business stock. *(Enter under Minority Code: a "1" for person identified as a woman; a "2" if as a minority group; or and "3" if a disabled person.*

Name	Title	Ownership %	Minority Code
------	-------	-------------	---------------

_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Personnel: *(Full-Time-Equivalent: FTE is based upon 2080 hours per week)*

(These amounts should include the owners or partners getting paid wages or ownership draw; although if owners/partners are included, they must be working in some capacity for business)

Total # of Existing Employees (FTE Positions): _____

of Owners working in the business (taking draw or salary) _____

of New FTE Positions/Jobs (created immediately or up to 18 months) _____

of New FTE Positions/Jobs (anticipated from 2- 5 years) _____

Total Yearly Payroll of existing FTE positions _____

Total Yearly Payroll after adding new FTE positions (18 months) _____

of Existing seasonal or part-time positions: (#, weekly hrs. per position) _____

of New Seasonal or part-time positions: (#, weekly hrs. per position) _____

Section #2: Financial Institution - Sources of Funds: Note: Public sources of financing require the participation of a financial institution and/or an injection of equity (non-debt) funds. Additional funds from alternatives sources working with financial institutions or in conjunction with the business for development will are also considered viable sources of funding for the project. If the applicant is applying for other sources of financial support, these funding sources and contact information should be listed as well.

Financial Institution - Lender Information:

Name of Financial Institution: _____
Financial Institution Address: _____
Telephone #: _____
Contact Person (Loan Officer for Project): _____
E-mail of Loan officer for Project: _____
Anticipated Bank loan TOTAL for Project: _____

Special Business Program Information:

*Have you tried to apply for any of the following programs listed below (1-4) to help with your business start-up or expansion? (Circle **YES** or **NO**) – If you answered ‘YES’, please indicate on the following lines -- which programs you have applied to, who was the contact person, and what was the result of your application:*

*** By applying and/or being accepted for alternative programs for your project, shows committee/council you have performed due diligence in regards to seeking alternative funding programs for project AND provided adequate time in the planning stages of your business development. This will look favorably on any LB840 request.*

1. SBA 504 Loan Program:
2. SBA 7a Small Business Loan Program
3. Rural Enterprise Assistance Project (REAP) Loans:
 - a. Direct Loan (up to \$50K)
 - b. Rapid Loan (up to \$10K)
 - c. Quick GROW Loan (tied with Grow Nebraska)
4. Nebraska Enterprise Fund:

If you answered “NO” to the question on the above financial programs, please list the primary reason that you have not pursued these alternative sources of funding your business.

*** There are legitimate reasons for ‘not’ pursuing alternative funding sources. Although, federal programs typically take longer than local programs, using the reasoning of “takes too much time” should rarely be used. By investigating alternative funding avenues (even if you have been denied), shows your effort in planning and resourcefulness to help project move forward. Ultimately, if you receive alternative funds outside the area, it also helps conserve LB840 funds for future projects and business growth & development.*

Section #3: Project Information: Special Note: The total LB840 funds requested SHOULD NOT exceed 25% of total project cost, unless need is 'clearly' justified in application by proof of financial need within 'financial projections'. This loan/grant program is a "GAP funding" finance tool for entrepreneurs to help encourage 'start-up', 'expansion' or 'buy-out of existing' business and 'recruit' new business to the area . It is NOT designed to fund a majority of any project.

<u>Uses of Funds</u>	<u>Total Project Cost</u>	<u>LB840 Funds Requested</u>	<u>Bank Funds</u>	<u>Owner Funds</u>
Land Acquisition	\$ _____	\$ _____	\$ _____	\$ _____
Building Acquisition	\$ _____	\$ _____	\$ _____	\$ _____
Building Renovation	\$ _____	\$ _____	\$ _____	\$ _____
New Facility Construction	\$ _____	\$ _____	\$ _____	\$ _____
New Machinery Acquisition	\$ _____	\$ _____	\$ _____	\$ _____
New Equipment Acquisition	\$ _____	\$ _____	\$ _____	\$ _____
Building/Business Signage	\$ _____	\$ _____	\$ _____	\$ _____
Frontage Improvement	\$ _____	\$ _____	\$ _____	\$ _____
Business Workforce Training	\$ _____	\$ _____	\$ _____	\$ _____
Franchise Fee (initial year)	\$ _____	\$ _____	\$ _____	\$ _____
Working Capital				
General:	\$ _____	\$ _____	\$ _____	\$ _____
Inventory:	\$ _____	\$ _____	\$ _____	\$ _____
Other (Specify in narrative)	\$ _____	\$ _____	\$ _____	\$ _____

TOTALS	\$ _____	\$ _____	\$ _____	\$ _____

NOTE: Outline of total 'bank funds' and total 'owner funds – equity' should be indicated in both your business plan narrative, correspond with 3-year cash flow proforma for business, and application areas (pg. 3 & 5). Bank funds can include other financial institutions or government programs helping fund the project; but, these should be outlined in your business plan narrative.

Type of LB840 Financial Assistance Request: **NOTE:** Any grant requested **MUST** be accompanied by a loan request. It is recommended to the applicant **NOT** to request more than 30% of the needed LB840 funds for the project in the form of a grant. Applicants who have been approved in the past for grant funds (business start-ups) **CAN ONLY** apply for loans in future requests.

Loan Amount Requested: \$ _____ % of Total _____

Grant Amount Requested: \$ _____ % of Total _____

Total Amount: \$ _____

Interest Rate: (average rate – 4%): _____ Desired rate: _____ %
Loan Amortization (5 - 20 yrs.): (Ave: 10 yrs.) Desired length: _____ years

*** City reserves right to negotiate the loan terms and conditions with each applicant. Terms and conditions may differ substantially between applicants. Loan terms up to 20 years for capital assets and 7 years for other assets.*

Guarantee Amount Requested for Bank: \$ _____ % of Total _____

***The Guarantee is not a request for funds directly, but utilizing LB840 funds as a guarantee against risk FOR Bank*

***A Guarantee request CANNOT coincide at same time with any LB840 loan and grant for same project*

Section #4: Equity Information:

Business or owners' equity amount (cash investment) into the project: \$ _____
Business owner's equity investment for project is being used for:

Business or owners' Real Estate information to be used as equity:

Business Property Address: _____ Sutton, NE 68979

Legal Information of Property: _____

Current Assessed Value of Property (**by county**): _____

Private or Bank appraisal figure: _____

Estimated Value of Property (*if not appraised or built yet*) _____

Purchase Price of building/property (*if part of the project*) _____

Other Property (used for project equity)

Address: _____

Legal Information of Other Property: _____

Current Value of Other Property (appraised by county): _____

Section #5: Project Information:

Project Location (check one):

___ Within the City Limits of:

Name of City	Population of City
--------------	--------------------

___ Outside of City Limits, but within the Zoning Jurisdiction of:

Name of City	Population of City
--------------	--------------------

___ Unincorporated Area in:

Name of County	Population of County	Distance from Sutton
----------------	----------------------	----------------------

Section #6: Business Start-up Check-list

Indicate YES, NO, or N/A on questions, if 'NO' explain in blanks following questions. If you are NOT a start-up business; then 'skip' to Section #7.

- Have you registered your business name? YES – NO – N/A
- Have you registered your business with Dept. of Revenue? YES – NO – N/A
- Have you started pursuing all licenses/permits needed? YES – NO – N/A
- Have you made contact with insurance agent for business? YES – NO – N/A
- Have you determined an accountant to help with business? YES – NO – N/A
- Have you made contact with lawyer for business negotiations? YES – NO – N/A
- Have you investigated marketing your business via website? YES – NO – N/A
- Have you pursued a new logo/marketing/signage for business? YES – NO – N/A

Section #7: Required Attachments and Recommended Attachments for Application

Required Attachments: (must be included with application)

1. Request Summary (1 – 3 pages maximum) **(Must be separate from Business Plan)**
 - a. Detailed description of the proposed project (narrative)
 - b. Start-up or expansion project costs and breakdown of need for funding:
 - c. Type of funding being used: Multiple sources, owners match being placed into project, financial institution contribution, etc.
 - d. Unique Aspects in the request
2. Historical Balance Sheets (two previous full historical years) **(MUST BE SIGNED)**
3. Operational Statements (i.e. Cash Flows; Profit-Loss Statements) — two previous full historical years + current year. Current year must have figures that are less than a 60 days old. **(MUST BE SIGNED)**
4. Current or Future Business Debt Obligations: (Outline the following)
 - a. Financial institution with obligation
 - b. Total current obligation
 - c. Monthly payment obligations
 - d. Planned Payoff Date (month/year) of obligation
5. Personal Financial Statement: for each person owning twenty percent (20%) or more of the business (same persons outlined in application)
6. Business Plan (Simple overview) **(no less than 3 pages and no more than 15 pages long)**
 - a. Business History of Services/Product
 - b. Experience of Owner(s) in field of business being developed
 - c. New Services/Product and/or Expansion Need
 - d. Staffing (employees/owner) overview – duties, positions, general salaries
 - e. Market overview (target market, competition, demographics, sales strategy, surveys)
 - f. Business Goal and Mission (tie growth of employees or profit into cash flow)
 - g. Future Sales and Service (new items, new growth, website sales, other possibilities)
7. Projected 3-year financial/cash flow (full year predictions) – these figures should outline all loan & interest payments to entities providing support to this project. **(MUST BE SIGNED)**
8. Tax Returns (Last two years)
 - a. Business (if business is existing) **(MUST BE SIGNED)**
 - b. Personal **(MUST BE SIGNED)**
9. Business Legal Structure: *(additional information required)*
 - a. Copy of S-Corporation paperwork (if applicable)
 - i. (Articles of Incorporation or application filled out for State in pursuit of S-corp)
 - ii. Corporate Resolution/Letter authorizing loan application or minutes authorizing
 - b. Copy of C-Corporation paperwork (if applicable)
 - i. (Articles of Inc.; By-laws; Minutes of last meeting)
 - ii. Corporate Resolution/Letter authorizing loan application or minutes authorizing
 - c. General Partnership
 - i. Complete Partnership agreement
 - d. Franchise Paperwork (if applicable)
10. Other Ownership Requirements:
 - a. Credit Bureau Report (for each person with more than 25% ownership)
11. Other Documentation that may be requested
 - a. Ask Program Administrator at application walk through – Recommended Attachments

Recommended Attachments:

(These documents may be asked for by the committee or city administrator to validate information needed in the application. They are **'not required'**, but it is highly recommended that if such documents are accessible to you for the project, that a copy be provided during the application process.) This is a list (guide) of items to review. If you have questions about the "recommended attachments" section, please ask the city administrator when filling out the application.

IF any LB840 funds are being requested to help pay for specific areas below (i.e. Land purchase, new equipment, other); then, consider such documents as NEEDED for the request. IF there is a question, ask the program administrator.

- Rental Agreement - *(if leasing a building for business)*
- Land Purchase Agreement
- Building Purchase Agreement
- Quotes for construction of new building/facility
- Quotes for renovation of existing building or purchased building
- Quotes for machinery/equipment needed for business
- Outline of needed inventory (costs) being purchased in project
- Outline of existing inventory (being purchased with existing business)
- Outline of Fire Marshall requirements needed to update existing building/structure
- Health inspector requirements needed for updating existing location
- Project recommendation letter from financial institution about the need for a specific amount of funding assistance through the LB840 program

Authorization and Understanding

I (We) certify that everything I have stated in this application and on any attachments is correct. I (We) further acknowledge and understand the LB840 program process for application and that applying for financial assistance through this program does not guarantee any program support.

In making an application to the LB840 loan/grant program, I (We) understand and agree that:

- The LB840 ED committee and city council take into consideration when evaluating applications, that special priority is given to businesses that meet one or more of the following:
 - Businesses which create a job for each \$25,000 or less in public financing assistance,
 - Applications which provide for the expansion or enhancement of existing businesses in Sutton and its surroundings,
 - New business start-ups,
 - Businesses, in the opinion of the loan committee, have unusual potential for growth,
 - Businesses relocating from outside Nebraska,
 - Business that provides for important local or regional needs,
- LB840 funds requested in the application (page #4) for particular areas of business development will need to be used specifically for those areas, if funds are received;
- I (We) will be placing our own equity into the business;

If funds are received from the program, the following aspects of receiving funds are understood:

- Any LB840 Loans approved for applicant will require security. City generally takes a 'deed of trust' on property. Other forms of security for loans could also include, but is not limited to: Promissory Notes, Mortgages, and/or corporate guarantees as appropriate;
- If any LB840 Grants are approved in request, then applicant will need to sign a Memorandum of Understanding for the repayment of grant funds on a scaled basis (IF) specific circumstances lead to sale or closure of the business within 5 years;
- If any grant is given to applicant, such funds will count as 'income' for taxes to the individual or business within the taxing year of which funds were received;
- Loan agreement with amortization will be signed and terms of the amortization will be in document;
- I (We) will provide information (while loan is active) to the LB840 program administrator, upon request, about yearly statistical data referencing: job retention and creation, total salary/wages figures, business improvements, sales tax collected and overall yearly sales;

By signing below, I (We) authorize the City of Sutton, the committee or its representative to review or check our credit report, employment history and to answer questions others may ask about my credit record with you. I (we) understand that I must update credit information at your request, if my financial condition changes.

Applicant's Signature

Other Signature (if applicable)

Date: _____

Date: _____

Authorization for Release of Financial Information

I (We) _____ & _____
(Applicant(s) name(s))

Hereby authorize _____ to release any financial
(Financial Institution)
Information requested by the City of Sutton pertaining to my (our) business accounts or
Application(s) for credit with _____.
(Financial Institution)

I (We) further grant authorization to the City of Sutton, or Boards or committees, or program
director, to release _____ any information regarding
(Financial Institution)
my (our) application for LB840 program funds or other financial assistance.

Dated: _____

Signed: _____

Name (printed): _____

Attest: _____