

CITY OF MERRILL
COMMUNITY DEVELOPMENT COMMITTEE
Wednesday, November 9, 2022 at 8:00 A.M.
City Hall Council Chambers
1004 E. First Street

Voting members: Alderman Mark Weix, Pete Koblitz, Nancy Kwiesielewicz, Landis Holdorf, Daniel Schneider, Chris Malm and Betsy Meier Peterson.

AGENDA

1. Call to order
2. Public Comment
3. September 08, 2022 meeting minutes
4. Nominations for chairman of Community Development Committee
5. Provide the Agreement with Lincoln County Economic Development Corporation for Economic Development services
6. Update on Community Development Block Grant Program & Economic Development Funds.
7. Update on collection for the Small Business Emergency Support Loan Program
8. Discussion on proposed changes on the Economic Development Revolving Loan Fund Procedure Manual
9. Discussion on any changes needed to the Economic Development Applications
10. Discussion
11. Adjourn

The Merrill City Hall is accessible to the physically disadvantaged. If special accommodations are needed, please contact Merrill City Hall at (715) 536-4880.

COMMUNITY DEVELOPMENT COMMITTEE MINUTES
Thursday, September 8, 2022, City Hall, Merrill, WI

Present: Pete Koblitz, Nancy Kwiesielewicz, Betsy Meier Peterson, Alderman Mark Weix, Landis Holdorf and Chris Malm.

Present: Thomas Hayden, City Attorney and Shari Wicke, Community Development Director

No Public Comment.

The meeting was called to order at 8:00 a.m. Mr. Holdorf made a motion to approve the minutes of the previous meeting; seconded by Mr. Koblitz. The motion carried.

No action for nominations for chairman of Community Development Committee.

Shari Wicke presented the Small Business Emergency Support Loan Program's progress. Ms. Wicke stated she is currently collecting the second year payments per the Loan Agreements. There are currently 17 Small Business Emergency Support Business Loans. Payments are due within one year of the date of 3 year loan agreement and shall not be less than \$500 per year.

Motion made by Mr. Malm to have Lincoln County Economic Development Director make personal visits to the businesses that have received the Small Business Emergency Support Loan Program to offer a payment plan to assure we receive the yearly payment per the Agreement, after I have made written letter attempts; seconded by Mr. Landis. The motion carried.

Shari Wicke handed out the Economic Development Community Development Revolving Loan Fund Manual and informed the committee she will be scheduling a meeting in the future to discuss any possible proposed changes to the manual.

Mr. Malm made a motion to adjourn; seconded by Mr. Koblitz. The motion carried. Adjournment was at 8:40a.m.

Respectfully submitted,
Shari Wicke

AN AGREEMENT BETWEEN THE CITY OF MERRILL & LINCOLN COUNTY ECONOMIC DEVELOPMENT CORPORATION

This agreement made and entered into by and between the City of Merrill, a municipal corporation ("City") and Lincoln County Economic Development Corporation ("LCEDC") a Wisconsin Corporation, is subject to terms and conditions set forth herein:

LCEDC, through its director, shall provide the following services to the City of Merrill:

1. DUTIES AND RESPONSIBILITIES

The Lincoln County Economic Development Corporation, through its director, is to perpetuate a positive and proactive business climate which encourages the retention and expansion of existing businesses and helps to attract desirable new businesses. The City of Merrill has established an Economic Development Revolving Loan fund (RLF) program, as an important economic development tool. These program policies are incorporated herein by reference.

The Lincoln County Economic Development Director shall perform a preliminary review of all loan applications and develop a summary analysis of the loan request. Upon completion of the review, the Lincoln County Economic Development Director shall meet with Community Development Committee to review the loan request. Community Development Committee is empowered by the City of Merrill to approve, disapprove or recommend modifications to the loan request, with a final approval by Common Council.

The City's Community Development Program Director will provide periodic loan status reports to the Lincoln County Economic Development Director and the City's Community Development Committee. The Lincoln County Economic Development Director shall cooperate with the Community Development Program Director, to oversee all administration duties in accordance with policies and procedures outlined in the Economic Development (RLF) Loan Fund manual, including assisting with collection of delinquent or past due obligations due the RLF or City of Merrill.

The Lincoln County Economic Development Director shall provide, on a monthly basis, a report to the City of Merrill Personnel & Finance Committee on LCEDC activities during the prior month.

2. WORK PRODUCT OWNERSHIP

All work products created by virtue of this agreement by the Lincoln County Economic Development Director shall become the property of the City of Merrill exclusively. Written records, loan applications and related documents shall be maintained in appropriate files and stored securely with City of Merrill.

3. COMPENSATION

City of Merrill shall contribute approximately \$26,250 annually towards operation of the LCEDC, with a 2% annual increase subject to the City of Merrill budget. The method of payment shall be the beginning of each calendar year. The City shall make this payment no later than 30 days after the end of the previous calendar year.

4. AMENDMENTS AND MODIFICATIONS

The City may from time to time amend the provisions imposed by the policies and procedures contained with the Economic Development manual. Such amendments are subject to prior written approval by the Community Development Committee and the City of Merrill Common Council members.

5. TERM/TERMINATION

This agreement is effective January 1, 2023, and will continue in full force and effect until either party gives the other party at least two (2) months prior written notice of termination. In the event of termination of said Agreement by either the City of Merrill or LCEDC, the remaining funds contributed by the City of Merrill on hand at the time of termination shall be returned to the City of Merrill on a pro-rated basis, after payment of all liabilities.

IN WITNESS WHEREOF, the parties hereto have hereunder set their hand and seal the day and year so noted.

CITY OF MERRILL

LINCOLN COUNTY ECONOMIC
DEVELOPMENT CORPORATION

Dated: _____

Dated: _____

BY: _____
Steve J. Hass, Mayor

BY: _____
William Bialecki, Development
Director

BY: _____
Lori Anderson-Malm, City Clerk

BY: _____
Chair

**CITY OF MERRILL
~~WISCONSIN~~ ECONOMIC DEVELOPMENT
~~COMMUNITY DEVELOPMENT~~
REVOLVING (RLF) LOAN FUND
MANUAL**

Adopted 2009

Prepared by:

~~Jack Sroka~~, William Bialecki, Lincoln County Economic Development Director
& Shari Wicke, Community Development Director

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FOREWORD

The City of Merrill has established an **Community Economic** Development Revolving Loan Fund (RLF) to promote job creation and economic growth in City of Merrill through recruitment, expansion and retention of business, and to stimulate new company formations. The **RLF funds are** an important economic development tool. It provides financing to fill gaps in the local markets and stimulates private sector capital formations.

This manual contains policies and procedures that govern the use of the **Community Economic** Development Revolving Loan Fund (RLF).

The City of Merrill in accordance with the Resolution provided initial capitalization for this **RLF Economic Development RLF Funds**. City of Merrill was awarded a \$500,000 grant from the SBA. U.S. Representative Dave Obey and his staff secured this project as part of the 2004 consolidated appropriations bill.

SECTION 1. GENERAL PROVISIONS

1.1 PURPOSE

The purpose of the policies and procedures contained within this manual, hereafter referred to as the City of Merrill ~~Community~~ **Economic** Development Revolving Loan Fund (RLF) Manual, is to present the criteria that govern the eligible ~~community~~ **economic** development activities assisted with funds made available through the City of Merrill ~~Community~~ **Economic** Development Revolving Loan Fund (RLF) program.

1.2 OBJECTIVES

~~Community~~ **Economic** development activities assisted with funds made available through the RLF ~~Loan~~ Program ~~are~~ **is** intended to meet the following objectives:

- (1) To provide financing to new and expanding businesses that anticipate high growth as a result of receiving funds.
- (2) To encourage the creation and retention of permanent jobs that provide competitive wages appropriate to the skills and experience of the regional labor force.
- (3) To encourage the leveraging of new private investment into the region in the form of fixed asset investment, particularly in land and buildings.
- (4) To perpetuate a positive and proactive business climate that encourages the retention and expansion of existing business and helps to attract desirable new businesses.
- (5) To implement the community and economic development goals and objectives as defined by the City of Merrill.
- (6) To maintain and promote a diverse mix of employment opportunities and to minimize seasonal or cyclical employment fluctuations.
- (7) To encourage the development and use of modern technology and create safe work environments.
- (8) To encourage the development and maintenance of sustainable central business districts throughout the region.
- (9) To stimulate new company formations and encourage the growth and development of entrepreneurs and entrepreneurial-oriented firms.

1.3 AMENDMENTS

The City of Merrill may from time to time amend the provisions imposed by the policies and procedures contained within the **Economic Development** RLF manual. Such amendments are subject to approval by a two-thirds majority vote of the ~~City of Merrill~~ **Community Development Committee**. The only criterion that may not be amended by the City of Merrill is the 'Eligible Area' as outlined in Section 3.1 ~~below~~.

SECTION 2. ADMINISTRATION

2.1 CITY OF MERRILL ADMINISTRATIVE ROLE ~~RLF~~ & COMMUNITY DEVELOPMENT COMMITTEE

- (1) The City of Merrill shall appoint a ~~Loan Review~~ Community Development Committee that should consist of individuals representative of broad City interests and having special expertise and knowledge of commercial lending and economic development processes. Expertise on the Committee optimally should include representation from the governing body, the planning commission, the local development corporation, the local chamber of commerce, the local banking community, a business law attorney, a certified public accountant and the ~~RLF administrator~~ Lincoln County Economic Development Director.
- (2) The ~~City of Merrill RLF Administrator~~ Lincoln County Economic Development Director shall perform a preliminary review of all completed loan applications and develop a summary analysis of the loan request. The summary analysis should include basic information on the project, information on the loan requested, and a recommendation on the terms requested. Upon completion of the summary analysis, the ~~RLF~~ Community Development Committee shall meet to review the loan request, and is empowered by the City of Merrill to approve, disapprove or recommend modifications to the loan request and then forward that recommendation to Common Council for final approval or disapproval. Upon taking any action on a loan, the ~~RLF~~ Community Development Committee shall present the ~~RLF~~ Community Development Committee meeting minutes to the City of Merrill in a timely manner.
- (3) The ~~City of Merrill RLF Administrator~~ Lincoln County Economic Development Director & Community Development Director will work together to ~~shall~~ oversee the administration of the Economic Development RLF Program. The City of Merrill will use a variety of entities (Economic Development Corporations, Chamber of Commerce, and area banks) to explain the Economic Development RLF Program to prospective applicants, provide written information, assist applicants in completing applications, and process requests for financing. Where necessary and appropriate, loan applicants will be guided to other more appropriate technical and financial resources when the loan applicant has needs beyond those available from the Economic Development RLF program.
- (4) The ~~City of Merrill RLF Administrator~~ Lincoln County Economic Development Director & Community Development Director shall work together to monitor and provide periodic loan status reports to the ~~City of Merrill~~ Community Development Committee.
- (5) The City of Merrill ~~Community Development~~ Economic Development RLF accounting records shall be segregated from other City of Merrill accounts and reports on the account's status will be provided regularly to the City of Merrill
- (6) DIRECT LOANS.

The City of Merrill ~~Community~~ Economic Development Revolving Loan Fund will make direct loans to loan recipients. The ~~City of Merrill RLF Administrator~~ Community Development Director will develop and maintain loan amortization and repayment schedules, collect payments, send late notices, and notify the ~~RLF~~ Community Development Committee when payments are late. City of Merrill reserves the right to let participation loans with accredited lending institutions when the situation warrants a participation loan.

2.2 MEETINGS

Loan reviews shall be held on an as-needed basis. A majority of the RLF Community Development Committee in attendance at a meeting constituting a quorum shall be required for official Committee action.

2.3 RECORDS

Written records of all program activities, including program meetings, loan applications, and related documents, shall be maintained in appropriate files. ~~City of Merrill RLF Administrator~~ The Assistant shall maintain all files in a secure place with limited access. ~~The City of Merrill RLF Administrator~~ Lincoln County Economic Development Director shall service and manage its loans in accordance with its usual practices and in accordance with policies and procedures outlined in this manual.

~~The City of Merrill RLF Administrator~~ Community Development Director will notify the loan recipient in writing of the deficiency and the action that will be taken should the payment not be made. ~~After attempts to collect the late payment and not successful, Should there be a late payment,~~ the Lincoln County Economic Development Director, Community Development Director and City Attorney shall work together ~~will contact the loan recipient~~ to determine the reason for the delayed payment and inform the RLF Community Development Committee of the loan status.

In the event City of Merrill authorizes a participation loan, ~~the City of Merrill RLF Administrator~~ Lincoln County Economic Development Director may review all loan files and reports maintained by Participating Lender.

If the business experiences problems in connection with a loan, ~~the City of Merrill RLF Administrator~~ Lincoln County Economic Development Director & Community Development Director will work together, with the loan recipient to identify actions needed to correct the identified deficiencies. Corrective actions may include restructuring the loan to protect City of Merrill's interest and to meet the needs of the business.

In the event the findings of the loan review suggest serious problems, particularly if the loan is at risk for default, ~~the City of Merrill RLF Administrator~~ Lincoln County Economic Development Director, Community Development Director and City Attorney will work together to retain legal counsel to take the lead role in initiating action to protect the loan at the loan recipient's expense.

2.4 ADMINISTRATION

Reasonable administrative funds up to five percent (5%) of the loan award may be withdrawn from the Economic Development RLF Loan Funds RLF to cover administrative expenses. In addition to paying costs for ~~RLF administration~~ Lincoln County Economic Development Director, these funds may be used for the following:

- (1) Legal fees.
- (2) Consulting fees for credit analysis, business plan reviews, and technical assistance.

- (3) Office supplies, copying, postage, and related expenses.
- (4) Training costs.
- (5) Costs incurred by Lincoln County Economic Development Corporation relating to the administration of the RLF.
- (6) Reimburse the City of Merrill for wages of the Community Development Director's time with assisting with this program. (Formula: The total amount disbursed in that calendar year x 5%)

To generate additional revenue to cover administrative costs, the Loan Review Committee may also establish loan origination fees, closing fees, servicing fees, and other fees to cover charges directly related either to processing an application or to servicing a loan. All fees collected go to the Economic Development RLF. The accounting of any fee revenue received on Economic Development RLF loans shall be placed in the RLF and shall include separate line items to track administrative expenses recovered.

SECTION 3. ELIGIBILITY CONSIDERATIONS

3.1 ELIGIBLE AREA

The area served by the City of Merrill Community Economic Development RLF program shall include all businesses within the City limits.

3.2 ELIGIBLE APPLICANTS

- (1) Applications may be submitted by the sole proprietor, managing partner, Chief Executive Officer of any business wishing to establish a new operation or expand an existing operation in the eligible area as described in 3.1, above.
- (2) Eligible applicants should be businesses or sole proprietors engaged in the manufacture or production of products and/or services consistent with Section 3.3, Eligible Activities, below.
- (3) No member or family member (see attached sample of "Conflict of Interest" form) of the RLF Community Development Committee who exercises decision-making functions or responsibilities in connection with the implementation of this program is eligible for financial assistance under this program. For purposes of the Economic Development RLF program "family" means: Spouse, fiancée/fiancé, children and stepchildren, brothers and brothers-in-law, sisters and sisters-in-law and parents and parents-in-law. (See Attached Proposed document to add to applications)
- (4) Applicants shall not be disqualified or discriminated against because of age, race, religion, color, handicap, sex, physical condition, development disability as defined in s.s. 51.01(5), sexual orientation, or national origin.

3.3 ELIGIBLE ACTIVITIES

The Community Economic Development RLF will engage in letting funds for three 2 distinct types of business activities, including 1) Business District-Façade Improvement Loans, 2) Economic Development RLF Business Loans Micro-loans to early-stage businesses, and 3) Job Retention and Creation Loans.

Business District-Façade Improvement Loans shall be available to eligible applicants within Business Districts City of Merrill for the following activities:

- (1) Building façade improvements
- (2) Tuck pointing and brick restoration
- (3) Awning repair and acquisition
- (4) Signage
- (5) Façade painting
- (6) Roof repairs

~~Micro-loans shall be available to eligible applicants for the following activities:~~

- ~~(1) Acquisition of fixed equipment~~
- ~~(2) Working capital~~
- ~~(3) Marketing and sales materials~~

~~Job Retention and Creation loans shall be available to eligible applicants for the following activities:~~

- ~~(1) The acquisition of land, buildings, and fixed equipment.~~
- ~~(2) Site preparation, the construction or reconstruction of buildings, or the installation of fixed equipment.~~
- ~~(3) Clearance, demolition, or removal of structures, or the rehabilitation of buildings and other such improvements.~~
- ~~(4) Working capital.~~

Economic Development RLF Business Loans shall be available to eligible applicants within Business Districts City of Merrill for the following activities:

- (1) Purchasing Equipment
- (2) Acquisition of land and or buildings

- (3) Construction or reconstruction of buildings
- (4) Installation of fixed equipment
- (5) Demolition or removal of structures
- (6) Rehabilitation of building and other such improvements

3.4 INELIGIBLE ACTIVITIES

Program loans shall not be available for the following activities:

- (1) Refinancing or consolidating existing debt.
- (2) Specialized equipment not essential to the business operation.
- (3) Residential building construction or reconstruction (unless such reconstruction is intended to convert the building to a business or industrial operation).
- (4) Routine maintenance (?) Ref. back to 3.3
- (5) Other activities the City of Merrill may identify during the administration of the program.??

3.5 INELIGIBLE BUSINESS

Program loans shall not be available for the following businesses:

- (1) Speculative investment companies.
- (2) Lending institutions.
- (3) Gambling operations.
- (5) Non-public recreation facilities.

3.6 MINIMUM REQUIREMENTS

To be eligible for funding, a proposed project must meet all of the following minimum requirements:

- (1) Private Funds Leveraged. All The applicants must leverage private funds in conjunction with requesting RLF funds. ~~Business District Façade Improvement loan requests must leverage private funds in an amount equal to the loan request. Micro loan requests must~~

~~leverage funds in an amount equal to the loan request. Job Retention and Creation loans must leverage funds in an amount equal to fifty percent of the loan request.~~

- (2) Financial Feasibility and Business Viability. The applicant must demonstrate that the proposed project is viable and that the business will have the economic ability to repay the funds. ~~All Micro-loan-~~ **The Lincoln County Economic Development Director may ask the** applicants are required to submit a complete business plan and pro forma with their application.
- (3) Compliance with Applicable Laws. Applicants shall comply with all applicable local, state, and federal laws and codes.
- (4) Economic Benefit. Applicants must demonstrate the economic benefit to the region associated with the proposed project.

SECTION 4. TERMS AND CONDITIONS

4.1 TERMS AND CONDITIONS

Loan terms and conditions shall be based on need and ability to repay. It is the intent of the **Economic Development RLF Loan Program** to be as flexible as possible while operating in accord with prudent lending policies. Minimum standards shall include the following:

- (1) Loan Amount. Loan amounts are subject to the availability of program funds, the project proposed and the type of loan requested. It is the City of Merrill's intent to not offer more than ~~\$15,000~~ **\$25,000** per loan per business in the Business District Façade Improvement program, ~~no more than \$10,000 per loan per business in the micro-loan program and no more than \$100,000 per loan per business in the Job Retention and Creation program.~~ The RLF **Community Development** Committee may consider loans in larger amounts if the applicant can demonstrate substantial economic benefit associated with the project.
- (2) Interest Rate. The interest rate shall be established by the RLF **Community Development** Committee. ~~on a case-by-case basis. In general, the interest rate should be similar to the rates provided by the Wisconsin State Trust Fund, but other factors such as the level of economic benefit to the region and the level of financial risk will also be considered.~~
- (3) Terms for Loans. ~~The RLF Committee shall establish loan terms. Ideally, the following loan terms will be considered as standard:~~
 - ~~(a) Micro-loans and other working capital loans should have a maximum term of seven (7) years.~~
 - ~~(b) Façade Improvement Loans should have a maximum term of eight (8) years.~~

~~(c) Loans for machinery, equipment, and fixtures should have a maximum term of ten (10) years.~~

~~(d) Real estate loans should have a maximum term of 12 years.~~

The RLF **Community Development** Committee reserves the right to establish different terms on a case-by-case basis

- (4) Frequency of Payment. Terms may include longer amortization schedules with balloon payments. Amortization schedules shall generally be set up for monthly payments, but shall be set up for payment not less frequently than quarterly.
- (5) Deferral. Under special circumstances, payment of interest and/or principal may be deferred for up to one (1) year. Interest shall accrue during the deferment period and may be paid in full or added to the principal amount of the loan. Following the deferral period, interest and principal shall be paid for the remaining term of the loan.
- (6) Prepayment. There shall not be any prepayment penalties.
- (7) Collateral. City of Merrill will seek to have the best collateral position possible to ensure that RLF **Economic Development** RLF loans are adequately secured. ~~Loan applicants requesting a Micro loan or a Business District Façade Improvement loan~~ may receive an unsecured loan if the business owner can demonstrate a credit score above 650. ~~No unsecured loans will be provided for Job Retention and Creation Loans.~~ In addition to any collateral deemed necessary by the RLF **Community Development** Committee, applicants will be required to provide a personal guarantee unless the applicant can demonstrate to the RLF **Community Development** Committee a personal guarantee is unwarranted.

SECTION 5. APPLICATION PROCEDURES

5.1 DISCUSSION OF REQUIREMENTS

Prior to submitting an application, the applicant shall discuss the program with the **Lincoln County Economic Development Director** or other local economic development professionals. ~~The City of Merrill RLF Lincoln County Economic Development Director Administrator,~~ or other local economic development professionals, shall assist the applicant, as is reasonably necessary, in completing the application. Authorized personnel should keep all financial information in a secured place with limited access only.

5.2 TIMING

Applications may be submitted at any time during the calendar year.

5.3 PRIORITY

Applications shall be reviewed in the order received and based on the readiness for the proposed project to proceed. If loan funds requested exceed available funds, the following criteria will be used to determine which business(es) will be awarded the loan(s):

- (1) Eligibility of the applicants.
- (2) Eligibility of the project to be undertaken.
- (3) The extent to which private funds are to be leveraged.
- (4) The extent to which jobs are to be created or retained, the type of jobs created, and the wages to be paid.
- (5) The extent to which the loan can be secured.
- (6) Evidence of ability to repay the loan.
- (7) Size of the loan requested.
- (8) Timing of the proposed expenditures.
- (9) Completeness of application.
- (10) Other factors as deemed appropriate.

5.4 LOAN APPLICATION

- (1) Applicants should submit a complete copy of the appropriate application, with all required attachments, to the **Lincoln County Economic Development Director** to be considered for the program.

5.5 REVIEW PROCESS

Specific steps in the review process include:

- (1) Preliminary Review. ~~The City of Merrill RLF Administrator~~ **Lincoln County Economic Development Director** will review the application for completeness and verify that the proposed project meets the minimum requirements provided in Section 3.6. If the application is not complete, the **Lincoln County Economic Development Director** will inform the applicant of the deficiencies and request the information required to complete the application. No incomplete applications will be forwarded
- (2) Formal Review and Action. The **RLF Community Development** Committee will meet to review a complete application and will vote to approve or reject the application, or provide the applicant with an opportunity to modify the application based on the **RLF Community Development** Committee's recommendations. If the application is modified the **RLF Community Development** Committee will review the modified application and determine approval or rejection of the modified application.
- (4) Negotiation of Terms. ~~Upon the tentative acceptance by the RLF Committee, the City of Merrill RLF Administrator will submit a Commitment Letter to the loan applicant to review and explain the terms of the loan offer. The letter will provide a period that the offer is available and will be signed by the applicant if acceptable.~~

- (5) Notice of Award. If the application is approved and the loan terms accepted, a closing will be scheduled to execute the necessary loan documents.
- (6) Rejection of Award. If the application is not approved, the ~~City of Merrill RLF Administrator~~ **Lincoln County Economic Development Director** will ~~contact~~ **send a Denial Letter** to the loan applicant stating the reasons for rejection and offer to meet with the applicant to explore ways to strengthen the loan request or to identify alternative funding sources.

SECTION 6. DISTRIBUTION OF FUNDS

6.1 LOAN PROCEDURES

Prior to releasing funds, the following documentation must be in place or provided at the appropriate time during the term of the loan. RLF documents may be reviewed by legal counsel for City of Merrill at the expense of the borrower. At a minimum, City of Merrill will be responsible for preparing all notices of award and providing the terms for the loan agreements.

- (1) Notice of Award. The ~~RLF~~ **Community Development** Committee must review and approve a complete application for an eligible applicant to receive a notice of award.
- (2) Loan Agreement. The ~~City of Merrill RLF Administrator~~ **Community Development Director** shall prepare a loan agreement that shall be approved by the City of Merrill's legal counsel. City of Merrill and the borrower shall execute the loan agreement. The loan agreement must be dated, refer to the promissory note, and specify the amount and the terms of the loan funds delivered.
- (3) Promissory Note. A promissory note shall be prepared by **Community Development Director** that shall be approved by the City of Merrill's legal counsel on loans when applicable.
- (4) Security. Mortgage or lien instruments or personal guarantees provided as security for all loans should be prepared by **Community Development Director** that shall be approved by the City of Merrill's legal counsel when applicable. The documents will be executed at the time of the loan closing.

The ~~City of Merrill~~ **Lincoln County Economic Development Director** will schedule a loan closing with the borrower. All documents will be executed before funds are disbursed, and mortgages and UCC statements shall be recorded with the Register of Deeds and the Wisconsin Department of Financial Institutions when applicable.

SECTION 7. LOAN SERVICING

7.1 MONITORING

The ~~City of Merrill RLF Administrator~~ **Lincoln County Economic Development Director** shall service and manage all loans in accord with its internal procedures and policies. The ~~City of Merrill RLF Administrator~~ **Lincoln County Economic Development Director** should prepare and submit an annual loan review to the **Community Development Committee**. ~~City of Merrill~~. City

of Merrill is also allowed access to the RLF loan files as needed. ~~The City of Merrill RLF Administrator~~ Lincoln County Economic Development Director shall monitor each loan to ensure compliance with the loan terms and conditions and to review the financial health of the business to ensure continued repayment of the loan. ~~The City of Merrill RLF Administrator shall maintain, at minimum, annual contact with each borrower, any other participating lenders and the City of Merrill~~

A loan-servicing file shall be established and maintained for each loan. The file shall include all written correspondence; a record of important telephone conversations; a list of applicable loan covenants; and other documentation deemed appropriate by the RLF Community Development Committee and the City of Merrill.

7.2 RECORDKEEPING

In addition to all other requirements, the RLF financial management records must be comprehensive and designed to provide the following information, which may be provided through an internal accounting system maintained by the ~~City of Merrill RLF Administrator~~ Community Development Director

- (a) Revolving Loan Fund Registers that record all deposits and disbursements to and from the RLF, including funds used for RLF administration.
- (b) RLF Loan Repayment Registers that records repayments made by each business receiving a loan from the RLF. This register also tracks the balance of repayments from all loans from the RLF.
- (c) A Collection Register for every loan made. Each register contains the business name, loan date, loan number, loan amount, terms, and date repayment begins. Payments are divided into principal and interest payments, with a declining principal balance.
- (d) ~~The City of Merrill RLF Administrator~~ Lincoln County Economic Development Director shall prepare loan periodic status reports for the ~~City of Merrill~~ Community Development Committee and a monthly report to Personal & Finance Committee.

SECTION 8. PERFORMANCE MONITORING

8.1 DEFAULT

If the business defaults on any of the terms and conditions of the loan agreement, note, participation agreement, mortgage, security agreement, or other agreement issued in connection with a loan, all sums due and owing, including penalties, shall become immediately due and payable. City of Merrill's legal counsel will start all legal action on loans in default at the direction of the RLF Committee. City of Merrill may commence action to recover the unpaid balance of the note and account. To exercise this option, the Lincoln County Economic Development Director or the City of Merrill's legal counsel shall prepare a written notice to the business. The notice shall specify the following:

- (1) The default.
- (2) The action required to cure the default.
- (3) A date, not less than thirty (30) days from the date of the notice, by which the default must be cured to avoid foreclosure or other corrective action.
- (4) Any penalties incurred resulting from the default.

SECTION 9. USE OF LOAN REPAYMENTS AND REPORTING

9.1 RLF PROGRAM

Repaid loans shall be re-deposited into the appropriate Community Development Revolving Loan Fund (RLF) account and used in a manner consistent with the policies and procedures manual. A separate accounting record for each loan shall be kept to account for all funds lent. The RLF account will be analyzed on an annual basis and the results of the analysis will be reported to the City of Merrill. The analysis shall meet any reporting requirements required by the Community Development RLF Committee or recommended by the City of Merrill.

CITY OF MERRILL ECONOMIC DEVELOPMENT LOAN APPLICATION CHECKLIST AND SUPPORTING DOCUMENTATION

Supporting Documents to accompany application:

Borrower – Please provide the following

- Business Plan – to include:
 - Detailed description of the proposed project.
 - History and description of business/ applicant
 - Resumes of principal, owners, and officers
 - Copies of Articles of Incorporation or Organization, By-Laws, Operating Agreement, Partnership Agreement.
 - Payroll spreadsheet listing current employees indicating pay scale, full-time/part-time (if part-time indicate number of hours), male/female, minority
- A list of business and personal assets to be offered as collateral for the City of Merrill ED loan. If buying equipment with the loan proceeds, attach a list of the equipment to be purchased and estimated cost.
- Current personal financial statements of all business principals with 20% or more ownership. A sample form is attached. Substitute formats are acceptable provided that the social security number of the individual is also included.
- Statement and description of anticipated benefits to community from proposed loan, i.e. tax base increase; blight elimination; job creation and/or retention
- Statement why City of Merrill ED Fund involvement is requested
- Letter of commitment to recruit Low-Moderate Income (LMI) individuals
- Any other additional documentation that is requested

Accountant – Please prepare the following

- Accountant prepared balance sheet, profit and loss, cash flow statements, or tax returns for the last three fiscal years
- Current interim financial statements (balance sheet, profit and loss)
- Three years financial projections (balance sheet, profit and loss) with notes covering all significant assumptions
- Three years cash flow projections with monthly projections for the first year

Bank – Please provide the following

- Commitment letter of Private (Bank) financing availability (including terms and collateral pledged)
- Recent Credit report on business principals.

All information should be signed, dated by Borrowers and attached to the application when submitted.

CERTIFICATION STATEMENT

THE APPLICANT:

1. Certifies that to the best of its knowledge and belief, the information being submitted to City of Merrill ED is true and correct.
2. Certifies that the applicant is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to it.
3. Certifies that the applicant is not in default under the terms and conditions of any grant or loan agreements, leases, or financing arrangements with its other creditors.
4. Certifies that City of Merrill ED is authorized to obtain a credit check and Dun and Bradstreet on the applicant, the business and/or the individual(s).
5. Certifies that the applicant has disclosed and will continue to disclose any occurrence or event that could have an adverse material impact on the project. Adverse material impact includes, but is not limited to, lawsuits, criminal or civil actions, bankruptcy proceedings, regulatory intervention or inadequate capital to complete the project.
6. Understands that unless it qualifies as trade secret, all information submitted to City of Merrill ED is subject to Wisconsin's Open Records Law.

The applicant requests that City of Merrill ED treat the following items as TRADE SECRET:

	<u>Yes</u>	<u>No</u>	<u>NA</u>
A. Personal financial statements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Personal or business tax returns.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Historical business financial statements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. Business financial projections.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Plan or study to be funded by CWED	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Business Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G. Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If Section 6 is left blank then all information provided to City of Merrill ED will be open to examination and copying.

Signature: _____ Date: _____
(Authorized Representative)

Name: _____ Title: _____
(Authorized Representative)

CITY ECONOMIC DEVELOPMENT LOAN APPLICATION

PROSPECT/APPLICANT INFORMATION	
Type of Business : <input type="checkbox"/> C Corp <input type="checkbox"/> S Corp <input type="checkbox"/> LLC <input type="checkbox"/> LLP <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Non Profit	
Legal Name:	
Trade Name:	
Mailing Address:	
City, State, Zip:	
Physical Address:	County:
FEIN #: <small>(Federal Employee Identification Number – Tax ID or Social Security Number)</small>	State of Organization: <small>(Per Articles of Incorporation/Organization)</small>
WWW:	
Tele. #:	Fax #:
CEO Name:	CEO Title:
<i>Individual To Contact Regarding Questions About The Project:</i>	
Contact Name:	Title:
Email Address:	
Tele. #:	Fax #:
Address:	
City, State, Zip:	
BUSINESS INFORMATION	
Date Established:	SIC or NAICS:
Minority Owned: <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, the Minority Classification is:	<input type="checkbox"/> Eskimo <input type="checkbox"/> Native Hawaiian <input type="checkbox"/> Hispanic <input type="checkbox"/> Native American <input type="checkbox"/> Aleut <input type="checkbox"/> Asian-Indian <input type="checkbox"/> Asian-Pacific <input type="checkbox"/> African American
Women Owned: <input type="checkbox"/> Yes <input type="checkbox"/> No	Owned by a Person with a Disability: <input type="checkbox"/> Yes <input type="checkbox"/> No
Foreign Owned: <input type="checkbox"/> Yes <input type="checkbox"/> No If yes: Country:	% of ownership:
Primary Product or Service:	
Current Total Company Employment:	Full Time: Part Time:
<input type="checkbox"/> Calendar Year End or <input type="checkbox"/> Fiscal Year End _____ (MM/DD)	

OWNERSHIP INFORMATION (unless publicly owned)			
Name: (First, Middle Initial, Last)	Phone Number	Personal Financial Statement Attached	Ownership %*
1.		<input type="checkbox"/> YES	%
2.		<input type="checkbox"/> YES	%
3.		<input type="checkbox"/> YES	%
4.		<input type="checkbox"/> YES	%
5.		<input type="checkbox"/> YES	%
All Others:			%
*Personal Financial Statements are required for all owners with 20% or more ownership. CWED may review a personal credit report and delinquent tax filings on each individual that owns 20% or more.			100%

MARKET INFORMATION

THREE MAJOR CUSTOMERS:		% OF SALES
1.		
2.		
3.		
THREE MAJOR COMPETITORS		LOCATION (City and State)
1.		
2.		
3.		

LEGAL INFORMATION***YES/NO**

Has the business, any owner, officer, subsidiary or affiliate been involved in any lawsuits in the last 5 years or have any lawsuits pending?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Has the business, any owner, officer, subsidiary or affiliate ever been involved in any bankruptcy or insolvency proceedings or have any proceedings pending?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Has the business, any owner, officer, subsidiary or affiliate had any civil or criminal charges in the last 5 years that could have a material adverse impact on the project or have any charges pending?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the business, any owner, officer, subsidiary or affiliate have any outstanding tax liens?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Please attach a detailed explanation of any YES responses.	
*An Application will be deemed ineligible and denied based on the falsification of information	

SCHEDULE OF BUSINESS DEBT

Creditor	Original Amount	Present Balance	Monthly Payment	Collateral

Signature

Date

SCHEDULE OF PERSONAL DEBT

Creditor	Original Amount	Present Balance	Monthly Payment	Collateral

Signature

Date

PERSONAL FINANCIAL STATEMENT

Please complete the following for EACH owner with 20% or more interest. Make additional copies as necessary.

Name: _____ Social Security Number: _____

Address: _____ Date of Birth: _____

City: _____ State: _____ Zip: _____ Phone: _____

ASSETS		LIABILITIES	
Cash (Schedule 1)		Secured Notes Payable (Sch. 5)	
Listed Securities (Schedule 2)		Unsecured Notes Payable (Sch.5)	
Unlisted Securities (Schedule 3)		Accounts Payable	
Real Estate Owned (Schedule 4)		Unpaid Income Taxes	
Automobiles		Real Estate Mortgages (Sch. 4)	
Personal Property		Real Estate Taxes	
Cash Value Life Insurance		Credit Cards	
Vested Profit Sharing/Pension		Other Debts (list below)	
Other Assets (list below)			
TOTAL ASSETS	\$	TOTAL LIABILITIES	\$
		EQUITY = (Total Assets – Total Liabilities)	

INCOME:	CONTINGENT LIABILITIES:
Salaries/bonuses	Endorser/Co-maker/Guarantor
Dividends/interest	Legal Claims
Other:	Other:

Schedule 1 Cash and Equivalents

Type	Financial Institution	Amount	Account Name	PLEGDED?

Schedule 2 Listed Securities

Cost	Description	Market Value	Account Name	PLEGDED?

Schedule 3 Unlisted Securities

Cost	Description	Market Value	Account Name	PLEGDED?

Schedule 4 Real Estate Owned

Property Type and Address	Cost	Market Value	Mortgage Amt

Schedule 5 Notes Payable

Secured?	Financial Institution	Original Balance	Current Balance	Date Due

LEGAL INFORMATION*	YES/NO
Have you been involved in any lawsuits in the last 5 years or have any lawsuits pending?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Have you ever been involved in any bankruptcy or insolvency proceedings or have any proceedings pending?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Have you had any civil or criminal charges in the last 5 years that could have a material adverse impact on the project or have any charges pending?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Do you have any outstanding tax liens?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Please provide detail on any YES responses:	

I hereby certify that to the best of my knowledge and belief, this represents a full and accurate disclosure of my assets and liabilities as of the date signed below. I also understand submitting false or misleading information in connection with an application may result in the applicant being found ineligible for financial assistance under the funding program and may be subject to civil and/or criminal prosecution.

Signature _____

Date _____

**CITY OF MERRILL
FASCADE LOAN
APPLICATION
CHECKLIST AND SUPPORTING DOCUMENTATION**

Supporting Documents to accompany application:

Borrower – Please provide the following

- D Business Plan-to include:
 - o Detailed description of the proposed project.
 - o Copies of Articles of corporation or Organization, By-Laws, Operating Agreement, Partnership Agreement.
- D A list of business and personal assets to be offered as collateral for the loan. If buying equipment with the loan proceeds, attach a list of the equipment to be purchased and estimated cost.
- D Current personal financial statements of all business principals with 20% or more ownership. A sample form is attached. Substitute formats are acceptable provided that the social security number of the individual is also included.
- D Statement and description of anticipated benefits to community from proposed loan, i.e. tax base increase; blight elimination; job creation and/or retention
- D Statement why City Fund involvement is requested
- D Any other additional documentation that is requested

Accountant- Please prepare the following

- D Current interim financial statements (balance sheet, profit and loss)

Bank- Please provide the following

- D Recent Credit report on business principals.

All information should be signed, dated by Borrowers and attached to the application when submitted.

CERTIFICATION STATEMENT

THE APPLICANT:

1. Certifies that to the best of its knowledge and belief, the information being submitted is true and correct.
2. Certifies that the applicant is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to it.
3. Certifies that the applicant is not in default under the terms and conditions of any grant or loan agreements, leases, or financing arrangements with its other creditors.
4. Certifies that you authorized to obtain a credit check and Dun and Bradstreet on the applicant, the business and/or the individual(s).
5. Certifies that the applicant has disclosed and will continue to disclose any occurrence or event that could have an adverse material impact on the project. Adverse material impact includes, but is not limited to, lawsuits, criminal or civil actions, bankruptcy proceedings, regulatory intervention or inadequate capital to complete the project.
6. Understands that unless it qualifies as trade secret, all information submitted subject to Wisconsin's Open Records Law.

The applicant requests that City of Merrill treat the following items as TRADE SECRET:

	Yes	No	NA
A. Personal financial statements.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Personal or business tax returns.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Historical business financial statements.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Business financial projections.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Plan or study to be funded by CWED	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Business Plan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Other: _____	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If Section 6 is left blank then all information provided to the City of Merrill will be open to examination and copying.

Signature: _____ Date: _____
(Authorized Representative)

Name: _____ Date: _____
(Authorized Representative)

*CITY OF MERRILL BUSINESS DISTRICT FASCADE
IMPROVEMENT LOAN APPLICATION*

1. Borrower's name, address and contact in company:

Company name: -----

Contact person: -----

Title: -----

Address: -----

Telephone No.: ----- Fax No.: -----

Email Address: _____

IRS ID Number: -----

Date Established: -----

Project address (if different from above): -----

2. Type of organization:

- | | |
|--|--|
| <input type="checkbox"/> C Corporation | <input type="checkbox"/> Sole Proprietor |
| <input type="checkbox"/> Sub S Corporation | <input type="checkbox"/> Limited Liability Corporation |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Other (describe) _____ |

3. Management information (owners, officers, directors, and shareholders who own 20% or more shares of the company):

Name	Title	Address	%Owned

4. Bank of business account (include name of loan officer and telephone number):

5. Number of employees:

	Current	Two Years After Loan
Full-time	_____	_____
Part-time	_____	_____
TOTAL	_____	_____

6. Anticipated sources and uses of all project funds:

<u>Source & Amount</u>	<u>Use & Amount</u>
Cash (owner's Injection) _____	Facade Improvement _____
City of Merrill Loan _____	Building Rehabilitation _____
Participating Lender _____	Tuck-pointing _____
Other (specify): _____	Awning Acquisition _____
Total Financing _____	Total Project Costs _____

7. Amount of City of Merrill RLF loan and terms requested:

Amount of loan: \$ _____

Terms of pay back: _____

Use of funds: _____

8. Collateral:

	<u>Present Market Value</u>	<u>Present Loan Balance</u>
Land and building	\$ _____	\$ _____
Machinery & equipment	\$ _____	\$ _____
Accounts receivable	\$ _____	\$ _____
Other _____	\$ _____	\$ _____
Total	\$ _____	\$ _____

9. Have you or any officers of your company ever been involved in bankruptcy or insolvency proceedings? yes no
If so, please provide the details as a separate exhibit.

10. Are you or your business involved in any pending lawsuits?
 yes no
If yes, please provide the details as a separate exhibit.

11. Does your business, its owners, or its majority stockholders own or have a controlling interest in other businesses? yes no
If yes, please provide their names and relationship with your company along with a current balance sheet and operating statement for each as a separate exhibit.

Name of business: _____

Relationship to applicant: _____

12. Do you buy from, sell to, or use the services of any concern in which someone in your company has a significant financial interest? yes no
If yes, provide details in a separate exhibit.

13. Are any of the individuals listed under "Management" on parole or probation?
 yes no
If yes, please provide details as a separate exhibit.

I/we hereby certify that the information contained in this application is true and complete to the best of my/ our knowledge and is submitted to the City of Merrill RLF Administrator so the Community Development Committee can decide whether to grant the loan. I/We authorize the City of Merrill RLF Administrator or its agent to obtain a credit check on the business and the individual(s) with controlling ownership interest.

Signature

Title

Print Name/Date

Social Security Number

Signature

Title

Print Name/Date

Social Security Number

THE FOLLOWING EXHIBITS MUST BE COMPLETED WHERE APPLICABLE AND INCLUDED AS PART OF YOUR APPLICATION.

Attachments:

1. Balance sheet and profit and loss statements for last three (3) fiscal years.
2. Balance sheet and profit and loss statement for an interim period not more than ninety (90) days preceding the date of application.
3. Schedule of business debt.
5. Earnings and cash flow projections for two (2) years from date of application. Assumptions must be included.
6. Business description and financing proposal. This should include a brief company history; a discussion of your industry, sales and markets; discussion of competition; and other matters relevant to your application. All applicants on behalf of entities in business less than two years will submit a business plan.
7. Resumes of all individuals listed under "Management", with home addresses and phone numbers.
8. A list of the products or services to be purchased, with cost estimates.
9. Photographs of the structure to be improved
10. Commitments for all private financing.
11. Participating lending institution's credit analysis, if available.
12. Personal financial statement of principal owners (normally all owners with 20% or more ownership).