WELLS MINNESOTA
ECONOMIC DEVELOPMENT AUTHORITY

WELLS ECONOMIC DEVELOPMENT AUTHORITY
Revolving Loan Fund Guidelines

PURPOSE:
The Wells Economic Development Authority (EDA) Revolving Loan Fund (RLF) is designed to support new and existing businesses within the City of Wells by providing financing to help with business growth and development. However, it's important to understand that this program is not a grant and does not fully fund projects on its own. Applicants must have their own financial contribution and are typically expected to work with a local bank or lending institution. The RLF is intended to help "fill the gap" between what a business needs and what traditional financing sources can provide.

This funding can be used for a variety of purposes, including business start-up, expansion, employee hiring or retention, increasing the tax base, and encouraging new investment in the community. The program is structured as a partnership, where the EDA works alongside other lenders to make worthwhile business projects possible. All repayments made to the RLF are re-loaned to other businesses, ensuring that the fund continues to support ongoing economic development in Wells.

INVESTMENT AMOUNT:
Up to $25,000

PROGRAM ELIGIBILITY:
Applicants and the proposed project must meet ALL 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.
8. Business must meet all local planning and zoning requirements.

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APPROVAL CONSIDERATION:
When considering the approval of applications submitted, 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

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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:

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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:

____
____
____
____

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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:

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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: ______________