

**R**EGIONAL **E**CONOMIC **D**EVELOPMENT **I**NVESTMENTS,  
INC. (R.E.D.I.)

**REVOLVING LOAN FUND APPLICATION**

**R.E.D.I., Inc.**

P.O. Box 1110  
Ottumwa, IA 52501

Administrative Entity:  
Area 15 Regional Planning Commission (RPC)  
P.O. Box 1110  
Ottumwa, IA 52501  
(641) 684-6551

June 2017

## **REVOLVING LOAN FUND PROGRAM**

### **PURPOSE:**

The purpose of the Regional Economic Development Investments, Inc. (R.E.D.I.) Revolving Loan Fund (RLF) program is to increase employment opportunities within the 10 Iowa counties of Appanoose, Davis, Jefferson, Keokuk, Lucas, Mahaska, Monroe, Van Buren, Wapello, and Wayne by increasing the level of economic activity within the program area.

### **DESCRIPTION:**

The RLF Program provides financial assistance to those businesses and industries requiring such assistance in order to create new job opportunities. Assistance is provided to encourage new business start-ups, expansion of existing businesses, and the retention of existing businesses/industries.

Priority is given to projects that will create industrial or commercial jobs (including light manufacturing and service industries), add value to the project area's resources and/or increase exports of the project area. Preference will be given to those businesses which will create or retain the greatest number of jobs with the least amount of RLF dollars.

### **ELIGIBILITY:**

Private for-profit companies are eligible borrowers for RLF loans that provide assistance within the 10-county RLF program areas. In most cases, the borrower will be located in the program area. Under certain conditions, the borrower may be outside the area, although the activity(ies) financed and the benefits must occur within the eligible area.

A borrower is only eligible for RLF financing when credit is not otherwise available at terms and conditions which would permit completion and/or the successful operation or accomplishment of the project activities to be financed.

Public or quasi-public organizations are not eligible to receive RLF financial assistance unless (a) the activity financed directly results in the creation/retention of directly identifiable long-term employment (jobs) in directly identifiable business and industry, and (b) there is reasonable assurance that the activity financed will result in increased business activity in the near term.

### **SOURCE OF FUNDING:**

The RLF is funded through a grant from the U.S. Department of Commerce – Economic Development Administration and with local funds from cities, counties, and private sources throughout the RLF program area.

### **REQUIREMENTS:**

RLF assistance may only be provided to a business that truly needs public assistance, and only the minimum amount of RLF funds necessary to meet this need may be provided. The only valid criteria to determine this need is a "financing gap."

The application must be sponsored by a local development corporation or local government (city and/or county). This sponsorship must include:

1. A letter of endorsement.
2. Commitment of local match funds totaling 25% of the RLF assistance.

The applicant **MUST** submit a check in the amount of 1.5% of the requested RLF assistance for loan processing. Loan processing fees must be enclosed when the endorsed application is forwarded to R.E.D.I. by the local sponsor. If the project is not funded, loan processing fees will be refunded to the applicant.

Additional requirements pertaining to environmental review, job relocation, flood hazard insurance, handicap accessibility, civil rights, and prevailing wages for construction projects may also apply.

The following minimum criteria must be met when applying for RLF funds:

1. Leverage \$2 from private sources for each \$1 in RLF assistance requested.
2. Letter from conventional lender stating why they will not finance the entire project.
3. 10% minimum equity from applicant.
4. Maximum request of \$15,000 for each full-time equivalent (FTE) job created or retained. (Example: 10 jobs created or retained = 10 X \$15,000 = \$150,000 maximum RLF loan request). The lending limit is traditionally set at \$150,000. Funding up to \$200,000 may be available.

**Other loan conditions:**

If the loan application is approved, the following conditions will apply to the loan:

1. The borrower must submit quarterly employment reports.
2. The borrower must submit copies of its annual audit or audit review or financial compilation information.
3. The borrower must create/retain the minimum full time equivalent jobs as stated in the loan application. If these FTE jobs are not created/retained during the term of the loan, a 2% surcharge fee will be assessed to the borrower as the final loan pay off amount.
4. The borrower will agree to sign an authorization form allowing automatic payment of monthly loan installments to be deducted from the borrower's checking account.

**TIMEFRAME:**

Upon receipt by Area 15 RPC of a complete application, funding decisions can generally be made within 60 days. If awarded, an environmental review must be completed by the applicant. If RLF funds are used for construction, a wage rate determination from the Department of Labor must be requested. In addition, any special conditions must be met before RLF funds may be approved. The length of time may vary but generally will take 30 – 60 days. Many of these activities may be started during the application review period and would, therefore, considerably shorten the time between review and approval of funds.

## **General Instructions**

1. **Only typed applications will be accepted and reviewed.** *Any changes to the format, questions, or wording of questions presented in this application will render the application invalid and it will not be accepted.*
2. Complete the applicable sections of the application fully; if questions are left unanswered or required attachments are not submitted, an explanation must be included.
3. Use clear and concise language.
4. Any inaccurate information of a significant nature may disqualify the application from consideration.
5. Send the ORIGINAL signed copy of the completed application form to the local economic development organization in the county where your business will be located. Upon endorsement by the local economic development organization, the application will be forwarded to the REDI Administrator.

## **Public Records Policy**

Treatment of the information submitted to REDI in this application is considered confidential and will not be disclosed to the public unless ordered by a court, the lawful custodian of the record, or by another person duly authorized to release the information.

Confidential Records: REDI automatically treats the following records as confidential and they are withheld from public disclosure:

- Tax Records
- Quarterly Iowa Employer's Contribution and Payroll Report prepared for IWD
- Payroll Registers
- Business Financial Statements & Projections
- Personal Financial Statements

Other information that may be supplied as part of this application may be treated as confidential. The following classifications of records are recognized as confidential are:

- Trade secrets
- Reports to government agencies which, if released, would give advantage to competitors & serve no public purpose
- Information on an industrial prospect with which REDI and/or the local jurisdiction is currently negotiating.

**Information supplied to REDI as part of this application that is material to the application, including, but not limited to: number & type of jobs to be created, wages for those jobs, employee benefit information, and project budget, are considered open records and will not be treated as confidential.**

**REGIONAL ECONOMIC DEVELOPMENT INVESTMENTS, INC. (R.E.D.I.)  
REVOLVING LOAN FUND APPLICATION**

APPLICANT: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

PHONE NUMBER: (\_\_\_\_) \_\_\_\_\_

BUSINESS NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

PHONE NUMBER: (\_\_\_\_) \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_

I hereby give permission to the Area 15 Regional Planning Commission and Regional Economic Development Investments, Inc. (R.E.D.I.) to research the Applicant's history, make credit checks, contact the applicant's financial institution, and perform other related activities necessary to the reasonable evaluation of this proposal. To the best of my knowledge, all information in this application is true and accurate. I understand that all information submitted to Area 15 RPC/R.E.D.I. relating to this application is public information and that its confidentiality is not guaranteed.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

SIGNATURE OF COMPANY OFFICER: \_\_\_\_\_

**SUMMARY OF PROJECT COSTS AND PROPOSED FINANCING SOURCES**

<b>USES</b>		<b>SOURCES</b>	
<b><u>ACTIVITY</u></b>	<b><u>\$ AMOUNT</u></b>	<b><u>\$ AMOUNT</u></b>	<b><u>PROVIDED BY</u></b>
Land Acquisition			
Site Preparation			
Building Acquisition			
Building Construction*			
Building Remodeling*			
Machinery & Equipment			
Furniture & Fixtures			
Working Capital: Explain			
Other: Explain			
TOTALS:			
\$			

\* Federal Labor Standards may apply which might affect the project costs.

**TERMS OF PROPOSED FINANCING**

	AMOUNT	TYPE (grant/loan)	RATE	TERM
RLF Assistance	\$ _____	_____	_____%	_____
Conventional Loan	\$ _____	_____	_____%	_____
Borrower Equity	\$ _____	_____	_____%	_____
Other (specify)	\$ _____	_____	_____%	_____
Other (specify)	\$ _____	_____	_____%	_____



## ASSURANCES

\_\_\_\_\_ (Owner/Applicant), hereby certify that to the best of my knowledge and belief, data in the application is true and correct, including any commitment of personal resources, and the document has been duly authorized by the governing body of the applicant/company/business. I also certify that in carrying out the activities funded by the R.E.D.I. Revolving Loan Fund, the applicant will comply with all applicable federal and state requirements, including the following, if the loan application is approved:

**ENVIRONMENTAL:** Activities financed in whole or in part of the RLF will not adversely impact floodplains, wetlands, significant historic or archeological properties, drinking water resources, or non-renewable natural resources.

**RELOCATION:** This loan project is located within the eligible project areas of the Iowa Counties of: Appanoose, Davis, Jefferson, Keokuk, Lucas, Mahaska, Monroe, Van Buren, Wapello, and/or Wayne. If any project activities are moved from the eligible area, the loan will be recalled. Additionally, loan funds will be recalled if jobs are relocated from another labor area.

**DAVIS-BACON:** Construction projects financed in whole or in part by the RLF will meet the requirement of the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5).

**FLOOD HAZARD INSURANCE:** If applicable, flood hazard insurance will be obtained.

**ACCESS FOR THE HANDICAPPED:** Construction projects financed in whole or in part by the RLF to which the public will have access, accessibility to the handicapped will be provided.

**CIVIL RIGHTS:** The applicant assures that it will not discriminate against employees or applicants for employment on the base of race, color, national origin, religion, age, handicap, disability, or sex.

**AUTOMATIC LOAN PAYMENT AUTHORIZATION:** The applicant agrees to authorize R.E.D.I. to automatically withdraw monthly loan payments from the applicant's checking account (see Form #1).

\_\_\_\_\_  
Typed Name of Official

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Type Name of Attest

\_\_\_\_\_  
Signature

DATED: \_\_\_\_\_



FORM #1

AUTHORIZATION AGREEMENT FOR PRE-ARRANGED PAYMENTS (DEBITS)

The undersigned hereby authorizes Regional Economic Development Investments, Inc. to initiate debit entries in the amount of \$\_\_\_\_\_ to my/our checking account at the financial institution named below for credit to my loan. These entries are to be made monthly beginning \_\_\_\_\_.

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

Note to Customer: Regional Economic Development Investments Inc. will complete these items if a voided check or other document containing this information is attached.

TRANSIT/ABA NO.: \_\_\_\_\_

ACCOUNT NO.: \_\_\_\_\_

BANK NAME: \_\_\_\_\_

This authority is to remain in full force and effect until Regional Economic Development Investments Inc. has received written notification from myself of its termination in such time and in such manner as to afford the financial institution a reasonable opportunity to act on it. I have the right to stop payment of a debit entry by notification to Regional Economic Development Investments Inc. prior to charging the account.

NAME: \_\_\_\_\_

SIGNED: \_\_\_\_\_

SOCIAL SECURITY #: \_\_\_\_\_

DATE: \_\_\_\_\_

**REGIONAL ECONOMIC DEVELOPMENT INVESTMENTS, INC.  
RLF LOAN APPLICATION  
APPLICANT CERTIFICATION-HAZARDOUS SUBSTANCES**

The Applicant represents and certifies that it has used due diligence to determine that the description of the site described herein is accurate with respect to the presence or absence of contamination from toxic or hazardous substances. The term "site" includes the entire scope of the project, including future phases of the project and all areas where construction will occur. In addition, the term "site" includes all real estate given as security to the loan under this Application.

1. Is the site currently, or has it in the past fifty (50) years, been used for any of the following operations or activities:

- a) generation of hazardous substances and/or waste / YES / NO
- b) treatment, storage (temporary or permanent), or disposal of solid or hazardous substances and/or waste / YES / NO
- c) storage of petroleum products / YES / NO
- d) used waste oil storage or reclamation units / YES / NO
- e) research or testing laboratory / YES / NO
- f) ordinance research, testing, production or storage / YES / NO
- g) chemical manufacturing or storage / YES / NO
- h) military weapons or ammunition training or testing / YES / NO
- i) iron works/foundry / YES / NO
- j) railroad yard / YES / NO
- k) industrial or manufacturing operation / YES / NO

If any of the above operations ever occurred at the site, and appropriate cleanup or other action was performed in accordance with the local, state and Federal laws, provide documentation of such cleanup.

- 2. Do wells draw water from an underlying aquifer to provide the local domestic water supply? / YES / NO
- 3. Has a Federal, state or local regulatory authority ever conducted an environmental assessment, environmental impact statement, or a preliminary assessment/site inspection, or similar environmental survey or inspection report at the site?  
If yes, provide copies of reports or results. / YES / NO
- 4. Have any environmental or OSHA citations or notices of violation been issued to the facility? If yes, provide copies. / YES / NO

5. Have any unpermitted releases of hazardous substances occurred at the facility which resulted in notification to the EPA's National Response Center? If yes, what was the nature of the release? / YES / NO
6. Is asbestos containing material currently in the facility? If yes, describe. / YES / NO
7. Is there any equipment (electrical transformers, etc.) containing polychlorinated biphenyls (PCB) on the site? If yes, describe. / YES / NO
8. a. Are there underground storage tanks on the site? / YES / NO  
 b. If so, how many are there? \_\_\_\_\_  
 c. Have they been inspected for leaks within the past year? If so, what were the results? / YES / NO
9. Has the facility been tested for radon? If yes, provide results. / YES / NO
10. Have there been or are there now any environmental investigations by Federal, state or local government agencies on or which could affect the site in question? If yes, provide available information / YES / NO

The applicant acknowledges that this certification regarding hazardous substances and/or waste is a material representation of fact upon which the RLF relies when considering approval of the loan.

The RLF reserves the right to terminate the loan application if at any time it becomes aware that hazardous substances and/or waste are present thereon, or that such hazardous substances and/or waste have been inappropriately handled thereon. Further, if it is determined at any time that the presence of hazardous substances and/or waste, or inappropriate handling thereof, has been misrepresented, the RLF will utilize other available legal remedies against the applicant.

\_\_\_\_\_  
 Authorized Signature

\_\_\_\_\_  
 Date

## ENVIRONMENTAL CHECKLIST

Applicant's Name: \_\_\_\_\_

Address: \_\_\_\_\_

Project location; description: \_\_\_\_\_

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### Item 1: Environmental Information

- a. Will the assistance requested have an impact or effect on the environment?  
 Yes  No
- b. Has a Federal or State Environmental Impact Statement (EIS)/Analysis been prepared for this project?  
 Yes  No  
*(If Yes, EIS attached; If No, Environmental Narrative attached)*
- c. Has the State Historic Preservation Officer (SHPO) been provided with a detailed project description?  
 Yes  No  
*(If Yes, SHPO Comments or SHPO Notification Letter attached)*
- d. Are any facilities under your ownership, lease, or to be utilized on this project either listed or under consideration for listing on EPA's List of Violating Facilities?  
 Yes  No

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### Item 2: Floodplain Information

Provide a floodplain map as an Exhibit, regardless of whether an Environmental Impact Statement (EIS) has been or must be prepared.

- a. Is the project in a designated flood hazard area?  Yes  No
- b. Is the project site located in a floodplain?  
*(If yes, attached Floodplain Information)*  Yes  No
- c. Is the project safe from flooding?  Yes  No
- d. Is flood insurance available?  Yes  No
- e. Has flood insurance ever been purchased?  Yes  No

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Item 3: Has a Federal, State or Local Environmental Impact Sheet (EIS) or Analysis been prepared involving this property, or its site?  Yes  No  
*(If No, provide the information)*

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- Item 4: a. The State Historic Officer (SHPO) has been provided a detailed description on \_\_\_\_\_ (date).
- b. Attach a copy of material submitted to SHPO and any comments received from SHPO.
- c. If a building is involved in the project, is it over 50 years old?  
 Yes  No

## ENVIRONMENTAL CHECKLIST (continued)

Area of Statutory – Regulatory Compliance  (Precise citations for applicable statutes and regulations are printed on the back of this Checklist.)	Not Applicable to this Project	Consultation Required	Review Required**	Permits Required**	Determination of Consistency Approvals, Permits Obtained	Conditions and/or Mitigation Actions Required**	Note Compliance Documentation
1. Historic Properties							
2. Floodplain Management							
3. Wetlands Protection							
4. Noise							
5. Air Quality							
6. Manmade Hazards Thermal/Explosive Hazards Airport Clear Zones							
7. Water Quality Surface Water/Water Quality							
8. Solid Waste Disposal							
9. Farmlands Protection							
10. Wild and Scenic Rivers							
11. Endangered Species, Fish & Wildlife State or Local Statutes							

\*\*Attach evidence that required actions have been taken.

**REGIONAL ECONOMIC DEVELOPMENT INVESTMENTS, INC. (R.E.D.I. INC.)  
RLF LOAN APPLICATION CHECKLIST**

CONTACT PERSON: \_\_\_\_\_

ADDRESS: \_\_\_\_\_  
\_\_\_\_\_

Exhibit Checklist: Please indicate if attached or NOT Applicable (N/A)  
Please **LABEL** each attachment with the corresponding exhibit number.

1. \_\_\_\_\_ A bank's letter stating the terms and conditions of its participation, and the reason why will not finance the entire project. **Exhibit 1.**
2. \_\_\_\_\_ Personal credit report(s)\* for all interested parties dated no more than 30 days prior to submission to REDI. \*(Equifax, Experian and/or TransUnion) **Exhibit 2a.**
3. \_\_\_\_\_ A letter of commitment from the interested parties indicating a willingness to personally guarantee the loan. **Exhibit 2b.**
4. \_\_\_\_\_ A history, and description of the business, its market potential and a marketing strategy. **Exhibit 3.**
5. \_\_\_\_\_ A statement detailing the exact uses of the loan proceeds OR a business plan OR a copy of other applications for financial assistance. **Exhibit 4.**
6. \_\_\_\_\_ Current and projected employment data and descriptions of employment practices. **Exhibit 5.** (Include: Number of jobs created/retained and job cost information.)
7. \_\_\_\_\_ A personal History Statement or resume of all officer and/or directors (regardless of ownership) and all owners of 20% or more of the Applicant's affiliate stock. **Exhibit 6.**
8. \_\_\_\_\_ A firm written commitment from each lender and equity investor. **Exhibit 7.**
9. \_\_\_\_\_ A complete list containing the original date and amount, present balance owed, interest rate, monthly payment, maturity, and security for each loan or debt that the applicant currently has. Indicate whether the loan is current or delinquent. **Exhibit 8.** Include: public sources.
10. \_\_\_\_\_ Preliminary plans and specifications and estimates of costs covering new construction and/or machinery, and equipment (M&E). **Exhibit 9.**
11. \_\_\_\_\_ An independent appraisal on property being acquired that includes: before construction value, after construction value, and quick sale value. **Exhibit 10.**
12. \_\_\_\_\_ A copy of existing or proposed lease or purchase agreement or other financing arrangements. **Exhibit 11.**

13. \_\_\_\_\_ A list of collateral to be offered as security for the loan, with the cost, prior liens, appraised value and the owners identified. **Exhibit 12.** Include: insurance binders.
14. \_\_\_\_\_ A balance sheet and profit and loss statement for the previous three years, signed and dated. If a new business, substitute evidence of market feasibility and a well thought-out business plan. **Exhibit 13.**
15. \_\_\_\_\_ A current balance sheet and current operating statement (no older than 90 days), signed and dated. **Exhibit 14.**
16. \_\_\_\_\_ A pro forma balance sheet and projected operating statement for two years. **Exhibit 15.**
17. \_\_\_\_\_ A monthly cash flow analysis for the next 12 months or 3 months beyond the break-even point. **Exhibit 16.**
18. \_\_\_\_\_ The name of affiliates and/or subsidiary firms, last fiscal year and financial statements for the listed firms. **Exhibit 17.**
19. \_\_\_\_\_ Resumes of the principals involved in firms listed in Exhibit 17. **Exhibit 18.**
20. \_\_\_\_\_ If your business is a franchise, include a copy of the Franchise Agreement and the Franchiser's FTC Disclosure Statement. **Exhibit 19.**
21. \_\_\_\_\_ Current personal financial statement for each proprietor, partner and each stockholder with 20% or more ownership of the Applicant. Also, when required by the Review Board, personal financial statement from officers and less than 20% shareholders. **Exhibit 20.**
22. \_\_\_\_\_ A copy of the deed to the property involved. **Exhibit 21.**
23. \_\_\_\_\_ Resolution from the Board of Directors, if a Corporation, authorizing the Applicant to borrow and the Corporation's Certificate of Good Standing. If a partnership is involved, provide a Partnership Agreement and a Certificate as to Partners. **Exhibit 22.**
24. \_\_\_\_\_ Copy of the Company's fringe benefits (vacation, sick leave, health insurance, retirement plan, etc.). If the company does not currently have an employee benefits plan, what is proposed to be initiated within the next twelve (12) months? **Exhibit 23.**
25. \_\_\_\_\_ Copy of the Company's Articles of Incorporation and By Laws. **Exhibit 24.**
26. \_\_\_\_\_ Employer ID Number (EIN). **Exhibit 25.**
27. \_\_\_\_\_ Is any officer, director or controlling group of the Area XV Regional Planning Commission or REDI, Inc. an officer, director or holder of any direct or indirect pecuniary interest in the Applicant? (If yes, explain) **Exhibit 26.**  
**YES** \_\_\_\_\_ **NO** \_\_\_\_\_