



Economic Development LB840 Loan Packet

The City of Kimball should maintain a revolving loan fund for business and economic development. This fund provides loans, loan guarantees, real estate acquisitions and/or real estate option for future development, speculative buildings, and investments to private businesses located within the zoning jurisdiction of the City of Kimball unless the City Council grants a variance for special circumstances.

The process should target the assistance of finance of:

- Expansion and improvement of existing local businesses
- Attraction of relocating businesses that add to the labor pool, increase total city valuation, increase the existing sales tax base, are named target industries, are matched to the features of the community, or provide a synergetic cluster to existing businesses
- Startup of new businesses

Businesses applying for assistance shall: create jobs at above regional average pay scale, retain existing jobs, or provide expansion/retention funds. Business shall contribute to the sales tax base, contribute to the property tax base, provide essential products/services, or possess other merits not previously defined.

The amount of funds available for any single project shall not exceed the amount of funds available under the "Program" during the project term, nor shall it provide for more than fifty percent (50%) of applicant's total project costs. An applicant must provide for participation through private funding as distinguished from federal, state, or local funding in the minimum amount of ten percent equity investment. Micro-loan candidates and emergency assistance candidates will be limited to loans under \$20,000 and the Economic Development Loan Committee may waive the 10% equity clause for good cause.

The term of the note shall not exceed ten (10) years for loans used for capital assets and five (5) years for loans involving any other asset category. The interest rate shall be fixed and negotiated on an individual basis, usually one-half the rate for the project at a traditional banking source. Rates shall not be less than one-half of prime rate as established by Chase Manhattan Bank of New York on the date of loan approval, nor less than four percent (4%) per annum. Security for loans will include, but will not be limited to, Promissory Notes, Mortgages or Deeds of Trust, or other financial instruments as requested by the Loan Advisory Committee. At the discretion of the Loan Committee, personal guarantees may be required to all LLC and Corporation loans.

Additional guidance pertaining the LB840 Loan fund can be found in The City of Kimball Economic Development Plan.

The applicant shall submit a completed and signed application with all required documentation and attachments to the City of Kimball Economic Development, at 223 S. Chestnut, Kimball. The application and attachments will then be reviewed by Economic Development and forwarded to the Loan Advisory Short Committee for review. After review, the application will go to the full Loan Advisory Committee for a determination regarding the loan. Applicants may be asked to provide additional information or attend the Loan Advisory Committee Meeting. The City of Kimball Economic Development will notify the applicant of the Loan Advisory Committee's determination.

The Economic Development Loan Committee will evaluate each application according to the following conditions: eligibility under Economic Development Plan, soundness and credibility of the business proposal, suitability in reaching program goals, track record, credibility, and credit worthiness of applicant, required ability to leverage private funding, probability that the business assistance will be repaid, and other criteria as established by the Loan Committee. The decision of the Loan Committee will be final.

LB840 APPLICATION CHECKLIST

The qualifying business shall provide the following information before the Economic Development Director forwards the application to the Economic Development Committee.

- Completed and signed application
- Signed letter requesting LB840 funds as well as an outline of the project
- Business Plan
- Two years completed and signed individual federal tax returns
- Current and signed year to date profit and loss statement, if applicable
- Recent signed balance sheet, if applicable
- Two years completed and signed corporate federal tax returns, if applicable
- Two years signed and completed partnership federal tax returns, if applicable
- "K-1" recent and signed balance sheet, if applicable
- Complete partnership agreement, if applicable
- Corporate statement of authority to borrow on behalf of the corporation, if applicable
- Two years projected balance sheets
- Two years projected profit and loss sheets
- Source and use of funds
- Schedule of Disbursement, if applicable
- Personal Financial Statement - Economic Development Form A
- Statement of Collateral - Economic Development Form F
- Documentation of ability to provide equity injection
- Documentation of any felonious charges pending or felony convictions to any of the associated applicants, if applicable
- Letter of intent or denial by conventional lender, if applicable
- Other information that may be requested that is particular to the project

KIMBALL ECONOMIC DEVELOPMENT LOAN APPLICATION

Name of Borrower: _____

Address: _____

Contact Person: _____

Business Phone: _____

Cell Phone: _____

E-mail Address: _____

Business Description:

- Service
- Manufacturing
- Retail
- Tourist Related
- Research and Development
- Other: _____

Business Organization:

- Administrative/Organizational
- Headquarters
- Warehousing and Distribution
- Other: _____

Type of Entity:

- Proprietorship
- Partnership
- Corporation
- Limited Liability Company
- Other: _____

Does the Company have a Parent or Subsidiary Entity? Yes No

If Yes, please identify:

Name: _____

Address: _____

Business Type:

- Start-up
- Buyout
- Existing
 - If existing, number of years in business _____

Please list all officers, directors, partners, owner, co-owners, and all stockholders with 20 percent or more interest in the company. Please use another page if necessary.

Name: _____

Name: _____

Title: _____

Title: _____

Ownership percentage: _____

Ownership percentage: _____

Personnel:

Full-Time-Equivalent (FTE) is based upon working 2,080 hours per year.

Existing number of FTE positions: _____

FTE positions to be created within 18 months of application approval: _____

Seasonal jobs are available for at least 3 continuous months and recur annually.

Existing number of seasonal positions: _____

Seasonal positions to be created within 18 months of application approval: _____

Project Information:

Proposed Use of Funds: _____

Project Location: _____

	Amount
Total Land Acquisition:	
Building Acquisition/Renovation (Form B)	
New Facility Construction (Form C)	
Acquisition of Machinery/Equipment (Form D)	
Working Capital (Form E)	
Other	
Total Project Cost:	
LB840 Funds Requested:	

Sources of Funds:

Public sources of financing require the participation of a conventional lender (bank) and/or an injection of equity (non-debt) funds.

	Amount
Amount available by business or owners for investment:	
Actual equity injection	
Source of personal injection:	
Loans from friends/family	
Cash from bank/credit card	
Whole life cash loan	
Savings	
Home equity	
Stocks/Bonds	
Sale of Real Property	
Other	

Participating Lender Information:

Name of Lending Institution: _____

Address: _____

Contact Person: _____

Phone: _____

Loan Amount: _____

Interest Rate & Loan Term: _____

Collateral Required by Lender: _____

Equity Required by Lender: _____

Equity Information: _____

Project Need:

Please explain why this project is a good investment for the City of Kimball. If this project is not able to be financed by a conventional lender in whole or in part, please state why. If project is not within the City Limits of Kimball, then explain how it will benefit the community. (Attach a separate sheet if necessary)

Business Training:

Please outline your business or entrepreneur training or experience. If you have participated in the EDGE program, please state when and where you completed the training. (Attach a separate sheet if necessary)

AGREEMENT AND CERTIFICATION:

I have read the applicable program guidelines and agree to the parameters.

I hereby submit this application and the required documents for the proposed project. I understand that the application must be approved by the Economic Development Committee.

I hereby certify that the above information and any supporting documentation is true and correct. The City of Kimball Economic Development is authorized to keep this application and supporting documentation whether the loan application is approved or not.

By signing below, I authorize the City of Kimball Economic Development to check my credit and employment history. I understand that I must update credit information if my financial condition changes. My signature below also gives the City of Kimball permission to share this application, if deemed applicable, with the Nebraska Department of Economic Development for purposes of co-venturing my requested financing.

If you have any further questions, contact the City of Kimball Economic Development Department at (308) 230-0542 or email: mpearson@kimballne.org. Completed applications and supporting documentation can be returned to the City Office at 223 S Chestnut St, Kimball NE 69145 or via email to mpearson@kimballne.org.

Name: _____ Date: _____

Name: _____ Date: _____

Date Received by Economic Development: _____

Date Approved by Loan Advisory Committee: _____

Filing an application for funds does not guarantee the monies will be awarded. Application and required supporting documents must be submitted to the City of Kimball Economic Development Department in a timely manner. Applications will not be considered complete without all required supporting documentation. Incomplete applications will be returned to the applicant with no action taken. After the application has been received and reviewed by Economic Development it will go to the Loan Advisory Committee. The Loan Advisory Committee will make a determination. Economic Development will notify the applicant of the Loan Advisory Committee's determination.

**ECONOMIC DEVELOPMENT FORM A
FINANCE STATEMENT**

(all applicants, every member of the corporation, partnership, or limited liability companies)

Name: _____

Address: _____

Contact Person: _____

Business Phone: _____

Cell Phone: _____

E-mail Address: _____

Assets	
Cash - checking accounts	
Cash - savings accounts	
Certificates of deposit	
Securities - stocks/ bonds/ mutual funds - See Schedule A	
Notes & contracts receivable - See Schedule B	
Life insurance (cash surrender value)	
Personal property - See Schedule C	
Retirement Funds (IRAs, 401k)	
Real estate - See Schedule D	
Other assets - itemize	
Total Assets	
Liabilities	
Real estate mortgages - see Schedule E	
Current Debt (credit cards, accounts) - see Schedule F	
Taxes payable	
Note Payable - see Schedule G	
Other Liabilities • itemize	
Total Liabilities	
TOTAL NET WORTH	
OTHER SOURCES OF INCOME	
Salary	
Commissions	
Bonuses	
Dividends	
Real estate	
Other (alimony, child support, etc.)	

**ECONOMIC DEVELOPMENT FORM C
NEW FACILITY CONSTRUCTION**

Describe the new facility, include architectural drawings, and construction plans, as appropriate. List all suppliers of material, sources of labor etc. that will be utilized and are being paid by the proceeds from this loan. Be as detailed and specific as possible.

General Description	Contractor Vendor Name	Cost
Total Expenses:		

NOTE: Proof of payment for construction including material and supplies, labor, and contractor fees may be required as a condition of this loan.

ECONOMIC DEVELOPMENT FORM D
DETAILED ACQUISITION OF MACHINERY/EQUIPMENT

List all machinery, equipment, vehicles, etc. being acquired by this loan. Be as specific as possible (e.g. brand, model#, serial #, etc.)

Machinery, Equipment, Vehicles, etc.	Vendor/Supplier Name	Cost

NOTE: Proof of payment for machinery, equipment, vehicles, etc. may be required as a condition of this loan.

ECONOMIC DEVELOPMENT FORM E DETAILED LIST OF WORKING CAPITAL

List how proceeds of loan will be used for Working Capital.

Working Capital Description	Amount

**ECONOMIC DEVELOPMENT FORM F
DETAILED LIST OF COLLATERAL**

List all machinery, equipment, vehicles, etc. that will be used as collateral for this loan. Be as specific as possible (e.g. brand, model#, etc.) DO NOT list machinery, equipment, vehicles, etc. that are already listed on the Detailed Acquisition of Machinery/Equipment - Form D.

Description of Collateral	Value