# **THE STUART ECONOMIC DEVELOPMENT PROGRAM**

**STUART, NEBRASKA**

OPERATIONAL GUIDELINES FOR ECONOMIC DEVELOPMENT LOAN PROGRAM:

1. Application – fill out – take copies of income tax statement, etc
2. Documentation & Business Plan
3. Verify information
4. Submit to 5 member Review Board for consideration
5. Review Board reviews applications for economic impact, their program qualifications and credit worthiness and then make their recommendations to Village Board
6. Submit to Stuart Village Board for Final approval
7. Send letter of approval or denial to applicant
8. If approved applicant provides purchase agreement or contract for construction
9. Obtain insurance coverage on project
10. Applicants come in & signs:

 1. Loan Agreement

 2. Promissory Note

 3. Truth in Lending

 4. Notice of Right of Rescission

 5. Real Estate Mortgage - Notary

#  Exhibit B

 **VILLAGE OF STUART**

 **LOAN PROGRAM APPLICATION**

## Part A: Loan Information

1. Amount of funds requested: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. Proposed use of funds: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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## Part B: Summary of Proposed Project

3. Type of Business:

 Sole Owner \_\_\_\_\_

 Partnership \_\_\_\_\_

 Corporation \_\_\_\_\_

 If Corporation: State of Incorporation: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Corporate Registration # \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

4. Name of Firm: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

5. Address of proposed project: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

6. Contact person: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Telephone #: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

7. Brief description of proposed project (this should include information on length of existence and location, projects manufactured and number of employees): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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8. If available, attach a copy of financial statements and most current quarterly report as Exhibit #1.

9. Estimated number of new jobs that will be created after completion of the project:

 Within 12 months \_\_\_\_\_

 Within 24 months \_\_\_\_\_

10. Type and nature of jobs that will be created (by major categories only):

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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11. Projected impact on other businesses within the Village producing a similar or same project or service. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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12. Indicate facts, which would support the Board to determine that:

 Project will tend to maintain or provide gainful employment for the people of the Village of Stuart; and, maintain or diversify/expand business in the Village \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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13. Was a feasibility study conducted for this location/expansion?

 Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please attach as Exhibit #2.

## Part C: Financial Information

14. Summary of Project Costs

 Land Cost \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Purchase of Existing Facility \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Building Cost (renovation) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Machinery & Equipment Cost \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Cost of Installation of Machinery \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Architectural & Engineering Fees \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Legal & Other Professional Fees \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Contingency \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Other (Please identify) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 TOTAL PROJECT COSTS \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

15. Proposed Financing % of Terms

 Project Cost Years Interest Amount

1. Equity
2. Loans from other sources (i.e., banks, etc.)

1.

2.

3.

1. Other
2. Total project cost (should equal 17,total project costs)

16. SUMMARY OF EXISTING COLLATERAL

### Present Market Present Mortgage Cost Less

###  Value Balance Depreciation

A. Land & Building $ $ $\_\_\_\_\_\_\_\_\_\_\_

B. Machinery &Equip $ $ $\_\_\_\_\_\_\_\_\_\_\_

C. Furniture & Fixtures $ $ $\_\_\_\_\_\_\_\_\_\_\_

D. Accounts Receivable $ $ $\_\_\_\_\_\_\_\_\_\_\_

E. Inventory $ $ $\_\_\_\_\_\_\_\_\_\_\_

F. Other $ $ $\_\_\_\_\_\_\_\_\_\_\_

TOTAL COLLETERAL $ $ $\_\_\_\_\_\_\_\_\_\_\_

# CERTIFICATION OF BORROWER

 It is hereby represented and certified by the undersigned that the foregoing information, to his/her best knowledge or belief, contains no information or data contained herein or in the exhibits or attachments that are false or incorrect and that they are truly descriptive of the property which is intended as the security for the proposed project.

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

 SIGNATURE:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 TITLE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

## LENDER’S AGREEMENT FOR GUARANTEES

Lender understands that any loss caused by inadequate or inappropriate documentation will not be paid under the guarantee.

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

 LENDER: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 SIGNATURE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 TITLE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

EXHIBIT C

**PROGRAM GUIDELINES**

1. Assistance will be provided for fixed asset purchases only
2. The project must create jobs the majority of which are available or are held y low-income persons, through either the creation of a business or the expansion/retention of an existing business. Assistance will not be provided for refinancing.
3. Type of assistance will be in the form of a direct loan
4. Direct loans will not constitute more than50% of the total fixed asset costs and will not exceed the amount of the loan from the participating lender.
5. Priority will be given to those eligible businesses who provide the greatest benefit to the community in terms of 1) essential service, 2) highest ratio of jobs created/retained per dollar invested, or 3 greatest income generation through increased tax base
6. The amount loaned will not exceed $15,000 per job created
7. The terms of the direct loan shall be an interest rate of not less than one-half the rate of the participating lender for up to 15 years or the life of the fixed asset, 7 years on equipment
8. The direct loan shall take a lien position behind that of the senior participating lender
9. The fixed assets must be purchased within 18 months from time of approval of the application, and the hiring and other activities within 24 months of the time the money is received
10. All completed applications shall be reviewed by the Review Board and recommendations made to the Village Board
11. The Village Board shall make final approval of all applications
12. Direct loans shall not be drawn down until completion of the project and all cost documentation has been submitted.