

# CLOQUET LOAN PROGRAMS

## Application Processing

The Cloquet Economic Development Authority offers several different revolving loan programs. After meeting with EDA staff to determine eligibility and the appropriate loan program, the full loan application should be completed. Applications will be considered on a first come, first served basis. Applications should be submitted to:

City of Cloquet  
Community Development Director  
101 14<sup>th</sup> ST  
Cloquet MN 55720

Upon receipt of the completed full loan application, application fee of \$250.00 and all required exhibits, EDA staff will initiate and conduct a thorough review. Upon completion of the due diligence process, staff will present its findings to the EDA at its next available meeting with a resulting decision to approve, deny, or approve with changes. All loans will be subjected to underwriting criteria.

## Loan Closing

Loan closing shall be completed in compliance with the conditions identified as part of the various loan programs. Loans will be expected to close no more than 60 days after final loan approval.

## Work Completion

The EDA's financing approval will become null and void, if the project has not begun within ninety (90) days of application approval. The applicant may apply for one additional thirty (30) day extension, if necessary. All work must be completed within 180 days of the loan closing.

## Disbursement Process

Loan proceeds from the EDA will only be disbursed to the contractor upon completion of work. An inspection will be performed by the EDA to verify the completion of the work. The following items must be received prior to final disbursement of funds:

- Final proposal or invoices from contractor.
- Final inspection verification by EDA.
- Completion certificate(s) signed by borrower and contractor.
- Lien waiver(s) for entire cost of work.
- Letter from primary lender(s) that all loan funds have been advanced and that all contingencies have been satisfied.

## Monitoring

The loan recipient shall agree to provide to the EDA information as needed to monitor project implementation for compliance with program objectives and loan guidelines. The project will be reviewed on an annual basis during the duration of the loan.



Community Development Department  
101 14<sup>th</sup> ST • Cloquet MN 55720

Phone: (218) 879-2507 ext. 4

Fax: (218) 879-6555

[www.cloqueteda.com](http://www.cloqueteda.com)  
[www.cloquetmn.gov](http://www.cloquetmn.gov)

## CLOQUET REVOLVING LOAN FUND(S) APPLICATION

Company Information			
Borrower's Name	Authorized Signature		Email Address
Company Name	Date Established	SIC Code	Webside URL
Company Street Address	City		State      Zip
Type of Business	<input type="checkbox"/> Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> LLC		
Company Ownership			
Owner Name	Title		Ownership
			%
			%
			%
Project Contact Information			
Participating Bank Name	Account Officer		Phone
Accountant	Firm Name		Phone
Legal Counsel	Firm Name		Phone

**Project Information**

Anticipated Project Start Date:	Anticipated Project Completion Date:
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Current Employees: FTE: _____ PTE: _____	Retain Employees? <input type="checkbox"/> Yes <input type="checkbox"/> No New Employees? FTE: _____ Wage Scale for new FTE: _____	How many retained? _____ PTE: _____ For new PTE: _____
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Projected Annual Increase in Property Tax Revenue: \$ _____	New Business or Business Start-up <input type="checkbox"/> Yes <input type="checkbox"/> No	Business Expansion <input type="checkbox"/> Yes <input type="checkbox"/> No
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Describe proposed project, the types of positions added or retained, and benefits offered employees:

**Uses of Funds** **Sources of Funds**

Acquisition (Land/Building)	\$ _____	Equity Investment (if required)	\$ _____
Building (Construction/Renovation)	\$ _____	Bank Loan	
Machinery & Equipment	\$ _____	Cloquet EDA	\$ _____
Infrastructure	\$ _____	Other:	\$ _____
Soft Costs (fees, miscellaneous)	\$ _____	Other:	\$ _____
Working Capital	\$ _____	Other:	\$ _____
Site Improvements	\$ _____	Other:	\$ _____
Purchase of Franchise	\$ _____		
Interest During Construction	\$ _____		
Other Costs (Describe)	\$ _____		
<b>TOTAL PROJECT COSTS</b>	<b>\$ _____</b>	<b>TOTAL PROJECT SOURCES</b>	<b>\$ _____</b>

Amount of Economic Development Loan Requested: \$ _____	Indicate the intended use of the Economic Development Loan Funds: \$ _____
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**To be signed by applicant(s):**

"I declare that the information provided in this application is true and complete to the best of my knowledge. I understand that the City of Cloquet has the right to verify this information and will be in contact with those individuals and institutions involved in the proposed project as well as credit references. False information, in addition to disqualifying me from any further consideration for financial assistance, may also subject me to litigation to recover the City's expenses related to reviewing this application and/or the costs to collect any loan balances. I understand that the City of Cloquet may release information for public purposes regarding the project, excluding any confidential financial information."

By: \_\_\_\_\_

Its \_\_\_\_\_ Date: \_\_\_\_\_

By: \_\_\_\_\_

Its \_\_\_\_\_ Date: \_\_\_\_\_

**REMITTANCE**

Submit completed application to: Holly Hansen, Community Development Director  
City of Cloquet  
101 14<sup>th</sup> ST  
Cloquet MN 55720  
[hhansen@cloquetmn.gov](mailto:hhansen@cloquetmn.gov)

**FOR INTERNAL USE ONLY**

LDO (201)  Federal CDBG (202)  Economic Development (203)    Revolving SCDP (206)

# CLOQUET LOAN PROGRAMS

## Required Exhibits

These exhibits are components of a business plan, which applicants are encouraged to complete. Please clearly label exhibits. The legibility, completeness and organization of the information requested directly impact staff review time. Please contact Cloquet EDA staff if you have questions regarding the information being requested.

### EXHIBIT 1: History and Description of Business

Briefly describe the past operation of the business and/or events leading up to its creation. Include information on the product lines or services, management, key employees, the operation's growth and affiliates.

### EXHIBIT 2: The Project and Related Marketing Plan

Describe the proposed project for which financing is being requested. Detail the marketing strategy and describe how it will support the planned business expansion or startup. Include information on the following:

- + Current customers and target markets (provide copies of contracts, purchase orders, etc., which relate to the loan request);
- + Manufacturing process and materials;
- + Major suppliers;
- + Competition and comparison of products;
- + Pricing, distribution, and promotion.

### EXHIBIT 3: Detailed Source and Use of Proceeds

Detail how the total project amount will be used including all sources of funds. Attach written cost estimates.

### EXHIBIT 4: List of Collateral

Provide a detailed list of all collateral offered, new and existing, its value, and security position by funding source. Values of existing equipment should be supported by an independent appraisal. Proof of insurance and a UCC filing of equipment will be secured prior to closing.

### EXHIBIT 5: Commitment Letters

Include firm commitments from banks and other participating lenders stating the terms and conditions for their financing.

### EXHIBIT 6: Impact on Community/Jobs/Revenue

Describe how the proposed project will benefit the community or area in which the business is located. Be specific in terms of the type and number of jobs created or preserved, the wage rates and benefits, and the proposed hiring schedule. The annual projected increase to property tax revenue created in the City of Cloquet and/or how this project will enhance community development. All relevant statements will be required as part of the loan closing documents; to include, but not limited to, job creation statement and/or property tax estimate.

### EXHIBIT 7: Financial Statements

Provide balance sheets, income statements and cash flow statements for the past three years and an interim statement less than 90 days old. Include footnotes and relevant accounting policies.

### EXHIBIT 8: Schedule of Business Debts

List original amount and date, present balance, interest rate, monthly payments, maturity, collateral, personal guarantees and indicate whether the loan is current or delinquent.

### EXHIBIT 9: Projections

Provide two years pro forma balance sheets, income statements and cash flow stated on a monthly and annual basis. Define the assumptions used to derive the projections.

### EXHIBIT 10: Resumes and Personal Financial Statements

Provide resumes of all principals as well as current, dated and signed personal financial statements on all principals with a significant interest in the business.

### EXHIBIT 11: Affiliates

Provide a description of any affiliates or subsidiaries of business or principals requesting assistance, as well as balance sheets and income statements for the past two years.

### EXHIBIT 12: Appraisals/Proposed Lease/Purchase Options or Agreements/Site Control

An independent appraisal will be required for any real estate or equipment which is a subject of the proposed financing, or which is offered as a major source of collateral to secure the loan. Also include copies of existing or proposed lease(s), purchase options or agreements, evidence of site control, or other financial arrangements.

### EXHIBIT 13: Partnership Certificate of Authorization or Corporate Certificate of Authority

Include minutes of the corporate meeting adopting this certification, where applicable. Evidence of the corporate action approving the borrowing will be required at closing.

### EXHIBIT 14: Other Required Attachments

- + Copy of last year's business income tax statement
- + Copy of last year's personal income tax statement of principals
- + Evidence of payment of last quarter's payroll tax
- + Evidence of Workers' Compensation insurance coverage