



BURWELL
NEBRASKA

Burwell Economic Development REVOLVING LOAN FUND APPLICATION GUIDELINES

Eligible Applicants

The revolving loan fund can provide loans or loan guarantees to any business eligible for assistance under LB840. While not meant to restrict the scope or flexibility of the fund, evaluation of applications should give special priority to businesses which meet one or more of the following criteria:

- Businesses which create one job for each \$25,000 or less in public financing assistance.
- Applications which provide for the expansion or enhancement of existing businesses in Burwell or its surrounding.
- New business starts.
- Businesses that in the opinion of the loan committee have unusual potential for growth.
- Businesses that are relocating from outside Nebraska.
- Businesses that provide for important local or regional needs.

Revolving Loan Guidelines

- The amount of funds available for any single project shall not exceed the amount of funds available under the Economic Development Program during the project term, nor shall it provide for more than fifty percent (50%) of the applicant's total project costs. An applicant must provide participation and evidence of participation through private funding as distinguished from federal, state, or local funding in the minimum amount of ten percent (10%) equity investment. The right is reserved to negotiate the terms and conditions of the loan with each applicant, which terms and conditions may differ substantially from applicant to applicant.
- The interest rate shall be fixed and negotiated on an individual basis; usually one-half the rate of the lending rate for the project at a traditional banking source. Rates shall not be less than one-half of the national prime rate as published in the "Wall Street Journal" on the date of loan approval or less than four percent (4%) per annum. The term shall not exceed the (10) years for loans used for capital assets and five (5) years for loans involving any other asset category. Security for loan will include, but will not be limited to; Promissory Notes, Mortgages or Deeds of Trust, and personal and/or corporate guarantees as appropriate and may be in a subordinate position to the primary lender.
- If a loan is approved as performance based, the loan may be forgiven in whole or part based upon performance standards approved at the time of the loan approval. The forgiven amount will be determined by the City Council, based upon job creation and/or retention and economic impact of the project to the community.
- A loan repayment schedule providing the monthly, quarterly, or annual payments will be approved in conjunction with project approval. Repayments will be held in the revolving loan fund for future projects when approved.
- The Economic Development Director or contracted loan administrator is responsible for auditing and verifying job creation and retention and determining grant credits toward any loans made. No grant credits are available unless pre-approved in the initial application and project approval. No grant credits will be made available beyond the level initially approved.
- The Revolving Loan Fund will be audited annually by a selected firm of certified public accountants.
- It is anticipated that the Program can be fully administrated by the Director of the Economic Development office or contracted loan administrator. Administration costs for the loan fund will

be defrayed by loan fees and the portion of sales tax revenue directed to administration expenses as outlined in the Plan budget.

- Existing businesses are encouraged to pay all employees a minimum starting wage of \$13.50 per hour. No benefit package is required.
- New businesses are encouraged to pay all employees a starting hourly wage plus employee benefits of no less than \$13.50 per hour, with a minimum starting wage of \$13.50 per hour.

Forgivable Loans

Performance based loans or forgivable loans will be considered by the loan committee and the city council with one or more of the following criteria taken into consideration:

- The levels of job creation and/or job retention and the duration of the job commitment being proposed as job performance requirements to be met by the benefited business.
- Level of economic impact to the community.
- The overall wage levels being paid by the benefited business.
- Benefited business' commitment to providing a minimum annual wage increase for all employees through a period of time.
- The level of equity investment by owners.
- As assessment of the ability to repay the loan in the event job performance requirements are not met.

Application Requirements

- Complete an approved application form that may be obtained from the office of the Director of Economic Development or City Hall, 404 Grand Avenue, Burwell, Nebraska 68823.
- Submit a completed application together with all required attachments, and a denial letter of full financing from a lending institution (if a lending institution isn't able to absorb the entire investment risk, a description of the portion of risk they are denying needs to be detailed), to the office of the Director of Economic Development. The application will then be reviewed by the Director of Economic Development and the loan committee, upon completion of the review the committee will make a recommendation to the Burwell Economic Development Board. If the project is recommended to the Burwell Economic Development board for approval the board will review the request for funding. The Burwell Economic Development Board will then make a recommendation to the city council. If the project is recommended to the Burwell City Council for approval the council will review the request for funding. The council will review the project and make the final recommendation for approval. (If the project is not recommended to the City Council for approval the application process ends. However, the applicant may work with the Economic Development Director and loan committee and submit another application after necessary changes have been made.)
- The Director of Economic Development will notify any applicant of the decision of the committee and/or Burwell City Council.

Application Review Schedule

The Burwell Revolving Loan Fund Committee meets on an as needed basis to review all completed applications that are submitted to the Burwell Economic Development office by the required submission date. If the project is recommended to the Burwell City Council for approval, the council will review the project and make the final recommendation for approval during their regularly scheduled council meeting.

Required Attachments

A qualifying business shall include a letter specifically requesting funding and a brief summary of why funds are required. Accompanying the application and letter the following information must be provided before the Director of Economic Development and the Loan Committee considers any application:

“C” Corporation

- ☐ Burwell Revolving Loan Fund Approved Application Form.
- ☐ Business Plan with projected cash flow statement.
- ☐ Last two (2) years completed individual federal tax returns, of each individual stockholder.
- ☐ Last two (2) years completed corporate tax returns (signed).
- ☐ Current year-to-date Profit and Loss Statement (signed).
- ☐ Recent Balance Sheet (signed) for each individual stockholder and corporation.
- ☐ Articles of Incorporation, By-Laws and minutes of the most recent meeting and the meeting when all officers were elected.
- ☐ Corporation Resolution authorizing loan application and execution of required documents.
- ☐ Credit Bureau Report for each shareholder. (Resource: www.annualcreditreport.com or www.freecreditreport.com)
- ☐ Proforma Balance Sheet.
- ☐ Any other information as requested.

General Partnership

- ☐ Burwell Revolving Loan Fund Approved Application Form.
- ☐ Business Plan with projected cash flow statement.
- ☐ Last two (2) years completed individual federal tax returns, of each partner.
- ☐ Last two (2) years completed partnership returns (signed).
- ☐ Current year-to-date Profit and Loss Statement (signed).
- ☐ Most recent Balance Sheet (signed) for each individual partner and the general partnership.
- ☐ Complete partnership agreement.
- ☐ Credit Bureau Report for all general partners. (Resource: www.annualcreditreport.com or www.freecreditreport.com)
- ☐ Proforma Balance Sheet.
- ☐ Any other information as requested.

Limited Liability Company

- ☐ Burwell Revolving Loan Fund Approved Application Form.
- ☐ Business Plan with projected cash flow statement.
- ☐ Last two (2) years completed individual federal tax returns, of individual partners.
- ☐ Last two (2) years completed entity tax returns (signed).
- ☐ Current year-to-date Profit and Loss Statement (signed).
- ☐ Recent Balance Sheet (signed) for each individual partner and the Limited Liability Company.
- ☐ Credit Bureau Report for all owners. (Resource: www.annualcreditreport.com or www.freecreditreport.com)
- ☐ Proforma Balance Sheet.
- ☐ Any other information as requested.

Limited Liability Partnership

- ☐ Burwell Revolving Loan Fund Approved Application Form.
- ☐ Business Plan with projected cash flow statement.
- ☐ Last two (2) years completed individual federal tax returns, of individual partners.
- ☐ Last two (2) years completed entity tax returns (signed).
- ☐ Current year-to-date Profit and Loss Statement (signed).
- ☐ Most recent Balance Sheet (signed) for each individual partner and the Limited Liability Partnership.
- ☐ Credit Bureau Report for all managers. (Resource: www.annualcreditreport.com or www.freecreditreport.com)
- ☐ Proforma Balance Sheet.
- ☐ Any other information as requested.

Limited Partnership

- ☐ Burwell Revolving Loan Fund Approved Application Form.
- ☐ Business Plan with projected cash flow statement.
- ☐ Last two (2) years completed individual federal tax returns for general partners and limited partners, and the partnerships tax returns (signed).
- ☐ Complete copy of Partnership agreement.
- ☐ Credit Bureau Report for all general partners. (Resource: www.annualcreditreport.com or www.freecreditreport.com)
- ☐ Proforma Balance Sheet.
- ☐ Any other information as requested.

“S” Corporation

- ☐ Burwell Revolving Loan Fund Approved Application Form.
- ☐ Business Plan with projected cash flow statement.
- ☐ Last two (2) years completed individual federal tax return, of individual stockholders.
- ☐ Last two (2) years completed corporate tax returns (signed).
- ☐ Current year-to-date Profit and Loss Statement (signed).
- ☐ Most recent Balance Sheet (signed) of individual stockholders and the corporation.
- ☐ Articles of Incorporation, By-Laws and Minutes of last meeting.
- ☐ Corporation Resolution authorizing loan application and execution of required documents.
- ☐ Credit Bureau Report for all Shareholders. (Resource: www.annualcreditreport.com or www.freecreditreport.com)
- ☐ Proforma Balance Sheet.
- ☐ Any other information as requested.

Sole Proprietorship

- ☐ Burwell Revolving Loan Fund Approved Application Form.
- ☐ Business Plan with projected cash flow statement.
- ☐ Last two (2) years completed individual federal tax returns (signed).
- ☐ Current year-to-date Profit and Loss Statement (signed).
- ☐ Most recent Balance Sheet (signed).
- ☐ Credit Bureau Report. (Resource: www.annualcreditreport.com or www.freecreditreport.com)
- ☐ Proforma Balance Sheet.
- ☐ Any other information as requested.

Contact Information

If you have questions regarding the Burwell Revolving Loan Fund, please contact Jessica VanDeWalle, Director at the Burwell Economic Development office, 308.346.5210 or econdevburwell@nctc.net.