

# City of Deshler

## LB840 Business Grant & Loan Program Application

Deshler's community and economic development strategy involves building on our strengths to promote existing industries and the retention of jobs and to recruit new industries and jobs to the community. The principal strategy is directed at maintaining a good quality of life for our citizens and a strong workforce; developing community resources; attracting new capital investment; broadening the community's tax base; and ensuring economic stability and viability for Deshler.

The City of Deshler's source of public funds for Deshler's Economic Development Program will be one-third of the total local option sales tax (1%) collected in one year's time.

Loan and Grant funds will be awarded with the following terms:

- At least 50% of the project must be self-funded or funded by another funding source or financial institution.
- The maximum loan amount will be 50% of the total project cost, with a maximum loan amount of \$25,000.
  - Loan payments can be amortized up to 10 years with monthly payments beginning one month after loan origination.
  - The interest rate will be fixed for the life of the loan and based off the current Wall Street Journal Prime rate. The rate will be no less than ½ of the current prime rate.
- The maximum grant amount will be 50% of the total project cost, with a grant maximum of \$5,000.
  - The grant is eligible for forgiveness if the business remains open and continues to provide economic benefit to the City of Deshler for 5 years.
- Loan closing and grant disbursement will vary depending upon program fund availability and the loan closing of secondary income sources (if applicable).
- Loan and grant maximum limits could vary depending upon program fund availability.

Funding Example: Total project cost of \$50,000. \$25,000 must be self-funded or come from a secondary loan source. \$5,000 is eligible for grant funds. The remaining \$20,000 of the project is eligible for the LB840 loan program.

For the loan program, a one-time application fee of \$100 is due at loan closing.

**Applying For:**       Loan                                       Grant                                       Both

**Applicant & Business Information:**

Name of Property Owner (Applicant): \_\_\_\_\_

Name of Business at Location: \_\_\_\_\_

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

Property Legal Description: \_\_\_\_\_

Federal Tax ID Number: \_\_\_\_\_

Work Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

Fax Number: \_\_\_\_\_ Email: \_\_\_\_\_

Website: \_\_\_\_\_

**Business Organization Structure:**

\_\_\_ Proprietorship      \_\_\_ Corporation: Status & Type: \_\_\_\_\_

\_\_\_ Partnership      \_\_\_ Other (Specify) \_\_\_\_\_

**Ownership Identification:**

List officers, directors, partners, owner, co-owners and all stockholders with 20% or more of the business stock.

| Name | Title | Ownership % |
|------|-------|-------------|
|------|-------|-------------|

|       |       |       |
|-------|-------|-------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

**Business Activity** (Please give a brief description of your business):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Business Personnel:**

FTE (Full-Time-Equivalent) is based upon 2,080 hours per year. These amounts should include the owners or partners getting paid wages or ownership draw, although if owner/partners are included, they must be working in some capacity for business.

Total Number of FTE Positions: \_\_\_\_\_

Number of Owners working in the business taking a draw or salary: \_\_\_\_\_

Number of existing seasonal or part-time positions: \_\_\_\_\_

New jobs added because of the project: \_\_\_\_\_

**Project Type:**

\_\_\_\_\_ Business Start-up

\_\_\_\_\_ Business Expansion

\_\_\_\_\_ Business Repair

**Equity Information:**

Business or owner's equity amount (cash investment) into the project: \_\_\_\_\_

Business or owner's real estate information to be used as equity:

Business property address: \_\_\_\_\_

Legal description of property: \_\_\_\_\_

Current estimated value of property: \_\_\_\_\_

Estimated value of property after improvements: \_\_\_\_\_

**General Information:** (please circle)

1. Have you ever had a LB840 loan through the City of Deshler? Yes / No  
(If NO, go to question 3)
2. What is the current status of your LB840 Loan? Paid Off / Current
3. Are all property taxes paid current for your business property? Yes / No
4. Does this property share a common awning or façade with another property? Yes / No
5. Based on question 4, do the neighboring property owners agree to this project? Yes / No
6. Based on question 4, will the neighboring property owners also be requesting LB840 loan or grant funds? Yes / No
7. Are you a Deshler Chamber of Commerce member (Dues paid current)? Yes / No
8. Are you a Thayer County Economic Development member (Dues paid current)? Yes / No

**Sources and Uses of all Project Funds:**

| DESCRIPTION         | TOTAL COST | BANK LOAN | CITY LOAN | GRANT |
|---------------------|------------|-----------|-----------|-------|
| Land/Building       | _____      | _____     | _____     | _____ |
| Machinery/Equipment | _____      | _____     | _____     | _____ |
| Working Capital     | _____      | _____     | _____     | _____ |
| Project Totals      | _____      | _____     | _____     | _____ |

**Required Attachments for Application:**

1. Current photo of property
2. If requesting business start-up funds, please write a narrative, including the following:
  - a. Business plan including:
    - i. Cash flow & income projections
    - ii. Management plan
    - iii. Market demand summary
  - b. How this new business will impact Deshler
  - c. In what specific way will the funds be used
3. If requesting business start-up funds, please write a narrative, including the following:
  - a. Describe what part of the business you are expanded
  - b. How will this expansion impact Deshler
4. If requesting repair funds, please write a narrative explaining the project, including the following:
  - a. Overview of the entire project, outlining specific areas of improvement
  - b. Contractor or owner's sketch of the work to be accomplished
  - c. Two quotes for work to be performed and which one has been chosen. If a higher quote is chosen, then provide the reason why this quote was chosen in the narrative.
  - d. Explain why this project is being performed and if there are any issues you are addressing
  - e. How will this project enhance the business appeal
  - f. Timeframe for the project and anticipated completion date
5. Letter from financial institution (via loan officer) which confirms loan for project if part of the project will be financed by another source.
6. Any other material that may be requested by the program administrator, the LB840 Loan Review Committee or the City Council to answer questions about the project during the application period.

**Authorization and Understanding:**

I (We) certify that everything I have stated in this application and on any attachments is correct. I (We) further acknowledge and understand the program process for application and that applying for assistance through this program does not guarantee any program support. In making an application to the City of Deshler, I (We) understand and agree that:

- The LB840 Loan Review Committee and City Council will take into consideration the conditions outlined in the program and make a decision as to providing a grant to the applicant based on multiple factors. These factors may include, but are not limited to, the following:
  - Completeness of application
  - Weighted evaluations as to how the project complies with conditions of program
  - Availability of funds for the specific program and project at time of application
  - Project impact to improvement of commercial business district appeal
- The LB840 Loan Review Committee and City Council may give special priority to funding applicants that meet one or more of the following:
  - Applicants who provide more matching capital investment into the project
  - Applicants who have properties which have common facades or awnings in which a project would need to be coordinated at the same time due to logistical purposes
- Applicants are not guaranteed LB840 grant funds just because of application.
- Grant funds, if authorized, will be in the form of a reimbursement grant, which gets paid back to the applicant through the financial institution after the project is completed and all project conditions of the program are met.
- No portion of the project construction or renovation has been started prior to the application.

If funds are received from the program, the following aspects of receiving funds are understood:

- Any grants which are approved in request, the applicant will need to sign a Memorandum of Understanding for the repayment of grant funds on a scaled basis (IF) specific circumstances lead to sale or closure of the business within 5 years;
- The reimbursement grant given to the applicant will count as 'income' for taxes to the individual or business within the taxing year of which funds were received.

By signing below, I indicate that I understand the guideline of the program.

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date