



**Revolving Loan Committee Meeting Agenda**  
**March 20, 2024**  
**City Hall Second Floor Conference Room, 5:00 PM**

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1. Call to Order
  2. Review and Adopt or Amend Agenda
    - a. Disclose Conflicts
  3. Public Forum
  4. Informational Reports
    - a. Revolving Loan Committee Meeting Minutes 9.27.23
    - b. Review Updated Façade Improvement Program Documents
    - c. Review Updated Revolving Loan Program Documents
  5. New Business
    - a. Approve Façade Improvement Program Application for Jed Clark Construction LLC
  6. Adjourn



## **REQUEST FOR Meeting, March 20, 2024**

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**Agenda Item Description:** Revolving Loan Committee Meeting Minutes 9.27.23

**Meeting:** Meeting, 3/20/2024

**Originating Department:** EDA

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**Action Requested:**

No action requested; item is an informational update only.

**Background:**

The Revolving Loan Committee Meeting Minutes from September 27, 2023 were approved by City Council at their regularly scheduled meeting on October 9, 2023.

**Reviewed By:** Port Authority

**Preparer:** Ben Strand, Executive Director

**ATTACHMENTS:**

**Description**

- ▣ **Revolving Loan Committee Meeting Minutes September 27, 2023**

## **Lake City Revolving Loan Fund Committee Meeting Minutes**

5:00 pm, September 27, 2023

In-Person Meeting, Second Floor Conference Room, City Hall

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Committee Members Present: Russell Boe, Amy Alkire, John Hutchinson, Bobby Blaser, Wade Carlson

Committee Members Absent: None

Staff: Ben Strand, Jerome Illg

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### **Call to Order**

5:00 pm

### **Adoption of Agenda**

Unanimous adoption of agenda with a motion from Hutchinson and a second from Boe (5-0-0).

### **Public Forum**

The Public Forum was opened and closed without any presentations from public attendees.

### **Informational Reports**

The Committee reviewed the minutes from the June 29, 2023 and September 20, 2023 meetings.

### **New Business**

Port Authority staff and the City Finance Director presented the **Facade Improvement Program application from Lake City Boat Club & Rentals**. The Committee evaluated each line item in the applicant's project proposal for program eligibility, and found all items to be eligible for funds, including:

- Installing a decorative L-shaped fence to separate the applicant's property and adjacent home;
- Removing existing paint and vinyl on the outside of the old gas station canopy and repairing canopy panels, fascia, trim and painting the canopy;
- Repairing and painting all of the canopy posts and signposts on the property;
- Replacing existing building siding with new siding and installing trim and around the windows;
- Repairing electrical for the old gas sign and installing six sign panels on the gas station building.

There was additional discussion amongst the Committee regarding the eligibility of the fence; it was ultimately approved because it coincides with other tangible, aesthetic improvements to the property that will increase the property value. With a motion from Blaser and a second from Hutchinson (5-0-0), the Committee unanimously voted to recommend approval to City Council for Lake City Boat Club & Rentals Facade Improvement Program Application, with the condition that the applicant receives the necessary permits and approvals to comply with City Code and Policies before beginning work.

### **Adjournment**

Motion to adjourn was made at 5:17 p.m. by Alkire and seconded by Boe (5-0-0).

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Respectfully submitted,  
Ben Strand, Lake City Port Authority Executive Director



## **REQUEST FOR Meeting, March 20, 2024**

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**Agenda Item Description:** Review Updated Façade Improvement Program Documents

**Meeting:** Meeting, 3/20/2024

**Originating Department:** EDA

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**Action Requested:**

No action requested; item is an informational update only.

**Background:**

Staff made some updates to the applications for Revolving Loan and Facade Improvement. Both applications now require the submission of additional documents like financial documents, a business plan, project description and/or renderings, and any supplementary photos (when applicable). All additions are in **blue** text.

Additionally, the applications for both programs were removed from the Port Authority website.

Both of these changes were made to ensure staff receives the necessary information and supporting documents to present to the committee, and to ensure that staff can sit down with prospective applicants to discuss their project/business and explain the application process in detail.

**Reviewed By:** Port Authority

**Preparer:** Ben Strand, Executive Director

**ATTACHMENTS:**

**Description**

- ❑ **Facade Improvement Program Application**
- ❑ **Building Owner Consent Form**
- ❑ **Facade Improvement Program Guidelines**
- ❑ **Payment Request Form**

**CITY OF LAKE CITY  
PORT AUTHORITY  
FACADE IMPROVEMENT PROGRAM (FIP) APPLICATION**

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

**PROJECT IDENTIFICATION**

Project Name: \_\_\_\_\_

Company/Business Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

**REQUESTED TERMS**

Total Project Amount: \_\_\_\_\_

Loan Amount (\$10k max): \_\_\_\_\_

Source of Matching Funds: \_\_\_\_\_

**PROJECT DESCRIPTION**

Describe Project Here: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Special Payment Terms or Conditions: \_\_\_\_\_

I/we certify the above information provided in this application and accompanying material is true and accurate to the best of our knowledge. I/we authorize the Lake City Port Authority and its agents to verify the background information provided and to obtain credit reports and/or consult with other lenders assisting with this project to determine our credit worthiness. I/we agree to provide any additional information and complete any follow-up reporting as may be requested or required by the Lake City Port Authority, the State of Minnesota, or any other entity in regards to this assistance.

Applicant Signature(s)

\_\_\_\_\_

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

\_\_\_\_\_

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

\_\_\_\_\_

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

## PROPERTY IDENTIFICATION AND DATA

*Please provide information on the property where the project will occur:*

Site Address: \_\_\_\_\_

Current Owner(s): \_\_\_\_\_

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

Property ID Number: \_\_\_\_\_

***For interior construction projects only (as matching fund source):***

Property Area (sq. ft.): \_\_\_\_\_

Building Size (sq. ft.): \_\_\_\_\_

Building Use: \_\_\_\_\_

Zoning District: \_\_\_\_\_

Interior Construction Description & Costs: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## **“BUT FOR” STATEMENT**

*The FIP program is only used to assist with projects that would not be able to proceed otherwise. Please indicate why your project cannot proceed without FIP assistance.*

But for the assistance of the Lake City Facade Improvement program, I/we would not be able to proceed with

the project because \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## REQUIRED ATTACHEMENTS

Please submit the following forms along with your Façade Improvement Program Application:

1. Copy of cost estimate for the project
2. Project plans, drawings or sketches
3. Photos of the property exterior before work begins
4. For leased or contract for deed properties:
  - a. A copy of the lease or contract for deed
  - b. Signed Building Owner Consent Form
5. Additional documents as requested

## LAKE CITY FAÇADE IMPROVEMENT PROGRAM BUILDING OWNER CONSENT FORM

When an Applicant (Lessee) for a Facade Improvement Loan is planning to make exterior building improvements, Owner(s) of the property are required to sign this Consent Form. The reason for this requirement is that the Owner(s) of the property maintains legal property ownership, and must submit written consent for the Lessee to make building construction or renovation to be in compliance with applicable building codes, design guidelines and other City of Lake City codes and policies. All projects, outcomes and effects on any other parties are the responsibility of the Lessee. *Owner(s) of the building must be current on all City loans, utility payments, property taxes and assessments in order for a project to be approved.*

### Project Summary

Name of Applicant: \_\_\_\_\_

Project Address: \_\_\_\_\_

Building Owner Name: \_\_\_\_\_

Contact Email: \_\_\_\_\_

Contact Phone Number: \_\_\_\_\_

Building Improvement Summary: \_\_\_\_\_

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

### Applicant Certification

1. As the Owner(s) of the property, \_\_\_\_\_, I/We are aware of the improvements intended for the property located at \_\_\_\_\_.
2. I/We have read and understood the information contained in this Consent Form. Knowing and understanding this information I/We will sign the Consent Form needed to secure the Business Facade Improvement funds requested by \_\_\_\_\_ from the Lake City Port Authority.

\_\_\_\_\_  
Name/Title (Printed)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name/Title (Printed)

\_\_\_\_\_  
Signature



# LAKE CITY FAÇADE IMPROVEMENT PROGRAM GUIDELINES

## **INTRODUCTION**

Thank you for your interest in the Lake City Façade Improvement Program (FIP). FIP funds are a public source of money from which loans are made to eligible applicants for the rehabilitation of business building exteriors.

## **ELIGIBILITY REQUIREMENTS**

Businesses must be located in Zoning District B1 – Central Business District or B2 – Highway Commercial within the corporate boundaries of the City of Lake City to be considered for a loan. Vacant properties are not eligible unless an occupancy plan is in place.

Eligible Uses of FIP Include\*:

- Exterior Improvements
  - Ex: tuck-pointing, cleaning of bricks, window replacement, installation of signage
- Code Compliance
  - Ex: exterior correction of code violations, mitigation of safety hazards
- Increasing Handicap Accessibility
  - Ex: installation of ramps or handrails, entrance modifications
- Historical Building Preservation
  - Ex: restoring original building features or design

*\*Attached is a complete list of eligible fund uses. If you have questions on whether or not our project would be eligible, please reach out to Port Authority staff for clarification.*

## **TERMS AND CONDITIONS**

1. The term is determined by the RLF Committee and fixed at 5 years or less.
2. Maximum loan amount shall not exceed \$10,000.
3. FIP loan shall not exceed 50% of the total project cost.
4. Matching project funds can be composed of private funding or interior updates.
5. *Proof of matching funds will be required for vendors to be paid by the Port Authority.*
6. Half of the total FIP loan will have a fixed interest rate equaling 2%.
7. The non-interest accruing half of the FIP loan will be forgiven at 20% each full year of the life of the loan.
8. *The Port Authority will pay vendors directly and not reimburse applicants for incurred expenses.*
9. *Personal labor will not constitute as matching funds or a billable expense.*
10. *A total of one and a half times (1.5x) the maximum allowable loan amount may be active on an individual parcel at any given time.*
11. Automatic withdrawal from selected account.
12. Taxes, utilities, insurance and other loans must be maintained and current.
13. Immediate repayment of the entire outstanding balance of the loan will be made if the business relocates outside the corporate limits of the City of Lake City.
14. All construction and renovation must comply with City Codes and policies.
15. A project must be approved by all appropriate City Committees and Commission, including but not limited to the Design Review Committee.
16. A project may only commence after the City Council of Lake City has approved the loan.
17. No building construction may commence until the required City permits have been secured.

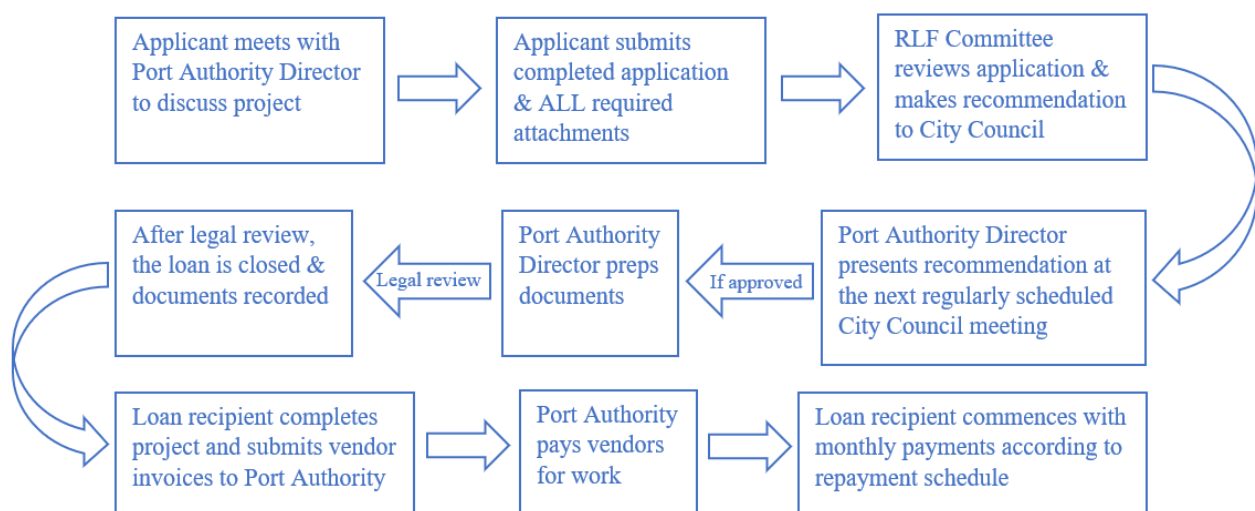
18. The applicant will have twelve (12) months to complete the project from the date of approval at City Council.

## **PROGRAM OVERVIEW**

The FIP shall not exceed 50% of the total project cost, and has a maximum loan amount of \$10,000. Half of the total loan will be forgiven over the life of the loan, which means the loan recipient will not be required to pay the Port Authority back for those funds. The other half of the loan will be paid back over the life of the loan, with a 2% interest rate. Some project examples:

1. Project Cost: \$5,000
  - a. Business Owner Investment: \$2,500
  - b. Façade Improvement Loan: \$2,500
    - i. Amount Forgiven (over life of loan): \$1,250
    - ii. Amount Repaid (with 2% interest): \$1,275
2. Project Cost: \$20,000
  - a. Business Owner Investment: \$10,000
  - b. Façade Improvement Loan: \$10,000
    - i. Amount Forgiven (over life of loan): \$5,000
    - ii. Amount Repaid (with 2% interest): \$5,100
3. Project Cost: \$50,000
  - a. Business Owner Investment: \$40,000
  - b. Façade Improvement Loan: \$10,000
    - i. Amount Forgiven (over life of loan): \$5,000
    - ii. Amount Repaid (with 2% interest): \$5,100

## **PROCEDURE**



*Applicant should allow approximately **30 days once the completed application and all required documentation is submitted**. The Port Authority Director is available to assist with all stages of the application process. The RLF Committee will review the loan request utilizing financial industry standards including but not limited to:*

1. Applicant is credit worthy
2. Applicant can show lender commitments

3. Applicant is willing to sign a personal guaranty
4. Applicant can pledge adequate collateral
5. Applicant can inject adequate equity
6. Applicant may be required to provide proof they are up-to-date on current payments with creditors/utilities/taxes
7. Applicant must be located in areas zoned commercial to apply
8. Applicant does not receive loan funds in lump sum(s). The Port Authority will pay vendors directly for work completed, upon receiving documentation of finished work and proof of matching funds.

### **REVOLVING LOAN COMMITTEE MEMBERSHIP**

1. City Council Members (May include Mayor)	2
2. Port Authority Board Members	2
3. City of Lake City Finance Director (Advisory)	1
4. Port Authority Executive Director (Advisory)	1
5. <u>Community Representative</u>	<u>1</u>
Total RLF Committee Members	7 (5 Voting Members + 2 Advisory)

### **DELINQUENCY AND DEFAULT**

#### **Past Due Balances:**

A loan payment is considered ***past due*** fifteen (15) days after the payment due date.

The loan will be considered in ***default*** thirty (30) days after failure to make a scheduled payment.

#### **Process:**

After fifteen (15) days -	The borrower will receive written notification that their loan payment is past due, that a late payment fee has been assessed and the amount due to return the loan to a current status.
After thirty (30) days –	The borrower will receive 2 <sup>nd</sup> notice of default including: late fees that have been assessed, the amount due to return the loan to a current status and notification that collection procedures will commence in thirty (30) days if no action is taken to resolve this matter.
After sixty (60) days –	The borrower will receive a final notice of default stating that all other attempts to collect on this debt have been unsuccessful, therefore, if the borrower does not contact the City within ten (10) business days to resolve this matter collections procedures will commence.

#### **Remedies in the event of default:**

If a borrower knows that they will be late making a scheduled loan payment, or have fallen behind on regular monthly payments they are encouraged to contact the City Finance Director/Treasurer at 651-345-5383 to schedule a payment plan.

#### **Fees and Penalties:**

- Insufficient Funds Fee – \$25.00 for insufficient funds in.

**Collections:**

Collections are the last source of repayment and will begin seventy (70) days after the payment due date if no actions are taken by the borrower to resolve the default. The City will make every reasonable effort to resolve this issue with the borrower prior to commencing with collections actions. If, after seventy (70) days, the City is unable to negotiate an alternative with the borrower, collections will be pursued in accordance with approved policy guidelines and applicable laws. All costs associated with collection proceedings will be the responsibility of the borrower.

- Judgments are filed against the borrower for any remaining balance on the loan owed after the sale of collateral.
- The borrower will be ineligible for future revolving loans with the City.

## **COMPLETE LIST OF ELIGIBLE PROJECTS**

- Rehabilitation or replacement of exterior windows and/or doors visible from public areas
- Replacement of missing decorative building features that are fixed in place or permanent
- Rehabilitation or replacement of historic rooflines or historic features of materials consistent with the historic nature of the building (including corbels of stone, brick, parapets of stone, brick, metal, wood or other)
- Awnings and canopies (including the installation of new features and removal of deteriorating awnings and canopies)
- Approved design, creation and installation of exterior lighting and signage
- Painting of building exterior; including necessary scraping, repairing and preparation for completion
- Siding, brick tuckpointing, brick cleaning and the installation or brick onto building façade
- Screening of unsightly features such as utility connections, dumpsters, etc.
- Permanent and semi-permanent landscaping features
- Installation of handicap-accessible features including handrails and railways
- Entrance modifications to increase accessibility, including widening of a door/doorway and installation of automatic door opener

# LAKE CITY FAÇADE IMPROVEMENT PROGRAM PAYMENT REQUEST FORM

**Applicant Name:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Business Name: \_\_\_\_\_

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

## **Project Cost and Assistance**

Estimated Project Cost: \$\_\_\_\_\_

Total Final Project Cost: \$\_\_\_\_\_

Vendor Direct Payment Amount Requested: \$\_\_\_\_\_

**Contractor and Supplier Information** (if additional contractors/suppliers were used, please attach an additional page with remaining information):

1. Contractor Name: \_\_\_\_\_

Contact Email: \_\_\_\_\_

Contact Phone Number: \_\_\_\_\_

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

2. Contractor Name: \_\_\_\_\_

Contact Email: \_\_\_\_\_

Contact Phone Number: \_\_\_\_\_

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

3. Contractor Name: \_\_\_\_\_

Contact Email: \_\_\_\_\_

Contact Phone Number: \_\_\_\_\_

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

4. Supplier Name: \_\_\_\_\_

Contact Email: \_\_\_\_\_

Contact Phone Number: \_\_\_\_\_

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

5. Supplier Name: \_\_\_\_\_

Contact Email: \_\_\_\_\_

Contact Phone Number: \_\_\_\_\_

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

6. Supplier Name: \_\_\_\_\_

Contact Email: \_\_\_\_\_

Contact Phone Number: \_\_\_\_\_

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

### **Payment Request Form Certification**

I hereby agree that the work, as stated in the Facade Improvement Program Application form, has been completed and paid in full. It is understood that the actual amount disbursed from the City of Lake City will be based on the results of inspection by the Port Authority/City Staff. I further understand that the City of Lake City or the Lake City Port Authority assumes no responsibilities for the work performed and does not warrant any work performed.

\_\_\_\_\_  
Name/Title (Printed)

\_\_\_\_\_  
Signature

## **Required Attachments**

Please submit the following forms along with your payment request form; a payment will not be presented to the Revolving Loan Committee for approval or processed until all requested documents are provided by the applicant:

1. Documentation of work completed for entire project (ex: invoice by contractor)
2. Documentation of costs incurred as matching funds (ex: receipts; paid invoices)
3. W9 forms for all contractor and suppliers utilized
4. Photos of property exterior after work is completed
5. Copies of approved building permits (when applicable)
6. Any additional documentation as requested





## **REQUEST FOR Meeting, March 20, 2024**

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**Agenda Item Description:** Review Updated Revolving Loan Program Documents

**Meeting:** Meeting, 3/20/2024

**Originating Department:** EDA

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**Action Requested:**

No action requested; item is an informational update only.

**Background:**

Staff made some updates to the applications for Revolving Loan and Facade Improvement. Both applications now require the submission of additional documents like financial documents, a business plan, project description and/or renderings, and any supplementary photos (when applicable). All additions are in **blue** text.

Additionally, the applications for both programs were removed from the Port Authority website, and a checklist was created for the Revolving Loan Fund that will be reviewed with potential applicants so they have an understanding of the process and timeline.

Both of these changes were made to ensure staff receives the necessary information and supporting documents to present to the committee, and to ensure that staff can sit down with prospective applicants to discuss their project/business and explain the application process in detail.

**Reviewed By:** Port Authority

**Preparer:** Ben Strand, Executive Director

**ATTACHMENTS:**

**Description**

- ❑ **Revolving Loan Procedural Checklist**
- ❑ **Revolving Loan Program Application**
- ❑ **Revolving Loan Program Guidelines**

**CITY OF LAKE CITY  
PORT AUTHORITY  
REVOLVING LOAN FUND (RLF) CHECKLIST**

<b>Action:</b>	<b>To Be Completed By:</b>	<b>Date Completed:</b>
_____ Create a Business Plan <i>Port Authority staff can assist with business plan creation.</i>	Applicant	_____
_____ Create Financial Projections <i>Port Authority staff can assist with Financial Projection creation.</i>	Applicant	_____
_____ Meet with at least one Financial Lending Institution <i>The RLF is gap financing, and should not be used to replace traditional project financing.</i>	Applicant	_____
_____ Meet with Port Authority Staff <i>This meeting will review your project and determine preliminary eligibility.</i>	Applicant	_____
_____ Read through the RLF Guidelines <i>The applicant is responsible for understanding the guidelines.</i>	Applicant	_____
_____ Complete RLF Application <i>Port Authority staff can assist with the application.</i>	Applicant	_____
_____ Submit Application, Fee and Supporting Documents <i>The \$750 application fee covers legal costs. Make checks payable to the City of Lake City.</i>	Applicant	_____
_____ Application Review by Staff <i>Port Authority staff and the City's Finance Director will review the application.</i>	Port Authority	_____
_____ Revolving Loan Committee Review and Approval <i>The Committee reviews the application and makes a recommendation to City Council.</i>	Port Authority	_____
_____ City Council Review and Approval <i>City Council reviews the Committee recommendation and approves or denies the loan.</i>	City	_____
_____ Loan Closing <i>This process is handled through the City attorney's office.</i>	Port Authority	_____
_____ Disbursement of Funds <i>The Port Authority will pay the loan recipient funds directly.</i>	Port Authority	_____
_____ Repayment Begins <i>A repayment schedule is set at the time of loan closing.</i>	Applicant	_____

***The Lake City Port Authority is here to help! Should you have any questions about this process, please call the Port Authority at (651) 345-6808.***

**CITY OF LAKE CITY  
PORT AUTHORITY  
REVOLVING LOAN FUND (RLF) APPLICATION**

**PROJECT IDENTIFICATION**

Project Name: \_\_\_\_\_

Company/Business Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

**REQUESTED TERMS**

Total Project Amount: \_\_\_\_\_

Loan Amount (\$50k max): \_\_\_\_\_

Interest Rate (Wall Street Prime minus .5% at time of application submission): \_\_\_\_\_

Term (Years): \_\_\_\_\_

Collateral Description & Market Value: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Special Payment Terms or Conditions: \_\_\_\_\_

I/we certify the above information provided in this application and accompanying material is true and accurate to the best of our knowledge. I/we authorize the Lake City Port Authority and its agents to verify the background information provided and to obtain credit reports and/or consult with other lenders assisting with this project to determine our credit worthiness. I/we agree to provide any additional information and complete any follow-up reporting as may be requested or required by the Lake City Port Authority, the State of Minnesota, or any other entity in regards to this assistance.

Applicant Signature(s)

\_\_\_\_\_

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

\_\_\_\_\_

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

\_\_\_\_\_

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

\_\_\_\_\_

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

## PROJECT DESCRIPTION

***Project Type (check all that apply)***

- New Business Start Up
- Business Expansion
- Equipment/Fixtures/Machinery
- New Construction
- Rehab of Existing Structure
- Other: \_\_\_\_\_

## PROPERTY IDENTIFICATION AND DATA

*Please provide information on the property where the project will occur:*

Site Address: \_\_\_\_\_

Current Owner(s): \_\_\_\_\_

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

Property ID Number: \_\_\_\_\_

***For construction projects only:***

Property Area (sq. ft.): \_\_\_\_\_

Building Size (sq. ft.): \_\_\_\_\_

Building Use: \_\_\_\_\_

Zoning District: \_\_\_\_\_

Special Restrictions/Regulations: \_\_\_\_\_

Covenants & Restrictions Compliance: \_\_\_\_\_

## SOURCES AND USES OF FUNDS

***Include all project costs (whether eligible for Port Authority RLF or now) and all sources of revenue for the project.***

Purpose	PA Loan	Equity	Bank	Other	Other	Total Cost
Land Acquisition						
Demolition						
Architect & Engineering						
Site Improvement						
New Construction						
Financial & Legal Work						
Equipment/ Machinery/ Fixtures						
Working Capital						
Inventory						
Other						
Other						
Total % of Project						

## EMPLOYMENT IMPACT

*One thing the Port Authority likes to see when giving out Revolving Loans is job creation and/or retention. Please indicate below the information requested resulting from this project. (For purposes below: 1 full time equivalent job or FTE = 2,080 hours per year).*

### **New Jobs**

How many new full time equivalent jobs will be created within the first two years if this project proceeds?

Number: \_\_\_\_\_ Starting Hourly Wage/Salary: \_\_\_\_\_

Paid Benefits: \_\_\_\_\_

### **Retained Jobs**

How many full time equivalent jobs will be **lost** if this project does not proceed?

Number: \_\_\_\_\_ Starting Hourly Wage/Salary: \_\_\_\_\_

Paid Benefits: \_\_\_\_\_

## SCHEDULE OF BUSINESS DEBT

*Please list all current debt*

Lender	Original Amount	Interest Rate	Current Amount	Monthly Payment

STATEMENT OF COLLATERAL

Please describe the proposed security for this RLF application: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Collateral	Cost	Current Value	Existing Liens
Land			
Buildings			
Machinery/Equipment/ Fixtures			
Other			
Other			

“BUT FOR” STATEMENT

*The RLF program is only used to assist with projects that would not be able to proceed otherwise. Please indicate why your project cannot proceed without RLF assistance.*

But for the assistance of the Lake City Revolving Loan Fund program, I/we would not be able to proceed with the project because \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Please submit a business plan for your company/business that speaks to your proposed project. It should describe all aspects of the project. If you would like assistance developing the plan, contact Lake City Port Authority staff at 651-345-6808.

## REQUIRED ATTACHMENTS

Please submit the following forms along with your Façade Improvement Program Application:

1. \$750 Application Fee
2. Business Plan
3. Three-Year Business Financial Projections
4. Letter from bank or financial institution, stating applicant is ineligible for a portion or all of project funding



# LAKE CITY REVOLVING LOAN FUND PROGRAM GUIDELINES

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## INTRODUCTION

Thank you for your interest in the Lake City Revolving Loan Fund (RLF). The RLF is a public source of money from which loans are made for business development projects. The RLF is a low-interest, deferred payment loan program that can be used to leverage additional private sources of funding. When interest and principal payments are made to the RLF from outstanding loans, the money revolves and can be made available to other borrowers.

The RLF may not be used as the primary source of financing for a project (unless there are extenuating circumstances reviewed and approved by the RLF Committee). The RLF is typically used to fill a financing gap in a business development project if a business owner lacks the funds to meet the equity requirements of traditional bank financing. By combining public and private financing, the risk for the primary lender is reduced which yields an overall lower cost of money for the borrower.

## ELIGIBILITY REQUIREMENTS

Businesses must be located, or be willing to relocate within the corporate boundaries of the City of Lake City to be considered for a loan.

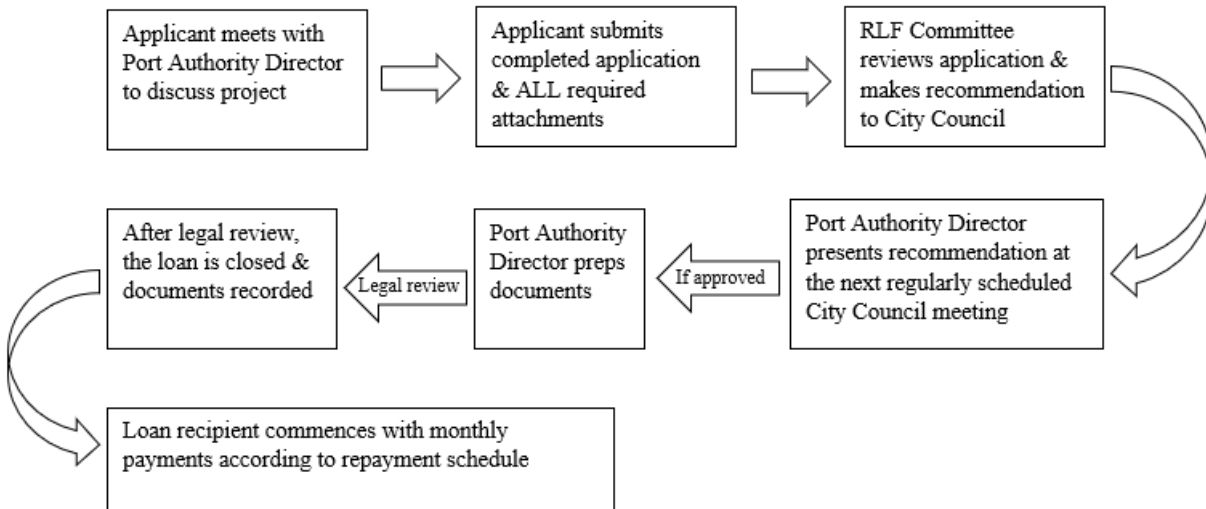
ELIGIBLE USES OF RLF	INELIGIBLE USES OF RLF
<ul style="list-style-type: none"><li>• Land &amp; Building Acquisition</li><li>• Land Improvements</li><li>• New Building Construction</li><li>• Building Renovation</li><li>• Machinery, Furniture, Fixtures, Equipment</li></ul>	<ul style="list-style-type: none"><li>• Debt Refinancing</li><li>• Working Capital</li><li>• Equipment Relocation</li><li>• Routine maintenance that does not extend the life of the structure</li></ul>

## TERMS AND CONDITIONS

1. The term is determined by the RLF Committee and fixed at 10 years or less.
2. Minimum loan fixed interest rate shall equal prime rate listed on Wall Street Journal at the time of application submission minus one half (.5) percent.
3. Minimum loan amount is \$5,000.
4. Maximum loan amount shall not exceed \$50,000.
5. RLF loan shall not exceed 50% of the total project cost. Or, under certain circumstances reviewed by the RLF Committee, if the applicant is ineligible for a bank loan for an eligible RLF project, they can apply for a RLF loan.
6. Automatic withdrawal from selected account.
7. Applicant will pay a \$750 fee to cover legal, recording, and other miscellaneous fees affiliated with and directly attributable to the processing and closing of the loan.
8. Immediate repayment of the entire outstanding balance of the loan will be made if the business relocates outside the corporate limits of the City of Lake City.
9. All construction and renovations must comply with City Codes and policies.
10. Security requirements will be determined by the RLF Committee and will be consistent with financial industry standards.
11. Life insurance, key man policy, and business interruption policies may be required.
12. Applicant must be willing to sign a personal guaranty.

13. A project may commence after the City Council of Lake City has approved the loan. Any costs incurred prior to loan approval are not eligible unless deemed otherwise by the RLF Committee.
14. No building construction may commence until the required City permits have been secured.
15. A loan recipient may apply for an extension of the RLF Loan at a higher interest rate. Extensions must include repayment of principal and interest and be reviewed by the RLF Committee and approved by the City Council.
16. Applicant is required to submit a business plan with the application.
17. Applicant is required to submit three-year financial projections with the application.

## **PROCEDURE**



*Applicant should allow approximately **30 days once the completed application and all required documentation is submitted.** The Port Authority Director is available to assist with all stages of the application process. The RLF Committee will review the loan request utilizing financial industry standards including but not limited to:*

1. Applicant is credit worthy
2. Applicant can show lender commitments
3. Applicant is willing to sign a personal guaranty
4. Applicant can pledge adequate collateral
5. Applicant can inject adequate equity
6. Applicant may be required to provide proof they are up-to-date on current payments with creditors/utilities/taxes
7. Applicant must be located in areas zoned commercial to apply
8. Applicant does not receive loan funds in lump sum(s). Applicant receives disbursement of funds after submitting receipts/invoice to Port Authority Director and City Finance Director or the port pays vendor directly

## **REVOLVING LOAN COMMITTEE MEMBERSHIP**

- |  |   |
|--|---|
| 1. City Council Members (May include Mayor)      | 2 (one member for one year, one for two)          |
| 2. Port Authority Members                        | 2 (one member for one year, one for two)          |
| 3. City of Lake City Finance Director (Advisory) | 1   |
| 4. Port Authority Executive Director (Advisory)  | 1   |
| 5. <u>Community Representative</u>               | <u>1</u> (three-year term, with option to extend) |
| Total RLF Committee Members                      | 7 (5 Voting Members + 2 Advisory)                 |

## **LOAN MONITORING**

The City Finance Director/Treasurer will prepare a monthly management report which describes loans as either current, past due or in default and any actions taken to date. This information will be made available to the Port Authority Executive Director who will report this information in writing to the City Council on a quarterly basis.

Company financial documents will be available for inspection upon request of the Lake City Revolving Loan Committee during the active term of the loan.

## **DELINQUENCY AND DEFAULT**

### **Past Due Balances:**

A loan payment is considered ***past due*** fifteen (15) days after the payment due date.

The loan will be considered in ***default*** thirty (30) days after failure to make a scheduled payment.

### **Process:**

After fifteen (15) days -	The borrower will receive written notification that their loan payment is past due, that a late payment fee has been assessed and the amount due to return the loan to a current status.
After thirty (30) days –	The borrower will receive 2 <sup>nd</sup> notice of default including: late fees that have been assessed, the amount due to return the loan to a current status and notification that collection procedures will commence in thirty (30) days if no action is taken to resolve this matter.
After sixty (60) days –	The borrower will receive a final notice of default stating that all other attempts to collect on this debt have been unsuccessful, therefore, if the borrower does not contact the City within ten (10) business days to resolve this matter collections procedures will commence.

### **Remedies in the event of default:**

If a borrower knows that they will be late making a scheduled loan payment, or have fallen behind on regular monthly payments they are encouraged to contact the City Finance Director/Treasurer at 651-345-5383 to schedule a payment plan.

### **Fees and Penalties:**

- Insufficient Funds Fee – \$25.00 for insufficient funds in.

### **Collections:**

Collections are the last source of repayment and will begin seventy (70) days after the payment due date if no actions are taken by the borrower to resolve the default. The City will make every reasonable effort to resolve this issue with the borrower prior to commencing with collections actions. If, after seventy (70) days, the City is unable to negotiate an alternative with the borrower, collections will be pursued in accordance with approved policy guidelines and

applicable laws. All costs associated with collection proceedings will be the responsibility of the borrower.

- The Port Authority Director will work with the proper legal authority to recover collateral from the borrower that was used to secure the loan and arrange for its sale.
- Judgments are filed against the borrower for any remaining balance on the loan owed after the sale of collateral.
- The borrower will be ineligible for future revolving loans with the City.



## REQUEST FOR Meeting, March 20, 2024

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**Agenda Item Description:** Approve Façade Improvement Program Application for Jed Clark Construction LLC

**Meeting:** Meeting, 3/20/2024

**Originating Department:** EDA

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**Action Requested:**

Motion \_\_\_\_\_, second \_\_\_\_\_ to recommend approval of the Façade Improvement Program application from Jed Clark Construction, LLC to City Council.

**Background:**

Jed Clark has been conducting a thorough renovation project at his property on 119 South Washington Street in Lake City for the past several months, and has already made significant progress.

Clark is seeking funds to help assist in the continuation of the building renovation as he begins work on the exterior of the building. Per the application, he's looking to complete exterior renovation including a new storefront, windows, and doors, and doing some brickwork.

Clark is requesting the maximum \$10,000 for this project.

Staff will attach the Façade Improvement application to the packet prior to the meeting, and have copies available for Committee members to review at the meeting.

**Reviewed By:** Port Authority

**Preparer:** Ben Strand, Executive Director