REVOLVING LOAN PROGRAM
PRE-APPLICATION

NAME: ____
PHONE NUMBER: ________________________________
ADDRESS: _____________________________________
CITY / STATE / ZIP: _____________________________
TOTAL PROJECT COST: ___________________________

PROJECT TYPE (Check One):
☐ **Business Development Project** ***(Standard Revolving Loan Fund)***
☐ **Childcare Development Project** ***(Appendix B – Childcare Revolving Loan Program)***

PROJECT DESCRIPTION:

NOTE: Please read the Revolving Loan Program Criteria, including Appendix B if applying for a Childcare Development Project, to ensure your project qualifies for the program. Only the pre-application is due at this time.

City of Sherburn

REVOLVING LOAN FUND PROGRAM
Sherburn Economic Development Authority

1. PURPOSE

The Revolving Loan Fund was established by the Sherburn Economic Development Authority (EDA) to assist businesses with completing exterior and interior improvements to their buildings, including building additions. This public fund provides a source of financing at a low interest rate that can be used in conjunction with other private lender financing and/ or owner(s) contributions. The loan program can be used to pay 50-percent of the project cost up to $20,000.

EDA loans normally serve as "gap" financing. Business owners should have their bank or other financing lined up **before** approaching EDA and have evidence of approved financing with their application.

The Revolving Loan Fund Program is aimed at providing a financial incentive to business owners to improve the overall condition of existing property structures. The loan program is structured to recognize the financing needs for improvements. Each application will be reviewed, and decisions to fund individual loan requests will be based on the financial feasibility of the project and repayment capacity of the applicant.

2. FEES

Building permit fees and fees to file a mortgage associated with the project will be paid directly by the applicant.

3. LOAN AMOUNT

The Revolving Loan can be used to pay up to 50-percent of the project costs up to $20,000. The EDA loans normally serve as "gap" financing. Business owners should have their bank or other financing lined up before approaching EDA and have evidence of approved financing with their application.

4. LOAN TERMS; REQUIREMENTS

The terms for the loan are as follows:

(1) Amount	$2,000-$20,000 – as approved at the discretion of the EDA
(2) Term	5 Years fully amortized
(3) Interest	Loan interest rates will be established (and fixed) at 2% percent below the prevailing Prime Interest Rate as published in the Wall Street Journal on the date that the loan is approved by the Sherburn EDA for loans under this program, with a minimum of 3.25%.
(4) Collateral	The City will file a mortgage on your behalf at your cost.
(5) Guarantee	If borrower is not a person (ex. Corporation or partnership), then personal guarantee(s) are required.

5. ELIGIBLE PROJECT COSTS/ AREA / FUNDING CRITERIA
Eligible project costs include actual construction costs (material and labor) and architectural/engineering fees. The program is open to businesses within the city limits on a first come, first serve basis if program criteria are met by the applicant and funds are available.

Applications will be reviewed according to the following criteria. These criteria are intended only to provide a general outline of City priorities rather than a minimum threshold. If necessary, applications competing for limited funds may be selected based upon these criteria.

The project corrects health and safety violations or addresses other building code requirements.
(1) The project is within the City limits of Sherburn.
(2) Property taxes and utilities are currently paid for the property.
(3) Abide by all current building codes and complete a building application.
(4) The project will significantly restore/enhance the outside appearance of the building.
(5) The project will significantly change/improve the interior of the building.
(6) The project corrects building deterioration or improves energy efficiency.
(7) No property shall receive assistance if:
    - The owner is in default of a mortgage
    - The owner is currently engaged in bankruptcy proceedings
    - There are unpaid court judgments filed against the property owner

COMMERCIAL
- Applicant is the property owner.
- The property will be actively used year round for business purposes.
- Buildings that are not eligible for funds are temporary buildings, moveable structures, out-buildings or buildings used primarily for storage and not principal places of business.
- Sale of the property triggers complete repayment of the principal and accrued interest to the end of the term.

6. INELIGIBLE COSTS
Ineligible project costs include building permit fees, financing fees, furniture, equipment, removable fixtures, and building acquisition costs. Improvements completed prior to the date of application are not eligible for this program unless prior written approval for expenditures has been obtained from City Administrator or designee.

7. REVIEW PROCEDURE

(1) An application may be obtained at Sherburn City Hall or City Website.

(2) The application shall be reviewed by the staff of City Hall to determine that the application is complete and that the application meets the funding criteria established as part of the Revolving Loan Fund Program. A recommendation regarding the application will be made first to the Economic Development Authority and then to the Sherburn City Council for final decision on the loan request.

(3) The application shall be reviewed by the Sherburn City Council with resulting decision to approve, deny, or approve with changes. The Sherburn City Council's approval will be based on staff review of the applicant's financial condition, including credit and repayment ability. The approval of each loan will be done by resolution.

(4) Completed applications will be reviewed once every month on a basis of available funds.

(5) The Sherburn City Council's financing approval will become null and void if the project has not begun within ninety (90) days of application approval; however the applicant may apply for one extension, if necessary. The length of the extension will be determined on a case-by-case basis.

9. <u>FUND DISBURSEMENT</u>

Loan proceeds for projects will be disbursed according to the following program guidelines.

(1) It will take the City approximately two weeks after the City receives complete disbursement approval and the proper documents that state that the project has been completed to produce a check for disbursement. The check will include the lender and the contractor names when issued and when applicable.

(2) Loan is disbursed entirely in one payment, once the project is finished:

- a. Borrower must submit a Loan Disbursement Request with attached construction invoice(s) equal to or greater than the total loan amount.
- b. Work described in the invoice(s) must be completed.
- c. Borrower must complete Promissory Note.
- d. Borrower must complete Personal Guarantee (if Borrower is not a person)

10. <u>MONITORING</u>

The loan recipient shall agree to provide to the Sherburn EDA reasonable access to information and reasonable access to construction project site to allow the Sherburn EDA to monitor project implementation for compliance with program objectives and loan guidelines.

Appendix B
Sherburn Economic Development Authority
Childcare Revolving Loan Program

Purpose
The Sherburn Economic Development Authority (EDA) recognizes that access to quality childcare is critical to supporting local families, workforce development, and economic growth.

This Appendix establishes a temporary eligible use of the Sherburn Economic Development Authority Revolving Loan Fund (RLF) to encourage the establishment and expansion of childcare services within the Sherburn area.

Except as modified herein, all provisions of the Sherburn EDA Revolving Loan Fund Policy remain in full force and effect.

Eligible Applicants
Applicants eligible under this Appendix include individuals, businesses, nonprofit organizations, and other entities proposing to establish or expand childcare services that will benefit the Sherburn area.

Applicants are not required to be licensed childcare providers at the time of application.

Eligible Uses
Loans made under this Appendix may be used for expenses associated with establishing or expanding childcare services, including but not limited to:

- Facility acquisition or improvements
- Equipment and furnishings
- Licensing or certification expenses
- Playground equipment
- Technology
- Supplies
- Working capital associated with startup
- Other expenses approved by the EDA that support childcare development

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Loan Terms
Unless otherwise approved by the Sherburn Economic Development Authority, childcare loans shall follow the terms and conditions established within the existing Revolving Loan Fund Policy.
The EDA may approve alternative loan terms, including reduced interest rates or deferred principal payments, when it determines such modifications further the purpose of this Appendix.

Application Process
Applicants shall complete the current Sherburn EDA Revolving Loan Fund Application.

Applicants seeking funding under this Appendix shall indicate that the request is for a childcare project and include a brief description of the proposed childcare operation.

The EDA may request additional information necessary to evaluate the application.

Relationship to Childcare Grant Program
Applicants may apply for both the Sherburn Childcare Development Grant Program and financing through the Revolving Loan Fund.

Approval of one program does not guarantee approval under the other.

Appendix Adoption
Appendix B – Childcare Revolving Loan Program was adopted by the Sherburn Economic Development Authority in August of 2026.

The purpose of this Appendix is to provide an additional eligible use of the Sherburn Economic Development Authority Revolving Loan Fund for childcare development projects. This Appendix is intended to supplement, and not amend or replace, the existing Revolving Loan Fund Policy. All provisions of the Revolving Loan Fund Policy remain in full force and effect unless specifically modified by this Appendix.

Sunset Provision
This Appendix shall remain in effect until amended or repealed by the Sherburn Economic Development Authority.

The EDA reserves the right to discontinue new childcare loan applications at any time. Loans approved prior to repeal of this Appendix shall remain subject to the terms of the executed loan agreement.

City of Sherburn

SHERBURN ECONOMIC DEVELOPMENT AUTHORITY (EDA)

REVOLVING LOAN FUND APPLICATION

PLEASE COMPLETE THIS APPLICATION FULLY. ALL THE INFORMATION BELOW IS REQUIRED TO PROCESS YOUR APPLICATION.

I. APPLICATION INFORMATION

NAME OF APPLICANT(S): ______________________________

PROPOSED GUARANTOR (IF APPLICABLE): ______________________________

FEDERAL ID # ______________________ SSN: ______________________

HOME ADDRESS OF CONTACT PERSON:

____

STREET CITY STATE ZIP

TELEPHONE #: ____
HOME WORK

II. PROPERTY INFORMATION

ADDRESS OF APPLICANT (S) PROPERTY: ______________________________

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BUILDING ID/ BUSINESS NAME: ______________________________

ESTIMATED DATE OF CONSTRUCTION: ______________________________

ESTIMATED CURRENT TAX MARKET VALUE: $______________________________

OWNER'S VALUE ESTIMATE: $______________________________

NUMBER OF STORIES: __________ NUMBER OF BUSINESSES: __________

NUMBER OF BUILDINGS: __________ NUMBER OF APARTMENTS: __

IS THE PROPERTY ON THE NATIONAL HISTORIC REGISTER? ☐ YES ☐ NO

III. PROPERTY OWNERSHIP INFORMATION

OWNERSHIP INTEREST IN THE PROPERTY:

CONTRACT FOR DEED ______________________
MORTGAGE PRINCIPAL $ ______________________
LESSEE ______________________
TERMS OF LEASE ______________________

OWNERSHIP INTEREST OF ALL PARTIES NAMED ON THE PROPERTY TITLE:

NAME	INTEREST

IV. INTENDED USES OF REQUESTED FUNDING

EXTERIOR:	______________________	EST. COST	$ ________
	______________________	EST. COST	$ ________
SIGNAGE:	______________________	EST. COST	$ ________
HEAT/AC:	______________________	EST. COST	$ ________
ELECTRIC:	______________________	EST. COST	$ ________
PLUMBING:	______________________	EST. COST	$ ________
INTERIOR:	______________________	EST. COST	$ ________
	______________________	EST. COST	$ ________

ESTIMATED TOTAL PROJECT COST **$ ________**

(APPLICANT MUST ATTACH CONTRACTOR'S CONSTRUCTION ESTIMATES TO THIS APPLICATION)

V. PROJECT FUNDING (SOURCES)

TOTAL PROJECT COSTS	$ ____________	______100%
REQUESTED EDA LOAN AMOUNT	$ ____________	________%
	Can be up to 50-percent of the total project cost	
APPLICANT FUNDS	$ ____________	________%

VI. OTHER REQUIRED ATTACHMENTS (If Required by EDA Staff)

A. PERSONAL FINANCIAL STATEMENTS AND PERSONAL GUARANTEE OF ALL PRINCIPALS
B. CORPORATE RESOLUTION (IF APPLICABLE)
C. MOST CURRENT PROPERTY TAX STATEMENT
D. LETTER OF GOOD STANDING FROM FINANCIAL INSTITUTION
E. CURRENT AND PROJECTED EMPLOYEMENT INFORMATION

VII. CERTIFICATION

HAVE YOU EVER GONE THROUGH BANKRUPTCY? ☐ YES ☐ NO
IF YES, WHEN?

HAVE YOU EVER HAD A JUDGMENT AGAINST YOU? ☐ YES ☐ NO

ARE ANY ASSETS PLEDGED OR DEBTS SECURED EXCEPT AS SHOWN ON THIS APPLICATION? ☐ YES ☐ NO
IF YES, WHAT? ______________________________

ARE THERE ANY PAST DUE REAL ESTATE TAXES AGAINST THIS PROPERTY? ☐ YES ☐ NO

IF THE ANSWER TO ANY OF THE PREVIOUS QUESTION WAS “YES”, PLEASE EXPLAIN:

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TENNESSEN WARNING: DATA PRIVACY STATEMENT

IN ACCORDANCE WITH THE MINNESOTA GOVERNMENT DATA PRACTICES ACT, THE ECONOMIC DEVELOPMENT AGENCY OF THE CITY OF SHERBURN (EDA) IS REQUIRED TO INFORM YOU OF YOUR RIGHTS AS THEY PERTAIN TO PRIVATE INFORMATION COLLECTED FROM YOU. PRIVATE DATA IS THAT INFORMATION WHICH IS AVAILABLE TO YOU FROM THE EDA BUT IS NOT AVAILABLE TO THE PUBLIC. THE PERSONAL INFORMATION THE EDA COLLECTS ABOUT YOU IS GENERALLY CONSIDERED PRIVATE.

THE INFORMATION COLLECTED FROM YOU, AS PART OF THE ATTACHED APPLICATION WILL BE USED TO DETERMINE YOUR ELIGIBILITY FOR THE REVOLVING LOAN PROGRAM. YOU ARE NOT REQUIRED TO GIVE THE INFORMATION, BUT IF YOU DO NOT, THE EDA WILL NOT BE ABLE TO DETERMINE YOUR ELIGIBILITY FOR A LOAN.

THE PRIVATE DATA WE COLLECT WILL BE DISSEMINATED AND USED ONLY WHEN IT IS REQUIRED FOR ADMINISTRATION AND MANAGEMENT OF THE LOAN PROGRAM. PERSONS OR AGENCIES WITH WHOM THIS INFORMATION MAY BE SHARED INCLUDE:

1. EDA/CITY STAFF PERSONS INVOLVED IN ADMINISTRATION OF THE LOAN PROGRAM.
2. AUDITORS WHO PERFORM REQUIRED AUDITS OF THE EDA/CITY PROGRAMS.
3. AUTHORIZED PRESONNEL FROM THE MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT AND THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR OTHER STATE AND FEDERAL AGENCIES PROVIDING FUNDING ASSISTANCE TO YOU.
4. THOSE PERSONS WHOM YOU AUTHORIZE TO SEE THE DATA.
5. LAW ENFORCEMENT PERSONNEL IN THE CASE OF SUSPECTED FRAUD.

UNLESS OTHERWISE AUTHORIZED BY STATE STATUTE OR FEDERAL LAW, OTHER GOVERNMENT AGENCIES USING THE PRIVATE DATA MUST ALSO TREAT IT AS PRIVATE.

1. THE RIGHT TO SEE AND OBTAIN COPIES OF THE DATA MAINTAINED ON YOU.
2. THE RIGHT TO BE TOLD THE CONTENTS AND MEANING OF THE DATA, AND
3. THE RIGHT TO CONTEST THE ACCURACY AND COMPLETENESS OF THE DATA.

TO EXERCISE THESE RIGHTS, CONTACT SACK THONGVANH, CITY ADMINISTRATOR, CITY OF SHERBURN, 21 E. FIRST STREET, SHERBURN, MINNESOTA, 56171. 1-507-764-4491.

APPLICANT (S):

____________________________________ DATE: ____________________

____________________________________ DATE: ____________________

____________________________________ DATE: ____________________

I/WE CERTIFY THAT ALL STATEMENTS ON THIS APPLICATION ARE TRUE AND CORRECT TO THE BEST OF MY/OUR KNOWLEDGE. I/WE UNDERSTAND THAT ANY INTENTIONAL MISSTATEMENTS WILL BE GROUNDS FOR DISQUALIFICATION. I/WE AUTHORIZE AND AGREE TO PROVIDE TO THE EDA REASONABLE ACCESS TO INFORMATION AND REASONABLE ACCESS TO CONSTRUCTION PROJECT SITE TO ALLOW THE EDA TO MONITOR PROJECT IMPLEMENTATION FOR COMPLIANCE WITH PROGRAM OBJECTIVES AND LOAN GUIDELINES.

APPLICANT (S):

______________________________________ DATE: ____________________

______________________________________ DATE: ____________________

______________________________________ DATE: ____________________