Village of East Troy

Economic Development Loan Program

Policy Manual

- Working Capital Investments
- Job Retention
- Job Creation
- Renovation Loan
- Acquisition and/or Improvement Loan
- Job Training

LOCATION

East Troy is easily accessible from the major cities of Wisconsin and Illinois. You can get here from Milwaukee in just 40 minutes and you can drive here from Madison in an hour and 15 minutes. East Troy is just 15 minutes north of Lake Geneva. With an under 2-hour ride, East Troy is a great day trip or weekend getaway from Chicago.

East Troy has three exits from I-43 with a downtown square less than a mile from the interstate.

East Troy is also on the map for Tesla (electric car) owners as there is a Tesla Destination Charger right on the historic village square.

SCOTT WALKER
GOVERNOR
SCOTT A. NEITZEL
SECRETARY

Division of Housing
101 E. Wilson Street, Floor 5
P.O. Box 7970
Madison, WI 53707-7970

Community Development Block Grant (CDBG) - Economic Development Loan

Program Summary:
The State of Wisconsin receives Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD) to support economic development projects that spur job creation for low to moderate income (LMI) residents located in Wisconsin communities of under 50,000 residents. The State will grant funds to a municipality. The municipality, in turn, makes a loan to a business for the purpose of job creation.

Loan Amount: Loans up to $1 million, based on an allowance of up to $35,000 per job created.

Interest Rate: The interest rate on the loan to the business is 1 percent.

Loan Term: Repayment terms for the business shall not exceed 5 years.

Eligible Uses of CDBG Loan Funds: Loan proceeds can be used by a business to purchase equipment or provide working capital. *Please note: Business loans for equipment require the least federal documentation.*

Job Creation: Project must create/retain jobs and be documented for a period not to exceed 24 months.

Local Match Requirement: The assisted business must bring 50% of the funds to the CDBG project. However, those funds can come from financial institutions, economic development agency, other grants or loans.

Underwriting Criteria: This loan can be subordinated to bank financing. Loan to value (LTV) ratios: General equipment (good resale value) 75%, titled equipment 60%, Industry specific equipment 50%. The loan must be secured with collateral. Balance sheets, Income Statements, Statement of Cash Flow, market conditions are reviewed at the municipal and State level.

Application Process:
Application can be submitted to Wisconsin Department of Administration

Items of Note – Employer/Community Documentation Requirements:
These loans use federal funds; therefore, there are a number of loan documentation requirements:

- CDBG funds must be used to benefit low-to moderate income (LMI) individuals.
- Jobs created must be made available to those LMI individuals - Advertising
- At least 51% of the hires should be LMI individuals.
- Self-certification forms of family income on new hires shall be used to track hiring of LMI.

- Environmental reviews (ERRs) must be completed. Non-construction projects have limited paperwork. Job-pirating is prohibited. The business cannot be lured from one labor market to another with the use of CDBG funds.
- Relocation; eminent domain may not be used to disrupt another business or homeowner for the benefit of business expansion.
- The municipality must follow a CDBG citizen participation plan – i.e., have a public hearing on the proposed use of CDBG funds. A second hearing must be held towards or at the end of the project documenting the results of the project.
- The community must agree to undertake at least three (3) activities to support fair housing: such as posting poster at public office. Municipalities may have financial obligation to repay bad CDBG loans to the State and/or the U.S. Department of Housing and Urban Development (HUD).

Construction Projects:
Due to the loan using federal funds, a number of additional requirements for projects involving construction:

- A Davis-Bacon labor (wage) standard applies to acquisition, building expansion, if adaption or construction occurs.
- Full environmental reviews (ERRs) must be completed for ALL CDBG projects.

The Village of East Troy

APPLICATION MATERIALS

This package contains the following application materials for the Hometown Entrepreneur Loan Program (HELP)

1. Application
2. Personal Financial Statement
3. Business plan or Business History & Market Summary
4. General Release Form
5. Credit Consent Form
6. Confidentiality Agreement
7. W-9
8. DOA Requirements & Overview
9. Village CDBG Manual

WISCONSIN DEPARTMENT OF ADMINISTRATION

Be sure to review the checklist below to ensure you have completed all of the forms and have the necessary documents in order for your loan to be considered.

RLF Application Requirement Checklist

- ☐ Application-
- ☐ Personal Financial Statement
- ☐ Business Plan and/or Business History & Market Summary
  - If your business does not have a business plan you must fill out the Business History & Market Summary
- ☐ General Release Form
- ☐ Credit Consent Form
- ☐ Signed Confidentiality Agreement
- ☐ W-9
- ☐ Financial History Report (If applicable, if business has been around fewer than 3 years please substitute personal tax returns for missing years)
  - Income Statements (Profit & Loss) for the Current YTD and last 2 Years.
  - Statements of Cash Flows for the remainder of the current fiscal year.
  - Balance Sheets for the Current YTD and last 2 Years.
  - Financial Projections Report-
  - Income Statement (P&L) for the next 3 years
  - Statements of Cash Flows for the next 1 year
- ☐ Individual Financial Statement- Form HELP 3
- ☐ Personal Resume- Each owners
- ☐ Personal Tax Returns- Last 3 years (Only necessary if business has been around for fewer than 3 years)
- ☐ Corporate Documents
  - Articles of Incorporation & Bylaws (if Corporation)
  - Articles of Organization & Operating Agreement (if LLC or LLP)
- ☐ $150.00 non-refundable loan application fee

You may submit individual components of this application to our office however; the application process will not begin until all items on the checklist are submitted in their entirety.
If you have questions regarding specific application materials please feel free to contact our office at 262-741-8527 or email us at info@walworthbusiness.com

CDBG Loan Program Application

VILLAGE OF EAST TROY

BUSINESS INFORMATION

Type of Organization: *(enter or select one)*	Sole proprietorship General Partnership	Limited Liability Corporation Limited Liability Partnership	Corporation Sub S Corporation

Legal Name		Tax ID #	
DBA Name		Business start date	Start date--current owner
Current Address	City	State	Zip Code
Mailing Address	City	State	Zip Code
Business Telephone	Business Fax	Business Website / E-Mail	
Business Description	SSN	# Current employees	

LOAN INFORMATION, COLLATERAL TO BE PLEDGED & PROJECT DESCRIPTION

Type of Loan Working Capital Real Estate Equipment/Construction	Amount Requested **$**	Term Requested

Collateral to be pledged

Accounts Receivable: $ Inventory: $ Equipment: $

Real Estate Address : _____ Value: $

Project Description (What are funds being used for?):

Private Loan Funds Leveraged: $ Amount of Owner Equity Invested: $

Third Party Equity Invested: $ Other Funds (Please Describe Below): $

Total Project Cost: $

MANAGEMENT/OWNERSHIP:

Name	***Title***	***Salary***	***Ownership %***	***Sign at closing?*** *(yes or no)*
		$		
		$		
		$		

BUSINESS FINANCIAL INFORMATION

As of date:	**Total Assets**	**Total Liabilities**	**Net Worth**	**Sales (last full year)**	**Net Profit (last full year)**
				$	**$**

Deposits (Checking/ Savings/ Money Market):

Type	***Account Number***	***Financial Institution***	***Current Balance***
			$
			$
			$

Loans (Term/ Lines of Credit/ Real Estate/ Bank Card/ Other):

Type	***Creditor***	***Collateral***	***Balance***	***Payment***	***Maturity***
			$	$	
			$	$	
		TOTAL	$	$	

CDBG Loan Program Application
VILLAGE OF EAST TROY

DISCLOSURES

Is the business in the process of a change of ownership?	yes (explain)	no	Has a loss been incurred in the last 3 years?	yes (explain)	no
			Is there any pending litigation?	yes (explain)	no
Is Business contingently liable as a Guarantor?	yes (explain)	no	Is Business delinquent on any debt including loans, trade payables and taxes?	yes (explain)	no

Explanation(s):

Current Positions Summary

Job Title	Number of FTE/PTE Positions	Wage Scale

New Positions Summary

Job Title	Number of FTE/PTE Positions	Wage Scale

APPLICANT NOTICES

Information For Government Monitoring Purposes: The following information is requested by the Federal Government in order to monitor the lender's compliance with equal credit opportunity, fair housing and Federal laws prohibiting discrimination against applicants seeking to participate in this program. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, we are required to note the race/national origin of individual applicants on the basis of visual observation or surname.

Applicant: [ ] **I do not wish to furnish this information**

Ethnicity: [ ] Hispanic or Latino [ ] **NOT** Hispanic or Latino

Race/national Origin: (Select One or More)
[ ] American Indian or Alaska Native (not Alaskan)
[ ] Asian
[ ] Black or African American
[ ] Native Hawaiian or Other Pacific Islander
[ ] White
[ ] Other (Specify) _____

Gender: [ ] Female [ ] Male

USA Patriot Act: In accordance with Section 326 of the USA Patriot Act, all persons and business entities are subject to identity verification requirements. If you request to open an account (any formal banking relationship, including deposits, loans, safe deposits, trusts, etc.), the Bank will request documentary verification on your identity and will perform appropriate background checks in compliance with the Act.

APPLICANT ACKNOWLEDGMENT, CERTIFICATION AND AUTHORIZATION:

The Business and its Principals and or Owners (collectively the "Applicant") acknowledge this Application is given to the Program Administrator, Walworth County Economic Development Alliance (WECDA) for the purposes of obtaining credit and that WCEDA may retain the Application whether or not credit is granted. The Applicant certifies that all information included in the Application and provided in support of the Application is true, accurate and complete and that there are no bankruptcy proceedings neither involving the Applicant neither in process nor anticipated. The Applicant authorizes WCEDA to obtain information from others on the trade and credit standings of the Business and Principals or Owners along with other relevant information impacting this Application. In addition, if credit is granted, WCEDA is authorized to obtain updated trade or credit reports throughout the term of the loan and, except as prohibited by law, to provide information to others about WCEDA's transactions and experiences with the Applicant.

SIGNATURE(S)

As an authorized agent for the Applicant, I/we confirm that I/we have read fully this Application and its Notices, Acknowledgements, Certifications and Authorizations and concur with all.

Signature: Date

Print Name: Title

Signature: Date

Print Name: Title

East Troy CDBG

The Village of East Troy

PERSONAL FINANCIAL STATEMENT

As of _____

Complete this form for: (1) each proprietor, or (2) each limited partner who owns 20% or more interest and each general partner, or (3) each stockholder owning 20% or more of voting stock, or (4) any person or entity providing a guaranty on the loan.

Name	Business Phone
Residence Address	Residence Phone
City, State, & Zip Code	
Business Name of Applicant/Borrower	

ASSETS	(Omit Cents)	**LIABILITIES**	(Omit Cents)
Cash on hand & in Banks ……	$ _____	Accounts Payable ……	$ _____
Savings Accounts ……	$ _____	Notes Payable to Banks and Others ……	$ _____
IRA or Other Retirement Account ……	$	(Describe in Section 2)	
Accounts & Notes Receivable ……	$ _____	Installment Account (Auto) ……	$ _____
Life Insurance-Cash Surrender Value Only ...	$ _____	Mo. Payments $_____	
(Complete Section 8)		Installment Account (Other) ……	$ _____
Stocks and Bonds ……	$ _____	Mo. Payments $_____	
(Describe in Section 3)		Loan on Life Insurance ……	$ _____
Real Estate ……	$ _____	Mortgages on Real Estate ……	$ _____
(Describe in Section 4)		(Describe in Section 4)	
Automobile-Present Value ……	$ _____	Unpaid Taxes ……	$ _____
Other Personal Property ……	$ _____	(Describe in Section 6)	
(Describe in Section 5)		Other Liabilities ……	$ _____
Other Assets ……	$ _____	(Describe in Section 7)	
(Describe in Section 5)		Total Liabilities ……	$ _____
		Net Worth ……	$ _____
Total	$ _____	**Total**	$ _____

Section 1. Source of Income		**Contingent Liabilities**	
Salary	$ _____	As Endorser or Co-Maker	$ _____
Net Investment Income	$ _____	Legal Claims & Judgments	$ _____
Real Estate Income	$ _____	Provision for Federal Income Tax Other	$ _____
Other Income (Describe below)*	$ _____	Special Debt	$ _____

Description of Other Income in Section 1.

*Alimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.

Section 2. Notes Payable to Banks and Others.(Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

Name and Address of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly,etc.)	How Secured or Endorsed Type of Collateral

Section 3. Stocks and Bonds. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed).

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

Section 4. Real Estate Owned. (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C
Type of Property			
Address			
Date Purchased			
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance			
Amount of Payment per Month/Year			
Status of Mortgage			

Section 5. Other Personal Property and Other Assets. (Describe, and if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and if delinquent, describe delinquency)

Section 6. Unpaid Taxes. (Describe in detail, as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)

Section 7. Other Liabilities. (Describe in detail.)

Section 8. Life Insurance Held. (Give face amount and cash surrender value of policies - name of insurance company and beneficiaries)

I authorize WCEDA to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I certify the above and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of either obtaining a loan or guaranteeing a loan. I understand FALSE statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 U.S.C. 1001).

Signature: Date: Social Security Number:

Signature: Date: Social Security Number:

The Village of East Troy

BUSINESS HISTORY & MARKET SUMMARY

In order to best represent your business in the application process, please provide the following information. If you already have a business plan, it can be substituted for this form. Be sure that the business plan addresses all the areas requested on this form. If not, use this form to address those specific items. Feel free to provide any additional information, which you feel is important in describing and explaining your business.

BUSINESS NAME: _____

THE DESCRIPTION AND HISTORY OF BUSINESS

A. What is the "essence" of the business and what makes it unique?

_____

_____

_____

_____

_____

B. When and why did it start?

_____

_____

_____

C. What have been its stages of growth?

_____

_____

_____

_____

D. What are the company's strengths and weaknesses?

_____

_____

_____

_____

E. What business moves are important this year and future years? (Provide timetable)

_____

_____

_____

THE PROJECT

A. Describe the proposed project, what will be purchased and need for financing.

_____

_____

_____

_____

_____

_____

_____

B. Project timetable.

_____

_____

_____

C. How will project help achieve the company's goals?

_____

_____

_____

THE PRODUCTS AND / OR SERVICES OF THE BUSINESS

A. Describe current product lines and/or services.

_____

_____

_____

_____

_____

_____

_____

B. Are you planning any new product and/or service offerings? If yes, describe.

_____

_____

_____

_____

THE MARKET

A. Describe your company's market area.

_____

_____

_____

B. Is the market growing? shrinking? changing in emphasis?
(include statistical and trade information supporting trends)

_____

_____

_____

_____

C. Are your company's sales cyclical? Yes_____ No_____ If yes, describe the cycle.

_____

_____

D. Describe who your company's customers are. (age, demographics, income, etc.)

_____

_____

_____

_____

_____

E.. Identify specific competitors (direct and indirect) and their strengths and weaknesses.

_____

_____

_____

_____

_____

_____

_____

F. How have you addressed competition?

_____

_____

_____

THE MARKET STRATEGY

A. What is your company's niche in the market? How will you set yourself apart?

_____

_____

_____

_____

_____

B. Explain your company's pricing system.

_____

_____

_____

C. What sales methods are used and how do they help you to achieve your goals?

_____

_____

_____

D. What methods of advertising and promotion will be used and why will they work?

_____

_____

_____

_____

THE OPERATION

A. Describe the current facility and any proposed changes.

_____

_____

_____

_____

B. Describe the current staffing pattern and anticipated changes.

_____

_____

_____

_____

Village of East Troy

COMMUNITY DEVELOPMENT BLOCK GRANT(CDBG) LOAN PROGRAM

GENERAL RELEASE OF INFORMATION

To Whom it May Concern:

I/We have applied for a loan and hereby authorize you to release to the Village of East Troy and/or the Walworth County Economic Development Alliance the requested information below:

1. Previous and past employment history including employer, period employed, title of position, income, and hours worked.

2. Disability payments, social security, and pension funds.

3. Any information deemed necessary in connection with a consumer credit report or a real estate transaction (including mortgages, deed, trust accounts, savings accounts, credit accounts, financial status.)

This information will be for the confidential use of the Village of East Troy and/or the Walworth County Economic Development Alliance in determining my/our eligibility for a CDBG loan or to confirm information I/we have supplied.

A photo or fax copy of this document may be deemed to be the equivalent of the original and may be used as a duplicate original. The original signed release of information form will be kept on record with the Walworth County Economic Development Alliance.

Last, First, M.I.	Last, First, M.I.
Social Security #	Social Security #
Street Address	Street Address
City, State, Zip Code	City, State, Zip Code
Signature Date	Signature Date

NOTICE TO BORROWERS: This notice to you is required by the Right to Financial Privacy Act of 1978. The Department of Housing and Urban Development, Federal Housing Administration or Veterans Administration have a right of access to financial records held by financial institutions in connection with the consideration or administration of assistance to you. Financial records involving your transaction will be available to HUD, FHA, or VA without further notice or authorization but will not be disclosed or released by this institution to another government agency without your consent except as required by law.

CONSENT FORM
VILLAGE OF EAST TROY
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
LOAN PROGRAM

APPLICANT INFORMATION:

Name _____

Business Name/Borrowing Entity ("Company")_____

Address _____

Telephone _____ Fax _____ Email _____

Type of Business _____ Business Tax ID No. (if incorporated) _____

___Sole Proprietorship ____ Partnership ____ LLC ____ LLP ____ Non Profit

Corporation: ___C Corp ___S Corp Other _____

Residence Address _____

Soc. Sec. No. _____ Spouse's Soc. Sec. No. _____

Amount of Loan Requested _____Purpose of Loan Requested _____

Other Information:

1. Are there any claims or lawsuits pending? ___ Yes _____ No
2. Are any State or Federal Income, Withholding, Sales or Property taxes delinquent?___ Yes ___No
3. Have there been any bankruptcies or judgments? ___ Yes _____ No

Credit References:

1. _____

2. _____

3. _____

I hereby consent to a credit check and verification of my credit references as part of my loan application.

Applicant's Signature _____ Date _____

CERTIFICATION AND SIGNATURES

The Company and each signer(s), by signing above and/or below, jointly and severally and in solidarity certify that (i) they understand that this Application is subject to credit approval of the Village of East and/or its Program Administrator, (ii) all information furnished to the Village of East Troy and/or its Program Administrator herein and to be furnished in connection with the CDBG-RLF-ED Application as well as all future information and will be true, accurate and complete and fairly presents the financial condition of Company and the signer(s) authorize Village and/or Program Administrator (i) to reply upon and verify said credit and business information, (ii) to obtain consumer and/or commercial credit reports on the signer(s) and Company.

Confidentiality Agreement

It is understood and agreed to that the Discloser and the Recipient would like to exchange certain information that may be considered confidential. To ensure the protection of such information and in consideration of the agreement to exchange said information, the parties agree as follows:

1. The confidential information to be disclosed by Discloser under this Agreement (”Confidential Information”) can be described as and includes:
    a. Technical and business information relating to Discloser’s proprietary ideas, patentable ideas copyrights and/or trade secrets, existing and/or contemplated products and services, software, schematics, research and development, production, costs, profit and margin information, finances and financial projections, customers, clients, marketing, and current or future business plans and models, regardless of whether such information is designated as “Confidential Information” at the time of its disclosure.
    b. In addition to the above, Confidential Information shall also include, and the Recipient shall have a duty to protect, other confidential and/or sensitive information which is (a) disclosed by Discloser in writing and marked as confidential (or with other similar designation) at the time of disclosure; and/or (b) disclosed by Discloser in any other manner and identified as confidential at the time of disclosure and is also summarized and designated as confidential in a written memorandum delivered to Recipient within thirty (30) days of the disclosure.
2. Recipient shall limit disclosure of Confidential Information within its own organization to its directors, officers, partners, members and/or employees having a need to know and shall not disclose Confidential Information to any third party (whether an individual, corporation, or other entity) without the prior written consent of Discloser. Recipient shall have satisfied its obligations under this paragraph if it takes affirmative measures to ensure compliance with these confidentiality obligations by its employees, agents, consultants and others who are permitted access to or use of the Confidential Information.
3. This Agreement imposes no obligation upon Recipient with respect to any Confidential Information (a) that was in Recipient’s possession before receipt from Discloser; (b) is or becomes a matter of public knowledge through no fault of Recipient; (c) is rightfully received by Recipient from a third party not owing a duty of confidentiality to the Discloser; (d) is disclosed without a duty of confidentiality to a third party by, or with the authorization of, Discloser; or (e) is independently developed by Recipient.
4. Discloser warrants that he/she has the right to make the disclosures under this Agreement.
5. This Agreement shall not be construed as creating, conveying, transferring, granting or conferring upon the Recipient any rights, license or authority in or to the information exchanged, except the limited right to use Confidential Information to provide business counseling, or make lending decisions based on the Discloser’s ability to pay back funds to Recipient or its partners. Furthermore and specifically, no license or conveyance of any intellectual property rights is granted or implied by this Agreement.
6. Neither party has an obligation under this Agreement to purchase any service, goods, or intangibles from the other party. Discloser may, at its sole discretion, using its own information, offer such products and/or services for sale and modify them or discontinue sale at any time. Furthermore, both parties acknowledge and agree that the exchange of information under this Agreement shall not commit or bind either party to any present or future contractual relationship (except as specifically stated herein), nor shall the exchange of information be construed as an inducement to act or not to act in any given manner.

7. Neither party shall be liable to the other in any manner whatsoever for any decisions, obligations, costs or expenses incurred, changes in business practices, plans, organization, products, services, or otherwise, based on either party's decision to use or rely on any information exchanged under this Agreement.
8. If there is a breach or threatened breach of any provision of this Agreement, it is agreed and understood that Discloser shall have no adequate remedy in money or other damages and accordingly shall be entitled to injunctive relief; provided however, no specification in this Agreement of any particular remedy shall be construed as a waiver or prohibition of any other remedies in the event of a breach or threatened breach of this Agreement.
9. This Agreement states the entire agreement between the parties concerning the disclosure of Confidential Information and supersedes any prior agreements, understandings, or representations with respect thereto. Any addition or modification to this Agreement must be made in writing and signed by authorized representatives of both parties. This Agreement is made under and shall be construed according to the laws of the State of Wisconsin, U.S.A. In the event that this agreement is breached, any and all disputes must be settled in a court of competent jurisdiction in the State of Wisconsin, U.S.A.
10. If any of the provisions of this Agreement are found to be unenforceable, the remainder shall be enforced as fully as possible and the unenforceable provision(s) shall be deemed modified to the limited extent required to permit enforcement of the Agreement as a whole.

WHEREFORE, the parties acknowledge that they have read and understand this Agreement and voluntarily accept the duties and obligations set forth herein.

	Applicant Discloser of Confidential Information:	**Recipient of Confidential Information**:
Name (Print or Type):		
Company:		Walworth County Economic Development Alliance, Inc.
Title:		Executive Director
Address:		400 County Road H, Room 105
City, State & Zip:		Elkhorn, WI 53121
Signature:		
Date:		