



**POCAHONTAS COUNTY**  
ECONOMIC DEVELOPMENT COMMISSION

# **Pocahontas County Economic Development Commission**

## **Revolving Loan Fund Application**

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# **POCAHONTAS COUNTY ECONOMIC DEVELOPMENT COMMISSION REVOLVING LOAN FUND**

## **Purpose**

The purpose of the Pocahontas County Economic Development Commission Revolving Loan Fund (RLF) is to increase employment opportunities in Pocahontas County by increasing the economic activity within the county.

## **Description**

The program provides financial assistance to businesses and industries requiring assistance in order to create new job opportunities or retain existing jobs. Assistance is provided to encourage new business start-ups, expansion of existing business and/or the relocation of business into Pocahontas County, or the retention of existing Pocahontas County businesses with ownership change. Assistance will be provided in the form of direct loans.

Financial assistance from the RLF shall be used in conjunction with owner's equity, commercial loans, and state assistance for the following purposes:

- 1) For the purchase of land and/or existing buildings.
- 2) For the construction of new buildings to house the business, or the remodeling, rehabilitation, or modification of building or site improvements.
- 3) For the purchase of machinery, equipment, office furniture, and fixtures.
- 4) For the purchase of raw materials or inventory.
- 5) For working capital.

Priority is given to projects that will create or retain jobs, add to the local tax base, add value to Pocahontas County resources and/or increase exports out of state. Preference will be given to those businesses that will create/retain the greatest number of jobs with the least amount of program dollars.

## **Forms of Assistance**

The program provides eligible businesses with loans in the form of:

- Direct loans will be recommended when the funding request is 30% or less of the total project, and when the project will contribute an immediate, significant amount to the city/county tax base.
- The term of the loan will be 5 years maximum.
- The loans must be secured through the use of liens, security agreements, Uniform Commercial Code (UCC) filings, mortgages and/or personal guarantees.

If the recipient of the RLF monies fails to comply with any provisions of their specific loan agreement, any portion of these guidelines, or to meet job creations/retention goals offered as justification for the use of the RLF monies, the Pocahontas County Economic Development Commission Board of Directors have the right to call the loan due, accelerate payment, or utilize other remedies to force compliance.

In the event the recipient of the RLF monies fails to pay the required payments on this loan, the Pocahontas County Economic Development Commission, at its option, may charge an interest rate equal to the legal rate of interest permitted on judgements in the State of Iowa. The Pocahontas County Economic Development Commission also reserves the right to require payment in full upon default of any payment. The recipient of the RLF monies in case of suit agrees to pay attorney's fees.

## **Eligibility**

The funds will be made available to non-agricultural, private for-profit businesses located/locating in Pocahontas County. Refinancing of existing debt is not an allowable use of the funds.

## **Application Procedure**

Applications for financing are accepted on an ongoing basis. The business plan must accompany all applications as well as personal finance records of the principal owners of business. The business plan must address marketing, financing, operations, management, organization, and personnel. The Pocahontas County Economic Development Commission Revolving Loan Fund Review Committee will review all applications received. The Pocahontas County Economic Development Commission Revolving Loan Fund Review Committee is a subcommittee of the Pocahontas County Economic Development Commission made up of representatives from the county including banking and development interests.

## **Source of Funding**

The Pocahontas County Economic Development Commission Revolving Loan Fund is funded by the Pocahontas County Economic Development Commission.

## **Eligibility Requirements**

Pocahontas County Economic Development Commission reserves the right to negotiate the amount, terms, interest rate, and other conditions of the loan. Repayment will be made directly to Pocahontas County Economic Development Commission Revolving Loan Fund.

## **Rating Factors**

The Pocahontas County Economic Development Commission Executive Committee prior to approving a loan shall give serious consideration to the application, which will include:

- 1) Benefits to the community:
  - a. Number of jobs created within a specific time frame
  - b. Anticipated increase in tax base
  - c. Number of jobs retained
  - d. Other benefits to the community
  - e. Wage rates and benefits paid
- 2) Ratio of other dollars compared to requested RLF dollars
- 3) Borrower's personal financial commitment to the project
- 4) Completed Business Plan and feasibility
- 5) Completed Marketing Plan
- 6) Completed Personal Financials on company principals or company financials in the case of a corporation
- 7) Cash Flow Analysis of one to three years
- 8) Proposed Loan Repayment Schedule
- 9) Availability of RLF monies
- 10) Value and attractiveness of collateral
- 11) Borrower's business experience and past history
- 12) Diversification of industry compared to existing industries
- 13) Compatibility of business of the community and to existing industry
- 14) Environmental characteristics of the company's manufacturing process and the effect on the cities' utilities

**Time Frame**

Generally Pocahontas County Economic Development Commission RLF will make a funding decision within 30 days upon receipt of a completed application. No costs incurred on the proposed project(s) prior to authorization by the RLF Review Committee are reimbursable under this program unless agreed upon by the committee as eligible. Let the review committee know if there is an urgent need for a more immediate decision (i.e. 1-2 weeks) on this application.

**Personal Interview**

The committee may require a personal interview with the applicant.

**Reapplication**

An applicant may re-apply for Pocahontas County Economic Development Commission Revolving Loan Funds if the original application is rejected or if for a new project.

**For more information:**

Pocahontas County Economic Development Commission  
11 West Elm Avenue  
P.O. Box 212  
Pocahontas, IA 50574  
Tel: 712-335-3935  
Email: tom@growpoco.com



POCAHONTAS COUNTY  
ECONOMIC DEVELOPMENT COMMISSION

**REVOLVING LOAN FUND  
APPLICATION FOR FINANCIAL ASSISTANCE**

**Revolving Loan Fund Application #** \_\_\_\_\_

Applicant Name \_\_\_\_\_

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

Address \_\_\_\_\_  
\_\_\_\_\_

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

FAX Number \_\_\_\_\_

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

Type of Company

- Sole Proprietorship
- Corporation
- L.L.C.
- Partnership

## REQUIRED ATTACHMENTS/SUBMISSIONS

(Check off each one submitted. If not submitted, explain why.)

- Exhibit #1** Business Plan (all applicants) and Marketing Plan (new business startups)
- Exhibit #2** Balance Sheets and Profit and Loss Statements (cash flow) three years historical
- Exhibit #3** Balance Sheets and Profit and Loss Statements projected for the next three years
- Exhibit #4** Letters of Commitment of Funds from banks and all lenders participating in the project and terms of the commitments
- Exhibit #5** A copy of existing or proposed lease or purchase agreement or other financing arrangements
- Exhibit #6** Resume of Principals involved with the firm
- Exhibit #7** Current personal financial statements for each owner, partner, and each stockholder with 20% or more ownership of the business
- Exhibit #8** Business Tax Returns three years historical
- Exhibit #9** Copies of bids, quotes, estimates, and other cost documentation for the project
- Exhibit #10** Documentation of the current number of employees (i.e. copy of payroll)
- Exhibit #11** List of Positions of Jobs to be created (i.e. 5 welders, 3 assemblers, etc.)
- Exhibit #12** Description of Standard Fringe Benefits provided to Employees
- Exhibit #13** Environmental Review (PCEDC RLF Form)
- Exhibit #14** Map showing the location of the proposed project

NOTE: Any costs incurred in the application review process by the review committee or designee (i.e. credit checks, title searches, etc.) will be deducted from application program monies.

1. Description and History of the Business (If complete description is attached, please summarize here).

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2. Briefly Summarize Project (e.g. company relocation, plant expansion or remodeling, new product line, etc.)

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3. What date will the project:

- a. Begin? \_\_\_\_\_
- b. Be Completed? \_\_\_\_\_

4. Employee Information

- a. How many full-time employees does the company currently employ? \_\_\_\_\_  
(Total employment included all locations, subsidiaries, divisions, etc., worldwide)
- b. How many part-time employees? \_\_\_\_\_
- c. If this company has more than one facility:  
How many full-time employees are at the facility affected by this proposal? \_\_\_\_\_  
How many part-time employees? \_\_\_\_\_

5. How many new employees will the company hire if the project is completed?

	Full-Time	Part-Time
Within one year:	_____	_____
Within two years:	_____	_____
Within term of loan:	_____	_____

6. What is the estimated annual payroll for the new employees resulting from this project?

1<sup>st</sup> year                                    \$ \_\_\_\_\_

2<sup>nd</sup> year cumulative                    \$ \_\_\_\_\_

3<sup>rd</sup> year cumulative                    \$ \_\_\_\_\_

7. What is the average wage projected to be for the new employees? \$ \_\_\_\_\_

Describe what type of fringe benefits the employees will receive (i.e. insurance, 401K, etc.)

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8. Will any of the current employees lose their jobs if the project **does not** proceed? If yes, how many? Explain.

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Will any of the current employees lose their jobs if the project **does** proceed?

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9. What percentage of the company's sales will be outside Pocahontas County? \_\_\_\_\_%

State of Iowa? \_\_\_\_\_%

10. What percentage of the company's total operating expenditures (including wages and salaries) will be spent within Pocahontas County? \_\_\_\_\_%

State of Iowa? \_\_\_\_\_%



11. Has any part of the project been started? If yes, please describe:

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12. What other Pocahontas County companies could be considered your competitors?

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Who are your regional competitors?

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13. How will the project benefit the city/county, etc?

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14. What is the business's financial contribution to the project? Explain:

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15. What type of security (collateral) and in what amount will the assisted business provide to Pocahontas County Economic Development Commission?

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16. Has the business been cited or convicted for violations of any laws or regulations (including environmental or safety regulations)? If yes, please explain:

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17. Do current or proposed business operations generate solid or hazardous waste?

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18. Are underground tanks (whether or not in current use) for the storage of petroleum products, agricultural or other chemicals, waste oil or other liquid waste, or any other inflammable corrosive, reactive, or explosive liquid or gas located on the business site? If yes, please explain:

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19. Will you be storing above ground liquid gas or an inflammable, corrosive, reactive, or explosive solid, in tanks or otherwise for any length of time or any purpose on or about your business premises? If yes, please specify:

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20. Flood Plain Information:

Will any part of the project take place in a 100-year flood plain? If yes, please explain:

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21. Are you currently in default on any loan payments or are there mechanic's liens filed against your company? If yes, specify:

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**SUMMARY OF PROJECT COSTS AND PROPOSED FINANCING SOURCES**

<b>Use of Funds</b>	<b>Cost</b>	<b>Source A</b>	<b>Source B</b>	<b>Source C</b>	<b>Source D</b>	<b>Source E</b>
Land Acquisition						
Site Preparation						
Building Acquisition						
Building Construction						
Building Remodeling						
Machinery & Equipment						
Furniture & Fixtures						
Working Capital						
Other						
<b>TOTAL</b>						

**SOURCE IDENTIFICATION/TERMS**

<b>Source</b>	<b>Amount</b>	<b>Type</b>	<b>Rate</b>	<b>Term</b>
Source A PCEDC RLF				
Source B				
Source C				
Source D				
Source E				

**Amount Requesting from PCEDC RLF \$** \_\_\_\_\_

**Term Requested** \_\_\_\_\_

## SAMPLE

### SUMMARY OF PROJECT COSTS AND PROPOSED FINANCING SOURCES

Use of Funds	Cost	Source A	Source B	Source C	Source D	Source E
Land Acquisition	25,000		10,000	15,000		
Site Preparation	10,000			10,000		
Building Acquisition						
Building Construction	60,000			60,000		
Building Remodeling						
Machinery & Equipment	30,000	25,000		5,000		
Furniture & Fixtures	25,000			25,000		
Working Capital	40,000		40,000			
Other						
<b>TOTAL</b>	190,000	25,000	50,000	115,000		

### SOURCE IDENTIFICATION/TERMS

Source	Amount	Type	Rate	Term
Source A PCEDC RLF	25,000	Loan	2%	5 years
Source B Business Owner	50,000	Cash	-0-	-0-
Source C Bank	115,000	Loan	7.5%	15 years
Source D				
Source E				

Amount Requesting from PCEDC RLF \$ 25,000

Term Requested 5 years

## **Rural Business Enterprise Grant Certification Statements**

The undersigned has applied for a \$ \_\_\_\_\_ Rural Business Enterprise Grant (RBEG) from USDA Rural Development. In accordance with RD Instruction 1942-G and the Letter of Conditions, we hereby certify to the following:

All activities provided under the grant will be located in a rural area and/or benefit a rural area as defined in RD Instruction 1942-G, 1942.304.

At least 51 percent of the outstanding interest in the project has membership or is owned by those who are either citizens of the United States or reside in the United States after being legally admitted for permanent residence.

To the best of my knowledge and belief, this certification is true and correct. This document has been duly authorized by the governing body of the applicant.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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

# AUTHORIZATION FOR RELEASE OF CREDIT INFORMATION

Applicant Name \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

I (We) hereby supplement my (our) Loan Application with the Pocahontas County Economic Development Commission and agree as follows:

1. This application and any support information is the property of the Pocahontas County Economic Development Commission.
2. Pocahontas County Economic Development Commission is authorized to make credit checks or inquiries concerning matters listed as assets, liabilities, and references relevant to this loan application for any transaction relating to any loans made pursuant to this application.
3. Creditors and others are authorized to disclose information relative to any loans, accounts, purchases, or other financial transactions, past or current, to Pocahontas County Economic Development Commission.
4. Pocahontas County Economic Development Commission is authorized to share with credit reporting agencies and other creditors doing business with applicant information regarding the extension of credit.

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date

(Photocopies of this portion of the application may be presented to and relied upon by my creditor and others as evidence of my authorization to release information to the Pocahontas County Economic Development Commission.)

**POCAHONTAS COUNTY  
ECONOMIC DEVELOPMENT COMMISSION**

**REVOLVING LOAN FUND  
APPLICATION FOR FINANCIAL ASSISTANCE**

Application # \_\_\_\_\_

Applicant Name \_\_\_\_\_

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

Address \_\_\_\_\_

\_\_\_\_\_

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

FAX Number \_\_\_\_\_

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

Signature of Company Officer \_\_\_\_\_

Social Security # \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Employer ID # \_\_\_\_\_

Financial Institution \_\_\_\_\_

*I, the undersigned, hereby give permission to the Pocahontas County Economic Development Commission to research the company's history, make credit checks, contact the company's financial institution, and perform other related activities for the reasonable evaluation of this project. I understand that it is a criminal violation to engage in deception and knowingly make or cause to be made, directly or indirectly, a false statement in writing for the purpose of procuring loan assistance from Pocahontas County Economic Development Commission.*

\_\_\_\_\_  
Signature of Company Officer

\_\_\_\_\_  
Date

**Revolving Loan Fund Application # \_\_\_\_\_**

Company Name \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

**NONDISCRIMINATION STATEMENT**

In accordance with Federal Law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, family status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or 202-720-6382 (TDD). USDA is an equal opportunity provider and employer.

**\*\*\* IMPORTANT NOTICE \*\*\***

The following information is requested by the Federal Government in order to monitor compliance with 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 evaluation 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.

**Ethnicity:**

- Hispanic or Latino
- Not Hispanic or Latino

**Race: (Mark one or more)**

- White
- Black or African American
- American Indian/Alaska Native
- Asian
- Native Hawaiian or other Pacific Islander

**Gender:**

- Male
- Female



USDA  
Form RD 400-4  
(Rev. 06-10)

**ASSURANCE AGREEMENT**  
(Under Title VI, Civil Rights Act of 1964)

FORM APPROVED  
OMB No. 0575-0018  
OMB No. 0570-0062

The \_\_\_\_\_  
(name of recipient)

\_\_\_\_\_  
(address)

("Recipient" herein) hereby assures the U. S. Department of Agriculture that Recipient is in compliance with and will continue to comply with Title VI of the Civil Rights Act of 1964 (42 USC 2000d et. seq.), 7 CFR Part 15, and Rural Housing Service, Rural Business-Cooperative Service, Rural Utilities Service, Risk Management Agency, or the Farm Service Agency, (hereafter known as the "Agency") regulations promulgated thereunder, 7 C.F.R. § 1901.202. In accordance with that Act and the regulations referred to above, Recipient agrees that in connection with any program or activity for which Recipient receives Federal financial assistance (as such term is defined in 7 C.F.R. § 15.2) no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination.

1. Recipient agrees that any transfer of any aided facility, other than personal property, by sale, lease or other conveyance of contract, shall be, and shall be made expressly, subject to the obligations of this agreement and transferee's assumption thereof.
2. Recipient shall:
  - (a) Keep such records and submit to the Government such timely, complete, and accurate information as the Government may determine to be necessary to ascertain our/my compliance with this agreement and the regulations.
  - (b) Permit access by authorized employees of the Agency or the U.S. Department of Agriculture during normal business hours to such books, records, accounts and other sources of information and its facilities as may be pertinent to ascertaining such compliance.
  - (c) Make available to users, participants, beneficiaries and other interested persons such information regarding the provisions of this agreement and the regulations, and in such manner as the Agency or the U. S. Department of Agriculture finds necessary to inform such persons of the protection assured them against discrimination.
3. The obligations of this agreement shall continue:
  - (a) As to any real property, including any structure, acquired or improved with the aid of the Federal financial assistance, so long as such real property is used for the purpose for which the Federal financial assistance is made or for another purpose which affords similar services or benefits, or for as long as the Recipient retains ownership or possession of the property, whichever is longer.
  - (b) As to any personal property acquired or improved with the aid of the Federal financial assistance, so long as Recipient retains ownership or possession of the property.
  - (c) As to any other aided facility or activity, until the last advance of funds under the loan or grant has been made.
4. Upon any breach or violation this agreement the Government may, at its option:
  - (a) Terminate or refuse to render or continue financial assistance for the aid of the property, facility, project, service or activity.
  - (b) Enforce this agreement by suit for specific performance or by any other available remedy under the laws of the United States or the State in which the breach or violation occurs.

Rights and remedies provided for under this agreement shall be cumulative.

In witness whereof, \_\_\_\_\_ on this  
(name of recipient)

date has caused this agreement to be executed by its duly authorized officers and its seal affixed hereto, or, if a natural person, has hereunto executed this agreement.

(S E A L)

\_\_\_\_\_  
Recipient

\_\_\_\_\_  
Date

Attest: \_\_\_\_\_

Title

\_\_\_\_\_  
Title

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0018 and 0570-0062. The time required to complete this information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.