

**Ely Economic Development Authority (EEDA)
Commercial Development Corridor
EDA Partnership Assistance Program**

<u>Project Specifics</u>	<u>EDA Loan</u>	<u>Forgivable Loan/Grant</u> <u>(IRRR)</u>	<u>Private Funding</u> <u>Equity or Bank Loan</u>
Project Maximum: \$75,000	\$25,000	\$25,000	\$25,000
Project Minimum: \$15,000	\$5,000	\$5,000	\$5,000
Interest Rate: 2 percent			
Maximum Term: 6 years			

Eligible Expenses

The EEDA Development Corridor Program (DCP) provides a loan and forgivable loan/grant for up to a \$75,000 project to qualified and approved applicants to be used for substantial physical improvements to Ely businesses to expand employment and increase tax base. These improvements must provide for expansion of an existing or new business, to provide additional employment. These improvements may include heating, electrical, insulation, exterior, ADA access, and other improvements required to be compliant with current building codes. These improvements must be necessary to expand the business and provide for addition employment

Eligibility

The EEDA DCP was instituted to help Ely businesses improve the quality of their business by adding employment and by completing necessary capital investments.

Eligibility is based on the following:

1. The business in question must be in the City of Ely and located in C1, C2, or M zoning district.
2. The applicant must be the owner of the business to be expanded
3. The applicant must demonstrate the ability to repay the loan and/or must adequately secure the loan.
4. The applicant cannot be in violation of any City of Ely ordinances.
5. The applicant must secure two (2) or more bids on the work being requested unless there is only one (1) viable bidder.
6. All borrowers must agree to give the City of Ely a **NOTE**, a valid mortgage and a personal guarantee on the property being rehabilitated.
7. The business owner must submit a schedule of when the work will be completed.
8. The EEDA DCP application will require a \$250.00 non-refundable application fee at the time the application is turned in, to cover all filing fees, credit report, and minimum title search.
9. The applicant must furnish a Personal or Corporate Financial Statement for the past 2 years
10. The Applicants must fill out approval for a credit check report, which is filed with Credit Bureau located in Virginia, Minnesota.
11. The applicant must provide a copy of the project budget and indicate any other funding (ex. Bank loan, equity, cash).

Eligible FTE Requirements

The EEDA DCP Fund provides the opportunity for a low interest loan as well as a forgivable loan to qualified and approved applicants.

In order to qualify, the business shall hire at least 1 full-time employee(s)/Position(s) (2080 work hours per calendar year) at a minimum of \$15.00 per hour and maintain said FTE position for a period of 2 calendar years. The position date of hire shall be no later than six months after the completion of the project and issuance of the certificate of occupancy.

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If the 2 year requirement above is met, the forgivable loan portion of up to \$25,000 shall be fully forgiven.

If the applicant is unable to meet the 2-year FTE qualifications established above, the loan shall become due and payable. The applicant shall then be required to make monthly payments for the full loan amount, over a period of 6 years with an interest rate of 2%. Interest shall accrue as of the date of the loan issuance.

Collateral shall be a personal guarantee and / or personal property based on credit worthiness. The program could be combined with other City of Ely, IRRR, and private lender programs as a total package of acceptable risk.

Payment

Payment will be made directly to the borrower within twenty (20) days of approval by the EEDA Rehabilitation Committee.

NOTE: The determination of these guidelines shall be by Ely Economic Development Authority. Any appeals shall be directed to the EEDA. These guidelines are set up to guide the EEDA in making decisions. These guidelines are not meant to be all-inclusive or to prevent the authority from taking action that it deems necessary. This is a competitive program that will take into account the total investment and the total number of employees added.

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APPLICANT: _____

Tax ID Number: _____

Name of Borrower: _____

Street Address: _____

City, State, Zip code: _____

County: _____

Telephone Number: _____

Email Address: _____

Date of Application: _____

_____ Existing Business Owner
_____ New Business

Number of FTE Employees to be added: _____

LOANREQUEST

Amount of Loan: _____

Purpose of Project:

COST OF PROJECT: _____

NAME OF BANKING INSTITUTION: _____

ACCOUNT NUMBER: _____

APPLICANT'S STATEMENT

I am indebted to the following creditors (list all debt such as doctor bills, installment loans, real estate mortgages, etc.) Attach additional sheet to form if necessary.

Creditor	Address	Monthly Payment	Amount Owed
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

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Employed by: _____

Years Employed: _____

Position: _____

Business Phone: _____

Date of Birth: _____

Dependents Number: _____

Home Phone: _____

Other Incomes: _____

_____ per _____

_____ per _____

Own Business Property: _____

Rental Business Property: _____

Market Value: _____

Rent Residence: _____

Monthly Rental: _____

References: _____

SIGNATURES:

I hereby certify that all statements made are true and complete and submitted for the purpose of obtaining credit. I have no other debt.

Applicant is a proprietor or general partner, sign below:

Name: _____ Date: _____

Name: _____ Date: _____

Name: _____ Date: _____

Applicant is a corporation, sign below:

Signature of President: _____ Date: _____

Attested by: _____ Date: _____

Corporate Seal:

NOTICE: Information also needed to process your loan and not on attached sheets:*

1. Personal Financial Statement
2. Personal Financial Statement if corporation
3. Tax Return Statement for past two (2) years

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*Please seal above information in an envelope. Reviewed only by banking institute

CREDIT INFORMATION RELEASE FORM

TO: Credit Bureau, Inc.
P.O. Box 1185
Virginia, MN 55792

I hereby request and authorize the Credit Bureau, Inc. to release any and all information concerning my credit, credit rating and credit bureau reports to the City of Ely.

Please send this requested information to:

City of Ely
Casey Velcheff, Deputy Clerk
209 East Chapman Street
Ely, Minnesota 55731

Date: _____ Applicant Signature: _____

Applicant Full Name: _____

PRINT

Social Security # _____

Applicant Address: _____

City: _____ State: _____ Zip Code: _____

Applicant Signature: _____

Applicant Full Name: _____

PRINT

Social Security# _____

Applicant Address: _____

City: _____ State: _____ Zip Code: _____

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Description of Project (Please be Specific):
