

10 Civic Center Plaza
Post Office Box 3368
Mankato, Minnesota 56002-3368

Phone: (507) 387-8600
Fax: (507) 388-7530
www.mankatomn.gov



Re: Recovery Loan Program

Dear Business Owner,

The Mankato COVID-19 Recovery Loan Program is undertaken for the purposes of providing financial assistance for local businesses to make improvements to their property and business to allow them to safely operate within guidelines of the Center for Disease Control (CDC) and Minnesota Department of Health (MDH).

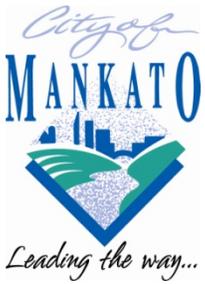
Eligible property owners may apply for a loan of up to \$25,000. There will be a 0% interest rate for one year after loan disbursement and then a 2% interest rate through the remainder of the loan term. Repayment will occur over a five (5) year loan term. The loans are secured with a mortgage and promissory note on the property to be improved.

Funding will be decided by the City of Mankato and Mankato EDA and it is anticipated that funding decisions will be made after June 8th.

If you have any questions or need assistance with the application, please contact Travis Higgs at 507-387-8621. Applications should be submitted to Travis Higgs via email at thiggs@mankatomn.gov, at the drop box located by the Intergovernmental Center, or mailed to 10 Civic Center Plaza, P.O. Box 3368, Mankato, MN 56002-3368, Attn: Travis Higgs.

Sincerely,

Travis Higgs
Program Administrator



City of Mankato and Mankato EDA Recovery Loan Program

This Recovery Loan Program is for the purposes of providing financial assistance for local businesses to make improvements to their property and business to allow them to safely operate within guidelines of the Center for Disease Control (CDC) and Minnesota Department of Health (MDH).

Recovery Loan Program

Guidelines

The applicant can apply for a deferred loan of up to \$25,000. There will be a 0% interest rate for one year after loan disbursement and then a 2% interest rate through the remainder of the loan term. Repayment will occur over a five (5) year loan term.

Eligible Applicants

Small businesses with 50 or fewer employees are eligible to make application. If business owner leases space, written approval and concurrence from the property owner is required.

In order to be considered eligible, applicants shall also demonstrate proof of the following:

- Property insurance or commitment to provide insurance.
- Property taxes paid and non-delinquency as of December 31, 2019.
- Utility bills for services provided by the City of Mankato are paid and non-delinquent as of December 31, 2019.
- No judgments, liens, agreements, consent decrees, stipulations for settlements, or other such actions that are not resolved and released.
- Compliance with all applicable City of Mankato ordinances, plans, and adopted policies.

Eligible Activities

Loan Funds shall be available to qualifying applicants for the following eligible activities, provided such activities commence after the loan approval date:

- Physical modifications to building exterior or interior to allow business to operate within CDC and MDH guidelines
- Personal Protective Equipment (PPE) or other safety items needed for employees or customers
- Purchase of inventory/business supplies for restarting business operations

Ineligible Activities

Loan funds shall not be available for the following activities:

- Debt refinancing, debt repayment or consolidation, and other financing costs.
- Reimbursement for expenditures or improvements made prior to loan approval.
- Building maintenance activities.

- Any building modifications that are not related to COVID-19 response.

Terms of Financing and Security

Loans shall be secured by a mortgage and promissory note that may be subordinated to a primary private mortgage or financing. The Executive Director may approve requests for subordination during the term of the loan. There is no loan to value requirement. If the loan is not utilized for physical improvements, a personal guarantee will be the form of security.

Loan Amounts and Matching Funds

Applicants are eligible for:

- A loan of up to \$25,000. Payment on the loan will be deferred for one year and the interest rate will be 0% for the deferral period. After the one year deferral, the loan will be at a fixed interest rate of 2% and repaid in equal monthly installments over a five (5) year term. No match is required for this loan.

Administration

The administrator of the loan program shall be the Executive Director of the Mankato Economic Development Authority, or designee. It shall be the responsibility of the administrator to coordinate all aspects of the program.

Application Requirements

Applications will be reviewed for eligibility and if deemed eligible, be approved administratively. Applications must include the following:

1. Fully completed application form.
2. A complete detailed scope of work including supporting contractor estimates, site plans, floor plans, and other plans as requested by City of Mankato staff.

Delinquency and Default

Provisions and standards for delinquency and default shall comply with Sections X and XI of the Economic Development Recovery Loan Guidelines as adopted by the EDA.



**CITY OF MANKATO AND MANKATO EDA
RECOVERY LOAN APPLICATION**

I. APPLICANT INFORMATION

Name of Applicant: _____

Name of Co-Applicant: _____

Home Address: _____
Street City/State/Zip

Telephone No: Home (____) _____ Work/Cell (____) _____

Email: _____

II. BUSINESS INFORMATION

Name of business: _____

Address of business: _____

Ownership: _____

Owner's Address: _____

Existing business service: _____

Number of employees as of March 1, 2020: _____

III. CREDIT HISTORY

Please answer all questions; if the answer to any of the questions is "yes" please attach a written explanation.

1 Are there any outstanding or pending financial judgments or liens against you or the building to be improved?

Yes

No

2 Have you declared Bankruptcy within the last 36 months?

Yes

No

IV. OWNERSHIP INFORMATION

Property Owner: Yes No

Ownership interest in the property to be improved:

___ Contract for Deed

___ Free and Clear

___ Mortgage

___ Lease: Specify terms of Lease: _____

___ Other: Specify: _____

Name(s) on Title: Specify ownership interest of each name on the title:

V. ESTIMATED IMPROVEMENT COSTS AND REQUESTED LOAN INFORMATION

Describe proposed improvements (funds can only be used for improvements as indicated in the City of Mankato and Mankato EDA Recovery Loan Fund Policy) and anticipated costs.

Exterior/Interior Modifications: _____

Inventory/Supplies: _____

PPE/Other: _____

***The following must be submitted with completed application:**

- Supporting contractor estimates or bids
- Site plan (if exterior work)
- Floor plan (if interior work)
- Detailed scope of construction work
- Disadvantaged Business Questionnaire Checklist
- Privacy Notice

VI. CERTIFICATION

City of Mankato staff, or an authorized representative, shall have the right to inspect the property to be improved and meet with tenant/owner at any time from the date of application upon giving due notice.

I/We, the undersigned understand and agree that all approved renovation work will be in compliance with the City of Mankato and Mankato EDA Recovery Loan Program Guidelines and Policies.

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 program representatives with the right to access the property to be improved for the purpose of the deferred loan program and to take photographs of the structure before and after rehabilitation.

I/We understand the building owner and general contractor will enter into a contract for the improvements to be made, which will be solely between the contractor and the property owner; the administering agency (City of Mankato) will not be liable for inadequate performance of a contractor.

Applicant: _____

Date: _____

Co-Applicant: _____

Date: _____

Disadvantaged Business Questionnaire Checklist

Please submit the questionnaire below regarding if your business is qualified for a disadvantaged business. Please check every applicable box as it pertains to your business. If not applicable, please check the box at the bottom. If you have any questions regarding any of the options, please contact the City of Mankato.

- Be a small business under the loan program
- Be at least 51 percent owned and controlled by U.S. citizens who are economically* and socially disadvantaged**
- Be owned by someone whose personal net worth is \$250,000 or less
- Be owned by someone whose average adjusted gross income for three years is \$250,000 or less
- Be owned by someone with \$4 million or less in assets
- Have the owner manage day-to-day operations and also make long-term decisions

Veterans

- Be at least 51 percent owned and controlled by a Veteran

Not Applicable

- I do not meet any of the criteria listed above

** Economically disadvantaged individuals are socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same or similar line of business who are not socially disadvantaged. (Title 13, Chapter I, Part 124, Subpart A, §124.103)*

*** Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias within American society because of their identities as members of groups and without regard to their individual qualities. The social disadvantage must stem from circumstances beyond their control. (Title 13, Chapter I, Part 124, Subpart A, §124.104)*

IMPORTANT PRIVACY NOTICE
****Read Before Completing the Application Form****

We are asking that you provide the information on the Recovery Loan Program application form to determine if you are eligible to participate in the program.

Your name, address and the amount of assistance you receive are considered public data under the Minnesota Data Practices Act. Other information that you provide to the Valley Opportunities program about you and your household is considered private data.

We will use your private data only when it is required for administration and management of the program. Persons or agencies with whom this information may be shared include:

- Staff and other persons involved in program administration.
- Local loan committee members who approve applications.
- Auditors who perform required audits of this program.
- Authorized personnel from the U.S. Department of Housing and Urban Development or other local, state and federal agencies providing oversight for the purpose of addressing/resolving applicant complaints (as addressed in the projects policy and procedural manual).
- Those persons who you authorize to see it.
- Law enforcement personnel in the case of suspected fraud or other enforcement authorities as required.

We cannot release private data to anyone else or use the private data in any other way unless you give us permission by completing a consent form that we will provide. Please keep in mind, however, that data must be released if required by court order, and, in addition, your private data may be released if Congress or the Minnesota Legislature passes a new law that authorizes or requires such release of data.

Signature of Applicant

Date

Signature of Co-Applicant

Date

Minnesota law gives you important rights in regards to information maintained about you. These include:

- The right to see and obtain copies of the data maintained on you;
- Be told the contents and meaning of the data; and
- Challenge the accuracy and completeness of the data.

To learn more about these rights, contact Travis Higgs at (507) 387-8621