BLUE EARTH COUNTY/CITY OF LAKE CRYSTAL CHILDCARE FORGIVABLE LOAN PROGRAM

The Blue Earth County Childcare Forgivable Loan Program is intended to serve as funds to expand or improve the availability of childcare in small cities and townships across Blue Earth County.

Who Can Apply?

To qualify for the Blue Earth County/City of Lake Crystal Childcare Forgivable Loan Program, the project must NOT be located within a city with a population greater than 5,000. The childcare center can be either home-based or center-based, as well as either for-profit or non-profit. The applicant must provide full time care (40+ hours per week) to at least 8 children. In addition, no more than 25% of the children served can be directly related to the applicant of the loan.

Eligible Projects

1. Training and licensing costs
2. Fixed machinery and equipment
3. Building purchase, construction and renovation
4. Leasehold improvements
5. Create additional employment
6. Operational costs

Loan Parameters

LOAN AMOUNT:	Up to $2,500 for home-based licensed or legally non-licensed Up to $20,000 for center-based
TERM OF LOAN:	5 years – semi-annual interest only payments
LOAN FORGIVENESS:	20% of the original loan is forgiven annually, as long as the Center remains in business AND continues to make interest payments. After 5 years of business operations and interest payments, the loan is forgiven in its entirety.
INTEREST RATE:	Determined annually by the Blue Earth County Board of Commissioners

Application Timeline and Approval Process

The timeline and approval process for the Blue Earth County/City of Lake Crystal Childcare Forgivable Loan Program may vary, but will generally take 3-4 months.

The timeline and approval process is as follows:

1. Meet and discuss the proposed project with the Lake Crystal City Administrator
   - 507-726-2538 ext 5.
2. Consult with Bryan Stading, Economic Development Specialist - 507-382-5679.
3. Complete and submit the loan program application and all required supporting documents.
4. All applications are reviewed and approved by each of the following entities:
   - Lake Crystal Economic Development Authority (EDA)
   - Lake Crystal City Council
   - Blue Earth County Childcare Forgivable Program Loan Review Committee
   - Blue Earth County Board of Commissioners

BLUE EARTH COUNTY/CITY OF LAKE CRYSTAL CHILDCARE FORGIVABLE LOAN PROGRAM

INTENT

The Blue Earth County Childcare Forgivable Loan Program is intended to serve as funds to expand or improve the availability of childcare in small cities and townships across Blue Earth County.

LOAN PARAMETERS

ELIGIBLE PROJECT AREA:	To qualify for the Blue Earth County Childcare Forgivable Loan Program, the project must NOT be located within a city with a population greater than 5,000. The childcare center can be either home-based or center-based, as well as either for-profit or non-profit. The applicant must provide full time care (40+ hours per week) to at least 8 children. In addition, no more than 25% of the children served can be directly related to the applicant of the loan.
LOAN AMOUNT:	Up to $2,500 for home-based licensed or legally non-licensed. Up to $20,000 for center-based.
TERM OF LOAN:	Five (5) years – semi-annual interest only payments.
INTEREST RATE:	Determined annually by the Blue Earth County Board of Commissioners.
LOAN FORGIVENESS:	20% of the original loan is forgiven annually, as long as the Center remains in business AND continues to make interest payments. After 5 years of business operations and interest payments, the loan is forgiven in its entirety.
PROMISSORY NOTES:	A Promissory Note signed by the applicant(s). Where possible, the City will hold the first mortgage as collateral for the loan.
PRIVATE FINANCING:	The applicant must demonstrate that they have pursued private financing options prior to submitting an application.

ELIGIBLE PROJECTS

- Training and licensing costs
- Fixed machinery and equipment
- Building purchase, construction and renovation
- Leasehold improvements
- Create additional employment
- Operational costs

CONTACT INFORMATION

BUSINESS NAME:			
BUSINESS ADDRESS:	CITY:	STATE: MN	ZIP:
CONTACT PERSON:			
DAYTIME PHONE:	CELL PHONE:		

PROJECT INFORMATION

Please attach a Business Plan and narrative, including a clear, detailed description of the proposed project, why it is important to undertake and what it is expected to achieve.

ESTIMATED COSTS (please itemize)		**FINANCING SOURCES** (please itemize)	
	$		$
TOTAL COSTS	$	TOTAL FUNDS	$

BANK INFORMATION

NAME OF BANK:	CONTACT PERSON:
ADDRESS:	PHONE NUMBER:

PUBLIC BENEFIT INFORMATION

PUBLIC BENEFIT TO BE DERIVED FROM THIS FINANCING (ATTACH ADDITIONAL SHEETS IF NECESSARY)

_____

_____

_____

_____

OF CHILDCARE SPOTS CREATED: _____ # OF INFANT SPOTS CREATED: _____

JOB CREATION INFORMATION

# OF FULL-TIME JOBS CREATED: _____	# OF PART-TIME JOBS CREATED: _____
AVERAGE FULL-TIME SALARY: $_____	AVERAGE PART-TIME SALARY: $_____

OWNERSHIP/COMPANY INFORMATION

TYPE OF COMPANY (corporation, etc.):

OWNER(S) NAME/ADDRESS:	PHONE NUMBER:

Is there a parent company? NO _____ YES _____

If there is a parent company, please describe the relationship in detail.

Has the business, owners or parent company ever declared bankruptcy? NO _____ YES _____

If yes, please include information about the bankruptcy.

Has the business or parent company received a business subsidy for this or any other project from another Minnesota unit of government during the past five (5) years?

NO _____ YES _____

If yes, please attach a description of the subsidy and by whom it was provided.

BLUE EARTH COUNTY/CITY OF LAKE CRYSTAL CHILDCARE FORGIVABLE LOAN PROGRAM APPLICATION

APPLICANT INFORMATION

NAME:	DATE:

TRADE NAME:		PHONE NUMBER:		
ADDRESS:		CITY:	STATE: MN	ZIP:
TYPE OF BUSINESS:		FORM OF BUSINESS: [ ] Corporation [ ] Partnership [ ] Proprietorship [ ] Other _____		
[ ] New Business [ ] Existing Business	[ ] For Profit [ ] Non-Profit			
EMPLOYER I.D. #:	DATE BUSINESS EST.:	Number of employees at time of application: _____ Number of jobs expected (if loan is approved): _____		

LOAN REQUEST

LOAN AMOUNT: $

PURPOSE:

USE OF PROCEEDS	LOAN AMOUNT REQUESTED
A. Training and Licensing Costs	$
B. Fixed Machinery and Equipment	
C. Building Purchase, Construction and Renovation	
D. Leasehold Improvements	
E. Operational Costs	
F. Working Capital	
G. Other Debt Payment	
H. Other	
I.	
TOTAL LOAN REQUESTED	$

BLUE EARTH COUNTY/CITY OF LAKE CRYSTAL CHILDCARE FORGIVABLE LOAN PROGRAM APPLICATION

DESCRIBE PRIMARY SOUCE OF REPAYMENT

PRESENT INDEBTEDNESS:

(Business Debts, Contracts, Notes and Mortgages Payable)

AS OF: (date)

OWED TO:	ORIGINAL AMOUNT	ORIGINAL DATE	PRESENT BALANCE	RATE OF INTEREST	MATURITY DATE	MONTHLY AMOUNT	SECURITY	STATUS

	$		$			$		

BLUE EARTH COUNTY/CITY OF LAKE CRYSTAL CHILDCARE FORGIVABLE LOAN PROGRAM APPLICATION

CURRENT BANK REFERENCES

NAME OF FINANCIAL INSTITUTION and CITY	ACCOUNT NUMBER(S)

REFERENCES

NAME	ADDRESS	PHONE

MANAGEMENT

OWNER(S) and OTHER KEY PERSONNEL	ADDRESS	% OWNERSHIP

ADVISORS

ADVISOR	NAME	FIRM OR COMPANY	PHONE NUMBER
ACCOUNTANT			
ATTORNEY			
INSURANCE AGENT			

OTHER			

BLUE EARTH COUNTY/CITY OF LAKE CRYSTAL CHILDCARE FORGIVABLE LOAN PROGRAM APPLICATION

ADDITIONAL INFORMATION

REPORTS and INFORMATION REQUIRED	1st year	2nd year	3rd year
A. Current Business Plan			
B. Cash Flow Projections for 24 months			
C. Personal Financial Statements of the Principal Owners			
D. Two (2) years of Personal Income Tax Returns of Principal Owners			
E. Two (2) years of Business Financial Statements and Income Tax Returns (existing businesses)			
F. Two (2) years of Business Income Tax Returns (existing businesses)			
G.			
H.			
I.			

SIGNATURES

By: _____ Date: _____

BLUE EARTH COUNTY/CITY OF LAKE CRYSTAL CHILDCARE FORGIVABLE LOAN PROGRAM APPROVAL PROCESS

TIMELINE AND REVIEW PROCESS

The timeline and approval process for the Blue Earth County Childcare Forgivable Loan Program may vary, but will generally take a minimum of 3 to 4 months. The timeline and approval process is as follows:

A. Meet and discuss the project with your local Economic Development Specialist, Bryan Stading – 507-382-5679

B. Complete and submit the Blue Earth County Childcare Forgivable Loan Program Application and all required supporting documents to your local City Administrator/City Clerk.

C. REVIEW and APPROVAL PROCESS:
All applications must be reviewed and approved by each of the following entities:

1. Local Economic Development Authority (EDA)
2. Local City Council
3. Blue Earth County Childcare Forgivable Loan Program Loan Review Committee
4. Blue Earth County Board of Commissioners

APPROVALS

ENTITY	APPROVAL/DENIAL DATE

Local Economic Development Authority (EDA)	
Local City Council	
Blue Earth County Childcare Forgivable Loan Program Loan Review Committee	
Blue Earth County Board of Commissioners	
COMMENTS:	