LA CROSSE COUNTY NOTICE OF MEETING

COMMITTEE/BOARD: LA CROSSE COUNTY ECONOMIC DEVELOPMENT FUND, INC.

DATE OF MEETING: THURSDAY, JULY 7, 2016

MEETING PLACE: COUNTY ADMINISTRATIVE CENTER – ROOM 3220 (3rd FLR)
400 4TH ST N, LA CROSSE, WI

TIME OF MEETING: 7:30 A.M.

PURPOSE OF MEETING:
1. Call to Order/Roll Call
2. Public Comment
3. Approve Minutes of June 2, 2016 and June 16, 2016
4. Revolving Loan Fund Process & Expectations
5. Innovation & Diversification Grant Program Process & Expectations
6. 7 Rivers Alliance WISE Project Presentation
7. Update on La Crosse Daycare Center Sale
8. Update on County Properties
9. Agency Updates
10. Next Meeting – August 4, 2016 - 7:30 a.m.
11. Future Agenda Items
12. Adjourn

NEWS MEDIA
La Crosse Tribune
Other news media

OTHERS
Brian Fukuda
Charlie Handy
Greg Flogstad (mail)
Karl Green
Bob Brown
Jim Hill
Jenny Kuderer
Jim Brickl
Tom Faella
Mike Herro
Teresa Schnitzler
Charley Weeth

COUNTY DEPARTMENTS
County Board Chair
County Administrator
County Clerk
Facilities

COMMITTEE MEMBERS:
Tara Johnson, President
Sharon Hampson, Vice President
Sharon Davidson, Secretary/Treasurer
Patti Balacek
Mike Giese
Dave Holtze
David Lange
Debra McKenney
Matt Nikolay
Steve O’Malley
Michael Richards
Laurie Miller
Tina Wehrs
John Wettstein

MEMBERS: NEED A QUORUM TO CONDUCT BUSINESS
If unable to attend, call County Board Chair Office at 785-9563.

PERSONS WITH DISABILITIES: If you need accommodation to attend this meeting, please contact County Board Chair Office at 785-9563 as soon as possible.

DATE NOTICE POSTED: July 1, 2016
MEMBERS PRESENT: Tara Johnson, Sharon Hampson (exc. 8:50 a.m.), Sharon Davidson, Dirk Gasterland, Mike Giese, Dave Holtze, Dave Lange, Debra McKenney, Matt Nikolay, Steve O’Malley, Michael Richards, Laurie Miller, Tina Wehrs, John Wettstein

MEMBERS EXCUSED: Patti Balacek

OTHERS PRESENT: Brian Fukuda, Karl Green, Greg Flogstad, Jim Hill, Bernie Lucey, Susan Lucey, Terry Davis, Greg Pittman, Jenny Burkholz, Terri Pavlic

CALL TO ORDER
Chair Johns called the meeting to order at 7:30 a.m.

PUBLIC COMMENT
There was no public comment.

APPROVAL OF MINUTES OF MAY 5, 2016
MOTION by Gasterland/Holtze to approve the minutes of the May 5, 2016 La Crosse County Economic Development Fund. Motion carried unanimously; Balacek excused.

LA CROSSE DAY CARE CENTERS DELINQUENCY
La Crosse Day Care Centers is going out of business and delinquent on their loan payments. They are in the process of selling the assets to Red Balloon Day Care, and are asking La Crosse County to accept payment of $12,889.28 from the sale proceeds for full settlement of our loan. The loan was originally for $93,000 and they have made approximately $72,000 in principle and interest payments. The County is still owed $42,057. Altra Federal Credit Union has first position on collateral, so they will get the vast majority of the proceeds, along with a credit card payoff to Altra Federal Credit Union in the amount of $7,490.59.

The alternative is that the sale will not go through and they will go into chapter 7 or 11 bankruptcy. This would affect 30-40 jobs of employees currently working at La Crosse Day Care Centers and 100-120 families would be without day care.

Midwest Appraisal appraised the La Crosse Day Care building on Gillette Street on May 21, 2016 at $700,000.

MOTION by O’Malley/Lange to enter into closed session at 8:25 a.m. pursuant to Wis. Stat, s. 19.85(1)(e) for the purpose of deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, to wit: La Crosse Day Care Centers Delinquency. Motion carried unanimously; Balacek excused.

MOTION by Holtze/Nikolay to return into open session at 8:51 a.m. Motion carried unanimously; Balacek excused. There was no action taken in closed session.

MOTION by Lange/Nikolay that the County accept payment of the balance $12,889.28 to satisfy the loan conditioned upon investigating and, if possible, seeking an additional $7,490.59 ahead of the Altra Federal Credit Union credit card debt and using best efforts to obtain that amount of payment. Supervisor Giese offered an amendment that the County
accept the above proposal on the condition that Red Balloon Day Care makes the County whole. The Chair ruled the motion out of order. **Motion carried;** opposed: Wettstein and Giese; Balacek and Hampson excused.

**CONSIDER DEVELOPMENT AGREEMENT WITH DWM PROPERTIES LLC**
Identity works is in need of an expansion of their existing building in the Lakeview Business Park and has approached La Crosse County about purchasing 2 additional acres. Included in the packets was a copy of a Development Agreement that staff has negotiated and is recommending moving forward with the sale. Staff considered that they had previously purchased 1.11 acres at a price of $38,830 and had purchased a right of first refusal on an additional acre for $5,000 which would be credited toward the sale price if DWM Properties exercised that right. Staff is recommending a sale price of $50,000 for 2 additional acres, and that if they build a minimum of 12,000sf at a minimum value of $600,000 the LCEDF will refund $13,000 to the developer. Considering this purchase and the previous transaction, their overall cost, after the potential refund, would be $80,850 for 3.11 acres or approximately $26,000/acre. The Development Agreement also discusses a few covenant waivers that the LCEDF would accept, as long as the Park Development Review Board also approves. It also provides the business with essentially a 5 year right of first refusal on additional adjacent acreage.

**MOTION** by Wehrs/Holtze to approve the staff recommendation to sell 2 acres in the Lakeview Business Park to DWM Properties. **Motion carried unanimously;** Balacek excused.

**UPDATE ON PEARL STREET BREWERY LOAN & TEMPORARY TRANSFER OF FUNDS FROM FUND 1 TO FUND 2**
Pearl Street Brewery has met the financial benchmarks that were set to be able to draw the second $75,000 from this loan, however we are waiting on the private lending commitment for an additional $200,000 worth of leveraged funds into this project.

This loan was approved out of the EDA fund (Fund 2), which currently has just short of $75,000. Staff is recommending to transfer up to $2,000 from the County Fund (Fund 1) so there is enough cash to distribute to Pearl Street Brewery. **MOTION** by Gasterland/Nikolay to approve the transfer of up to $2,000 from Fund 1 to Fund 2. **Motion carried unanimously;** Hampson and Balacek excused.

**CONSIDERATION OF LOAN APPLICATION FROM LOVECHILD RESTAURANT**
Included in packets were documents for a loan request in the amount of $196,000 from Lovechild Restaurant including a Summary, Financials and Business Plan. The request is made out of the CDBG fund which currently has a cash balance of approximately $518,000. Brian Fukuda pointed out that in the Loan Criteria Analysis, the loan size is in our acceptable range; the job creation section they are proposing that 19 FT and 18 PT jobs will be created; the loan ratio they’ve got commitment of a $600,000 SBA Loan through Park Bank and the RLF Loan would be $196,000; for Equity, they are proposing 7% and generally we require 10% on these loans; Use of Funds is equipment & fixtures; Loan Term of 10 years; Interest Rate of 6%; Deferred Payments not requested. Discussion followed regarding concerns regarding Lovechild Restaurant’s lack of equity and about their financials. The committee also thought it would have been helpful if they had been in attendance so questions could have been answered. **MOTION to deny** by Holtze/Wehrs the loan application from Love Child Restaurant. **Motion carries;** Johnson voted no; Hampson and Balacek excused.
UPDATE ON COUNTY PROPERTIES
- International Business Park II – Still moving forward with design and negotiation for the sale of this land.
- Administrative Center/Downtown Campus – Projects are on schedule and moving forward at this point.
- Lakeview Business Park – We have had some additional interest in the park, and continue those discussions.

AGENCY UPDATES – none reported

NEXT MEETING: July 7, 2016

FUTURE AGENDA ITEMS:
- Review of loan closing procedures
- Give staff more direction on the revolving loan fund criteria.

ADJOURN
There being no further business, MOTION by Gasterland/Nikolay to adjourn the meeting at 9:33 a.m. Motion carried unanimously; Hampson and Balacek excused.

The above minutes may be approved, amended or corrected at the next Committee meeting.

Terri Pavlic, Recorder
#4 – Revolving Loan Fund Process & Expectations

Spending a little time talking about process and expectations for decisions on loan applications, will help staff to be more efficient and effective in working with businesses and bringing proposals forward. Staff is counting on the varied expertise of Board members to help make sure that these funds remain successful, so we may want to consider some process improvement that allows more Board interaction. A couple of ideas to consider:

1. We tried having a team of a few Board members meet before the full Board meeting to review, structure, and make a recommendation to the full Board, but had issues with scheduling. So, we could try establishing that team with a regularly scheduled meeting time that would be cancelled if we don’t have anything to review; or
2. We could require applications to be introduced one month for action the next month. This would require applications to be submitted a little sooner to give staff a little time to prepare a brief introduction to the project and request. Then the Board could provide some input on concerns and loan structure, and then give staff time to work with the applicant to get the deal right before bringing it in for ultimate action.
3. Other options?

The Board should also revisit our loan standards and criteria and set expectations. Now that we are having more activity with the funds, it would be a good time to revisit these and make adjustments if desired. Some of the criteria are dictated by HUD or EDA depending on the source of funds, but with others we do have flexibility. For example, we require 10% equity participation in the project. Are there circumstances that we would accept less or do we want to hold firm on 10%?

Attached are the loan materials for both the participation loans and the micro loan fund. We would appreciate all Board thoughts on how to continuously improve these programs.

#5 – Innovation & Diversification Grant Program Process & Expectations

Similar to the above item, we would like to spend some time talking about process and expectations for the Innovation & Diversification Grant Program. Process-wise, options would be very similar to above, where we could have a team meet to review prior to the Board meeting or we could introduce applications one month for action the next, or other options.

There has also been some confusion with businesses as to what exactly we are looking for as far as “innovation” so it would be helpful to have some discussion around that idea. Right now this is pretty broad in scope, but it may be worth a discussion about narrowing that some.

#6 – 7 Rivers Alliance WISE Project Presentation

As we know, workforce development, attraction, and retention are huge issues facing our community (like most communities). The 7RA has developed a proposal for the WISE Project – “Workforce Innovation for a Strong Economy.” They will need the support of many partners across the region to make this a success, so we will provide an overview of the project for your information and will help to answer questions. Michael Richards serves as the Board President for the 7RA, so he will be leading the presentation.

#7 – Update on La Crosse Daycare Center Sale

Dave will provide an update on the sale of La Crosse Daycare Center and the status of our loan.
#8 – Update on County Properties

- **International Business Park II** – Certified Survey Map is submitted for approval by both cities; Intergovernmental Agreement has been drafted and is currently being fine-tuned for an estimated July/ August approval with October start of construction

- **Administrative Center/Downtown Campus** – Associated Bank has now moved into their new location at Belle Square and have vacated the rest of their former building – allowing the County to start work on the drive-through area and first floor of the building.

- **Lakeview Business Park** – The School District of West Salem invited La Crosse County, along with other local leaders to discuss future development plans. This was a positive meeting and we will be sharing progress on this long range planning discussion as it pertains to the entire County Farm in future meetings.

#9 – Agency Updates –

Any partner organizations in attendance will provide brief updates on upcoming events and projects.
LA CROSSE COUNTY ECONOMIC DEVELOPMENT FUND LOAN APPLICATION

A Revolving Loan Fund (RLF) Providing Affordable and Flexible Economic Development Loans to Help Businesses Grow and Create Jobs in La Crosse County

What is the La Crosse County Revolving Loan Fund (RLF)? The La Crosse County revolving loan fund consists of three separate funds: A County Fund established in 1992 through the sale of County property, a federal - U.S. Department of Commerce - Economic Development Administration fund established through a economic development grant awarded as a result of the flood 1993, and State of Wisconsin Community Development Block Grant awards. The County has made numerous loans to businesses through these three funds.

What is the goal of the fund? The goal of the fund is to foster economic development by providing loans to help businesses grow, create jobs and generate additional tax base.

How will the fund achieve its goal? The goal will be achieved by providing affordable and flexible loans that leverage other private financing and equity investments that together allow for a business to capitalize a project that under normal lending circumstances would not occur. In all instances the RLF financing will be in conjunction with a larger share of private financing or other investments.

Why is the fund needed? In order to protect their depositor's asset base, conventional lending institutions prefer equity positions that many businesses cannot meet. New business start-ups in particular have a more difficult time in meeting the needed equity position requirements. One of the principal needs that the County Revolving Loan Fund is addressing is providing affordable subordinate financing so private lending institutions are more willing to soften their equity requirements and participate in economically sound business loans that they would not normally participate in were it not for the RLF subordinate financing. As opposed to charging interest rates of prime plus two to four percentage points that private lending institutions often charge, the RLF will fill a niche by providing more affordable rates. By keeping their financing costs down the County RLF frees up capital for other needed business needs such as working capital. Based on the County’s diverse economy including tourism, retailing, advanced manufacturing and information technology, it has been determined that the best niche for the RLF is to fill a niche of versatility and flexibility to meet a wide range of business needs.

How is the fund managed? The La Crosse County Economic Development Fund Corporation, a private nonprofit corporation, created by the La Crosse County Board, serves as the loan board. The Mississippi River Regional Planning Commission (MRRPC) the writer of the grants that created the fund is responsible for administering and providing compliance review services for the fund.

Are There Any Federal Requirements? Loan recipients are required to adhere to several Federal regulations such as National Environmental Policy Act, Civil Rights Act, Davis Bacon Act, Flood Disaster Protection Act, and National Historic Preservation Act. A certificate of non-relocation is also required. The MRRPC or County staff serving as the RLF administrator will inform the borrower of the above and any other regulations they are required to adhere to in order to secure a loan.

Is There an Application Fee? A $200.00 processing fee shall be paid with the submission of each RLF application. An additional fee of $400.00 shall be paid at the time of closing to cover additional administrative expenses and future reporting and monitoring costs associated with the loan. For micro loans below $10,000 there is a $30.00 application fee with an additional 5% of the total loan (not to exceed $350.00) if the loan goes to closing. These two fees shall be made payable to the MRRPC.

Who to contact for additional information? Mississippi River Regional Planning Commission, 1707 Main Street, Suite 435, LaCrosse WI 54601, Telephone: (608) 785-9396 or contact the La Crosse County Community Development Specialist, Administrative Center, Room 2040, 400 4th Street N, La Crosse WI 54601 Telephone (608) 785-5792. The loan application can be downloaded at: www.mrrpc.com/Revolving_Loan_Funds.html

What Standards and loan criteria will the fund use?

- **Loan Sizes** - in the $10,000 - $120,000 range are preferred. The maximum loan to a single borrower is $200,000. Micro loans in the $400 - $9,999 range are also eligible. The RLF Loan Board may adjust this if they feel the economic benefits of a proposed loan merit such an adjustment.

- **Job Creation** - A minimum of one job created or retained for every $10,000 - $15,000 of RLF financing. The RLF Loan Board may adjust this if they feel the economic benefits of a proposed loan merit such an adjustment.

- **Loan Ratio** - $2 of private or other financing to every $1 of RLF financing is required.

- **Participating Lender** - money from this loan fund is always in conjunction with a sponsoring senior lender or other investment capital. To apply for a RLF loan a business must also secure private financing. The sponsoring senior lender will be invited to appear at the County Loan Board meeting to answer questions concerning the loan and about the need of an inter-creditor agreement.

- **Equity** - each project will require a minimum of 10% equity.

- **Uses of Funds** - Real estate, working capital, and equipment all are eligible financing uses. Adequate collateral and security requirements will be sought on all RLF loans. The RLF may take a subordinated position behind a senior lender.

- **Refinancing of Existing Debt** - Existing debt refinancing will be considered if a business can satisfactorily demonstrate such refinancing is necessary to stay in operation and loss of jobs is a likely consequence if more favorable financing terms are not secured.

- **Loan Terms** - Land and buildings 10-15 years, equipment and machinery expected life, and working capital up to seven years. Balloon payments and a transition to private financing after an agreed upon timetable are likely to be part of a loan.

- **Interest Rates** – Typically 4-6% based on need and economic conditions.

- **Deferred Payments** - Initial loan principal payments, if needed, may be deferred up to two years. Interest only payments are required during the deferred period.
La Crosse County Economic Development Fund Loan Application

La Crosse County Economic Development Fund Loan Application: Prior to completing a loan application, contact the Mississippi River Regional Planning Commission (MRRPC) at 608.785.9396 or the County Community Development Specialist at 608.785.5792 to see about the amount of loan funds available. Each applicant for a loan shall provide the following information to the Mississippi River Regional Planning Commission. The following information in its entirety makes up a complete application. Please note that Items 12-18 are not applicable to start up businesses.

1) Business Name and Address
2) Telephone number of key business contact person regarding loan application.
3) Type of Business (LLC, LLP, S Corp, C Corporation, Sole Proprietorship, Partnership, Non-Profit)
4) Date Business Established
5) Business’s Employer Federal Identification Number
6) Business’s Employer’s State Identification Number
7) Owner(s) Information: Names, percentage of business owned, home address(s) and telephone number(s)
8) Professional Services: Names, addresses and telephone numbers of your Banker, Attorney and Accountant.
9) Business Plan (see business plan outline on page 4, take note of the financial data required in part h.)
10) Signed personal financial statements dated as part of application for any person who owns 20% or more interest in the business
11) Key person insurance and property insurance, which may be available or has been obtained to secure the loan
12) Copies of business’s federal tax returns for last three years.
13) Provide evidence business is current on federal quarterly payroll withholding. (Federal Form 941)
14) Provide evidence business is current on State payroll withholding. (Wisconsin Form W-6, provide other state forms if applicable)
15) Provide evidence business is current on payment of unemployment taxes. (Letter from accountant or attorney)
16) Provide evidence business is current on payment of federal income taxes. (Letter from accountant or attorney)
17) Provide evidence business is current on payment of state income taxes. (Letter from accountant or attorney)
18) Provide evidence business is current on payment of real estate taxes. (Letter from accountant or attorney)
19) Provide copy of business’s articles of incorporation.
20) Provide copy of business’s bylaws.
21) Provide evidence that business’s corporate minute book exists.
22) If business is a new start up provide evidence it is registered with the Wisconsin Department of Revenue – My Tax Account.
23) If business is a new start up provide evidence it is registered with the Federal Tax Payment System (FTPS).
24) Commitment letter from the participating lender stating its commitment on the amount and terms of the financing it will provide for the project.
25) Statement from the participating lender that the RLF loan will not be substituting for commercial lending.
26) Statement from the business indicating its job commitment and agreement that failure to meet its job commitment may result in an RLF loan interest rate increase, job penalty payment or complete recall of the County loan.
27) A statement from the business certifying that it will not relocate out of La Crosse County during the term of the RLF loan and that in the event of relocation outside of the County it will immediately prepay the RLF loan. In addition the applicant must sign a certificate of non-relocation.
28) Has the business, any officer, subsidiary or affiliate of your company been involved in any bankruptcy or insolvency proceedings in the last 36 months? ☐ Yes ☐ No If yes please provide the details on a separate page.
29) Has the business, any officer, subsidiary or affiliate of your company been involved in any lawsuits in the past 36 months? ☐ Yes ☐ No If yes please provide details on separate page.
30) ☐ Complete Employment and Financing Data Form –“A”

La Crosse County Economic Development Fund Loan Application Review Process

Upon receipt of a business loan application staff will review it for completeness, if completed satisfactorily staff will prepare a loan board report and schedule a loan board meeting. The applicant and the participating lender are invited and strongly encouraged to attend the loan board meeting. Staff will mail the loan board report comprised of the following to the loan board members prior to the meeting. After conclusion of the loan board meeting the applicant will be informed of the decision on their loan.

Loan Board Report Contents

A. ☐ Summary describing the overall project.
B. ☐ Sources and uses of all project financing, terms and security positions.
C. ☐ Background information on the company and owners.
D. ☐ Loan collateral analysis table.
E. ☐ Economic impact analysis in regards to jobs and tax base.
F. ☐ Key project and market information that makes the loan an acceptable risk.
G. ☐ Business’s current balance sheet 90 days old or less.
H. ☐ Business’s current income statement 90 days old or less.
I. ☐ Business’s current cash flow statement 90 days old or less.
J. ☐ Pro forma cash flow projections.
K. ☐ Projected income statements for two years.
L. ☐ Projected balance sheet for two years.
M. ☐ Staff verification that the loan applicant has provided the required application materials and explanation on any missing or incomplete items.
LA CROSSE COUNTY ECONOMIC DEVELOPMENT FUND EMPLOYMENT AND FINANCING DATA FORM “A”

**BUSINESS NAME:**

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**Sources & Uses of Funds:**

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**Project Summary:**

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<td>Type of Guarantee</td>
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La Crosse County Economic Development Fund Loan Application

**Business Plan Outline**

a. **Executive Summary should include:** (1) Name and location of business; (2) Brief discussion of product, market and competition; (3) Expertise of management team; (4) Summary of financial projections; (5) Amount of financial assistance requested and proposed purpose; and (6) Business goals and reasons for undertaking the project.

b. **Description of Company:** (1) Date and state of incorporation or formation, (2) History of company, (3) Background of the principals and their roles.

c. **Market Analysis:** (1) Description of current industry and industry trends, (2) Description of the total market and its participants and (3) Discussion of the target market, your competition, and list of the names of your top four competitors.

d. **Description of the Product or Service:** (1) List of patents, copyrights, licenses or proprietary interests; (2) Discussion of technical and legal considerations; (3) Comparisons to competitors’ products or services and (4) Description of current and future research and development.

e. **Marketing Strategy:** (1) Overall strategy; pricing policy and sale terms; (2) Method of selling, distributing and servicing; (3) Current and estimated sales and market share and (4) Advertising, public relations, and promotion.

f. **Management Plan:** (1) Form of business organization, (2) composition of board of directors, officers, organization chart and responsibilities and (3) Resumes of key personnel and listing by key advisors.

g. **Operating Plan:** (1) Schedule of upcoming work and key completion dates for next two years, (2) Planned facilities or capital improvements for next three years and (3) Staffing plan.

h. **Financial Data:** (1) Describe the amounts, sources and uses of all project funding, (2) Provide balance sheet, income statement and cash flow statement for the past three years, (3) Provide current (90 days or less) interim balance sheet, income statement and cash flow statement, (4) Provide pro-forma cash flow projections including the proposed financing for two years, (5) Provide projected balance sheets and income statements including the proposed financing for two years (6) Describe all the assumptions behind the financial projections.

Note: It is highly recommended and preferred that all Financial Data described in “h.” above be prepared by an independent certified public accountant, if not please provide your reason for not using this service as part of “h.”

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**Applicant Certification**

- The Applicant by signing below:
  1. Certifies that to the best of its knowledge and belief, the information being submitted to the La Crosse County Economic Development Fund and its agent is true and correct.
  2. Certifies that it is in compliance with all laws, regulations, ordinances, and orders of public authorities applicable to it.
  3. Certifies that it is in compliance with and current on federal payroll withholding, state payroll withholding, payment of unemployment taxes, federal income taxes, state income taxes and real estate taxes.
  4. Certifies that it is not in default under the terms and conditions of any grant or loan agreements, leases, or financing arrangements with any other creditor.
  5. Certifies that the La Crosse County Business Fund Inc. or its agent is authorized to obtain a credit check on any principal or business associated with this application for the purposes of determining credit worthiness.
  6. Agrees to reimburse the La Crosse County Business Fund Inc. its agent for any reasonable expenses made in connection with this loan request, including, but not limited to, title work, legal fees, appraisals, recording /filing fees etc.
  7. Certifies that it has disclosed and will continue to disclose any occurrence or event that could have an adverse material impact on the project described in this application. Adverse material impact includes but is not limited to lawsuits, criminal or civil actions, bankruptcy proceedings, regulatory intervention or adequate capital to complete the project.
  8. Agrees that in the event credit is extended it will complete a direct payment authorization form allowing payments to be electronically debited by automatic clearing-house (ACH) and deposited into the appropriate La Crosse County Economic Development Fund Account.

Signature: ___________________________________________ Title: ______________________________

Printed Name: ___________________________________________ Social Security # ___________________

Signature: ___________________________________________ Title: ______________________________

Printed Name: ___________________________________________ Social Security # ___________________

Please submit application to: Mississippi River Regional Planning Commission, 1707 Main Street, Suite 435, La Crosse WI 54601
T: 608.785.9396 or La Crosse County Community Development Specialist, Administrative Center, Room 2040, 400 4th Street N, La Crosse WI 54601 T: 608.785.5792.
About La Crosse County Community Development

La Crosse County continues to be a partner with area businesses to encourage growth and sustainability.

We manage the Lakeview Business Park in the Village of West Salem and can assist with other business siting needs.

We also have a variety of financial assistance programs. In addition to the micro loan fund, we offer:

- **Revolving Loan Funds** - providing affordable gap financing to help create jobs.

- **Innovation & Diversification Grants** - to assist businesses in gaining customized consulting assistance to complete innovative projects.

We look forward to working with you!

La Crosse County Community Development

400 4th Street N.
Room 2040
La Crosse, WI 54601

Phone: 608-785-5792
Fax: 608-785-5922
E-mail: bfukuda@lacrossecounty.org

For More Information:
www.lacrossecounty.org/economicdevelopment
bfukuda@lacrossecounty.org
608-785-5792

La Crosse County Community Development

Micro Loan Fund

A fund to help stimulate business start-ups and encourage growth in existing small businesses throughout La Crosse County.
La Crosse County wants to help your business grow!

Program Eligibility
To be eligible, a business must:
- Be located or plan to locate in La Crosse County
- Have less than $1m in annual sales and a maximum of 25 employees.

Eligible activities for loan funds include the following:
- New working capital
- Inventory/supplies
- Equipment, furniture, and fixtures
- Technology upgrades
- Acquisition of real estate
- Leasehold improvements and building renovations
- Business purchase

The borrower is expected to contribute a minimum of 10% equity into the project.

Loan Specifics
- $1,000 to $20,000 loan sizes (depending on use and location);
- Fixed interest rates, typically between Prime Rate and Prime+3% depending on risk assessment;
- Loan term will be established consistent with the use of funds;
- A minimum of 10% equity is required;
- Collateral may include business and personal assets as warranted and deemed necessary;
- Flexible terms of repayment dependent upon the specific business needs may be available;
- Funds cannot be used for personal use or to reimburse expenses that have already been made;
- There are no prepayment penalties.

Process
Please visit www.lacrossecounty.org/economicdevelopment for a copy of our application and call the number below to schedule an initial meeting with County staff.

Completed applications should be returned to the address below.

Applications will be reviewed by the loan review team, which will make a recommendation to the La Crosse County Economic Development Fund (LCEDF) Board, which meets on the 1st Thursday of each month.

Applicants may be asked to make a presentation to the LCEDF Board.

Application review and consideration will generally take approximately 60 days.

La Crosse County
Community Development

400 4th Street N.
Room 2040
La Crosse, WI 54601

Phone: 608-785-5792
Fax: 608-785-5922
Innovation & Diversification Grant Program

Program Description
This program will assist businesses in gaining customized consulting assistance and completing innovative projects with the goal of expanding their product lines and/or markets and achieving greater diversification and job growth.

La Crosse County Economic Development Fund, Inc.

Grant Contact Information:
Brian Fukuda, Community Development Specialist
bfukuda@lacrossecounty.org
400 4th Street N, Room 2040
La Crosse, WI 54601
Phone: 608-785-5792
Fax: 608-785-5922
PROGRAM BACKGROUND

Small businesses are a vital part of the economy in La Crosse County. Many small businesses recognize that expanding their product offerings and diversifying their market segments are important steps to insure continued growth and economic stability, but struggle to find the resources to take those steps. The importance of innovation and diversification increases as the internet and global markets create new portals for sales and more savvy consumers.

Expanding into new product areas and diversifying a company’s market base can be a daunting prospect without the correct guidance and data. La Crosse County saw a need to encourage businesses to take on these projects, and therefore has created this program to help offset the costs of such projects. The program is designed to help area businesses open the doors of new business growth opportunities, and in turn help to stabilize our local economy.

PROGRAM PURPOSE

This program exists to provide financial assistance to help businesses that are poised for growth and encourage them to use the resources of existing non-profit economic development organizations in our community to do one or more of the following:

- New Products (innovation, new products/services, new product uses, etc.) - Expand their product base through research, testing and/or new product development techniques.
- Expand their market base through enhanced planning and direct marketing activities.
- New Markets (private sector, public sector, foreign markets, etc.) - diversify their market base by expanding into new markets.
- New Relationships (joint ventures, strategic relationships, prime/sub relationships, etc.)
- Increase the efficiency of processes with a direct result being increased productivity and new job openings.

The program will give preference to projects that are focused on increasing sales outside of our region and that show minimal adverse affects on other local businesses.
**Date(s):**
Applications will be considered monthly as applications are submitted and funding is available. Applications received by 12:00 noon on the third Thursday of the month will likely be taken for consideration at the next month’s La Crosse County Economic Development Fund meeting Applications should be delivered to the address on the cover page.

Projects must begin after award and be completed within 9 months.

**Company Eligibility:**
- Located within La Crosse County
- 250 employees or less

**Grant Funding:**
Grant between $1,000 and $10,000

County funding will not be more than 50% of the total project costs. However, to meet the match requirements and to leverage resources, a business and/or participating organization may propose that a third party funding source will fund a portion of match amount to be provided by the business and/or participating non-profit organization.

**Company Match:**
Minimum 100% cash match of County Grant amount. Applications with at least 50% cash match of County Grant may be considered if other program goals are exceeded.

**Non-Profit Participation:**
Applicant must demonstrate that they have worked with non-profit resources to prepare for their proposed project if applicable. Applications with a cash or in-kind contribution from a non-profit resource of at least 10% of the County Grant amount will receive preference.

**Outcomes:**
Must have clearly stated outcomes including, but not limited to one or more of the following:
- Capacity building
- Increased access to capital, bonding
- Jobs added and/or retained
- Commercialization of technology/innovation
- Increased contracts in new market(s)
- Added products or services
- Diversification of products and/or new uses for existing products
- Strategic plan that documents efforts to exploit new market opportunities, including financial planning and market research
GRANT APPLICATION

Please provide the following information in this order, using these headings and subheadings, provided in your own word processing format.

Proposal Summary

<table>
<thead>
<tr>
<th>Total Project Costs:</th>
<th>Amount</th>
<th>Cash or “in kind” (describe “in kind”)</th>
</tr>
</thead>
<tbody>
<tr>
<td>-(Less Company Match)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-(Less Nonprofit Participation)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-(Less Third Party Funding)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Requested Grant Amount</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please indicate and explain if the Company would proceed with some level of the project if the grant award is lower than requested. What award amount is the lowest that would make the project feasible? $____________

BUSINESS INFORMATION

- **Business Name:**
- **Business Address:**
- **Primary Contact:**
- **Phone:**
- **Fax:**
- **Email:**
- **Number of Employees:**
- **Main Products/Services:**
- **NAICS Code**:*
- **Non-Profit (Yes/No):**

**Additional Business Information:** You may use 400 words or less to describe any other features or characteristics of the business that are helpful in understanding the importance of your proposal. If the business has other facilities in Wisconsin, briefly describe those facilities. Information describing the company’s importance to the regional economy, involvement in industry partnerships, and career pathway development belongs here.


PARTICIPATING ORGANIZATION/NON-PROFIT PARTNER INFORMATION if applicable

Must be an organization that has an established not for profit mission to provide business development and/or industry development assistance to small businesses (as defined by 13 CFR Part 121). More than one organization may be included in the application when collaborative efforts will be used to assist a business.

- **Non-Profit Name:**
- **Business Address:**
- **Primary Contact:**
- **Phone:**
- **Fax:**
- **Email:**
**Non-Profit Description:** You may use 400 words or less to describe the organization serving as the non-profit partner organization for this grant. Include any relevant background which establishes the ability of the organization to fulfill the grant as described.

**Non-Profit Contribution:** You may use 400 words or less to describe how the non-profit partner organization will use the grant to leverage other resources toward completing this project. Contributions can be cash or in-kind. Non-Profit contribution must be at least 10% of the grant amount.

### APPLICATION ABSTRACT

**Project Summary**
Succinctly describe, in 200 words or less:
- the purpose of the proposed project
- a brief description of the problem/opportunity
- a summary of the activities
- a summary of important measurable outcomes

*The abstract may be published for various uses. Use your organization’s complete name the first time you mention it. Do not use abbreviations or acronyms. Employ direct sentence structures, such as “This project will (action verb)....”*

**Non-Profit Input to Application**
In 100 words or less, describe how the non-profit worked with the business to prepare the application if applicable. Include the names and job titles of representatives involved in planning the grant. Name any employee groups involved.

**Current Business Challenges/Opportunities**
In 300 words or less, describe the specific issues and opportunities facing the business - e.g., development of new products, increase in production capacity, adoption of new equipment or production processes, inefficiencies in current processes, increased competition, workforce characteristics, etc - that lead to the desire for product or market diversification.

**Proposed Solution**
In 300 words or less, describe the solution that is being proposed to address the business challenges or take advantage of the business’ opportunity. If multiple phases or parts to a solution are to be offered, break it into logical groups. Describe any supporting activities and/or supplies that are included in the budget.

**Project Outcomes and Evaluation**
This section covers the results that the business expects after the solution has been implemented and how the business will evaluate whether the solution has been effective.

**Expected Outcomes**
List the business outcomes from the following table that are anticipated after completion of the proposed solution. Add any information that describes specific performance metrics or indicators and goals after the outcome title. You may also add additional outcomes.
Business Outcomes

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>Improved productivity.</td>
</tr>
<tr>
<td>B.</td>
<td>Cost savings.</td>
</tr>
<tr>
<td>C.</td>
<td>Improved work environment.</td>
</tr>
<tr>
<td>D.</td>
<td>Increased sales.</td>
</tr>
<tr>
<td>E.</td>
<td>(#) new jobs created or (#) existing jobs saved.</td>
</tr>
<tr>
<td>F.</td>
<td>Improved employee retention.</td>
</tr>
<tr>
<td>G.</td>
<td>Other (Number G1, G2, etc., if more than one).</td>
</tr>
</tbody>
</table>

Evaluation Process

In 250 words or less, describe how the business will assess whether the proposed project was worthwhile and produced the expected outcomes. Include information about who will be responsible for evaluation activities and the schedule for such activities.

→ Relate evaluation activities to specific outcomes by labeling each evaluation activity with the letter (from the table above) of the outcome that it addresses. An evaluation activity may be linked to more than one outcome. See Below Example.

Example Evaluation Table:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Evaluation Methodology</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Improved productivity</td>
<td>The business will review key performance indicators.</td>
<td>Before and after project</td>
</tr>
<tr>
<td></td>
<td>• Labor as a percentage of sales;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Monthly value of inventory; and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Profit and operating margins.</td>
<td></td>
</tr>
<tr>
<td>B. Cost savings</td>
<td>Managers will review burden rate reports, inventory on-hand and scrap reduction</td>
<td>Before and after project</td>
</tr>
<tr>
<td>D. Increased sales</td>
<td>Monthly sales reports will be reviewed</td>
<td>Before and after project</td>
</tr>
<tr>
<td>E. New jobs created</td>
<td>New hirings, if any, will be tracked.</td>
<td>Quarterly</td>
</tr>
<tr>
<td>F. Improved employee retention</td>
<td>Turnover rates will be calculated and compared to previous levels.</td>
<td>After one year</td>
</tr>
</tbody>
</table>

The amount of a grant request should be consistent with the anticipated outcomes of the project.

PROGRAM SUSTAINABILITY

As a recipient of this grant program, if you are successful in achieving the outcomes as described above, would you be willing to help recapitalize the fund by donating back a percentage of the original grant award or a percentage of your increased profits for a period? Please answer Yes or No, and if Yes, please explain and indicate a percentage.

PROJECT BUDGET

Please attach a project budget, indicating specific project expenses, as well as all sources of funds and in-kind contributions. Please also provide a brief explanation of the financial need for the grant and explain why the business is unable to fund this project without the grant.
SELECTION PROCESS

After the application submittal deadline, an impartial evaluation team will review and score all complete applications. Incomplete applications will not be considered unless there is sufficient explanation for any missing information. Applications will be scored based upon the following evaluation criteria.

Evaluation Criteria

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Points</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Project</td>
<td>60</td>
<td><em>(25)</em> Need: How compelling is the challenge and/or opportunity facing the business and how well does it match with the goals of the grant program</td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>(25)</em> Solution: How well will the proposed solution address the need and build/stabilize the business and the local economy, without having adverse affects on other local businesses</td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>(10)</em> Evaluation: Is the proposed evaluation process adequate to provide relevant data to show the impact of this grant program consistent with the program goals.</td>
</tr>
<tr>
<td>Funding</td>
<td>20</td>
<td><em>(10)</em> Budget is sufficient to complete the project; company has demonstrated a need for the funding; and all match requirements have been met</td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>(10)</em> Additional points are available if more that the minimum match is secured for the project</td>
</tr>
<tr>
<td></td>
<td></td>
<td>*Applicants with at least 50% match, but less than 100% can earn up to 5 bonus points for meeting a demonstrated community need such as:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Quality job creation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Providing a service that will assist other businesses with growth</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Etc.</td>
</tr>
<tr>
<td>Program Sustainability</td>
<td>20</td>
<td>Additional points are available for businesses that propose to help recapitalize this grant program to help assist other businesses with similar grants in the future</td>
</tr>
</tbody>
</table>

Grant Awards

Once grant applications have been scored, they will be presented to the La Crosse County Economic Development Fund Board for award decisions, and all applicants will be contacted. Successful applicants will then receive a grant contract that must be signed and returned to La Crosse County before work on the project begins.
APPLICANT/PARTNER SIGNATURES

By signing below, we certify that all information provided in this application is accurate and correct to the best of our knowledge, and that we have every intention of completing the above described project upon receipt of grant funding.

___________________________________  ____________________________________
Signature of Business Applicant          Signature of Non-Profit Partner

Print Name: ___________________________  Print Name: ___________________________

Date: _______________  Date: _______________

(please print, sign, and attach this page to your application)

Important Note on Confidentiality

This application and other materials submitted to La Crosse County may constitute public records subject to disclosure under Wisconsin’s Public Records Law, § 19.31 et seq. The applicant should mark documents “confidential” where appropriate for financial and other proprietary reasons. These documents, to the extent legally possible, will be kept confidential. La Crosse County will notify the applicant if it receives a public records request for materials marked “confidential” and if La Crosse County intends to release any such materials in response to such a request.