RESEVILLE ECONOMIC DEVELOPMENT AUTHORITY

Date: May. 15, 2023

Item No.: 5.b

Department Approval

Executive Director Approval

Janue Gundrach

Item Description: Adopt a Resolution creating a small business micro-loan pilot program

BACKGROUND

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At the March 13, 2023 Roseville Economic Development Authority (REDA) meeting a small business micro-loan program was presented for discussion. While the REDA was not asked to take any formal action at that meeting, feedback was sought on whether or not to proceed and what type of program parameters were acceptable. Based on the REDA's feedback, no substantial changes were recommended to the program's parameters as presented by staff (Attachment A). As such, the proposed Small Business Micro-Loan Pilot Program parameters and guidelines are as follows:

Program Parameters

Loan funds are only to be used for capital improvements. Eligible capital improvements include, but are not limited to: repair, renovation and rehabilitation of buildings; building code corrections; and façade improvements.

To be eligible for a small business micro-loan, a business must meet all of the following criteria:

- Employ no more than 5 full-time equivalent employees (including the business owner).
- Have a brick-and-mortar presence in Roseville. Home-based businesses are not eligible for funds, unless the funds are proposed to be used towards expansion into a brick-and-mortar location in Roseville.
- The business must use the micro-loan proceeds in connection with an expansion of the business's operations that results in an increase of employees or be able to demonstrate that the funds are necessary to help prevent job loss.

Loan Structure

- Micro-loans would be forgiven if the business remains open in the City of Roseville for a period of 3 months.
- At the end of 3 months, the business must provide a statement describing how the assistance helped to expand the business, increase the number of employees, or retain employees.
- Micro-loan proceeds would be disbursed directly to the contractor who completed the capital improvements following receipt of a final invoice.
- Micro-loan recipients would enter into a forgivable loan agreement with, and deliver a promissory
 note to, the REDA. Micro-loan proceeds must be disbursed within 6 months of execution of the loan
 agreement.

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Application Requirements

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- Basic details about the business (who, what, where).
- Must be able to demonstrate the business has been in business for at least one year.
- Description of capital improvements to be funded.
- A statement of need, including whether access to traditional funding has been explored, and if yes, why traditional funding was not pursued for the intended use of the micro-loan.
- A summary of the business's monthly revenues & expenditures for the last 1-2 years.
- An explanation of how the micro-loan will help the business remain and expand in the City of Roseville and/or create or retain jobs.

Businesses Not Eligible

The following businesses *are not* eligible:

- Businesses that do not have a physical address within the City of Roseville
- Non-profit organizations
- Businesses with annual gross revenues greater than \$1 million
- Chain retail
- Businesses that derive income from passive investments without operational ties to operational businesses
- Businesses that engage in sexually explicit goods/services
- Businesses that engage in gambling enterprises
- Businesses that engage in activities prohibited by law
- Businesses that earn revenue from pyramid schemes, lending services and/or day trading/short term investments
- Businesses that are not in compliance with all state and local laws and regulations pertaining to licensing, building codes, zoning, and environmental requirements
- Businesses that have delinquent taxes, bills, fines or other charges due to the city

Anticipated Total Program Funding

- Maximum micro-loan funding per business would be \$5,000 (not to include Open to Business fees)
- Total program budget would not exceed \$30,000
- Administrative fees would not exceed \$5,000 (included in the \$30,000)
- Funding must be dispersed by December 1, 2024 (deadline for ARPA)
- Micro-loans would be administered through Open to Business
- Open to Business would be responsible for execution of loan agreements with loan recipients and follow-up after 90 days regarding loan forgiveness criteria
- Open to Business would enter into an agreement with the REDA for program administration

Anticipated Minimum & Maximum Loan Amounts - loan award to be determined based on need*

- \$5,000 max (would result in no less than 5 recipients)
- \$1,500 min
- If costs of improvement exceeds micro-loan proceeds, then the business will need to show proof of funds to complete improvements before award of loan.

*Loan award amount would be based upon need - businesses with the most demonstrated need would receive the maximum funding and businesses not able to demonstrate need would not be funded. Total number of loans awarded, and loan amounts, would be driven by available funding and number of qualified applicants.

81 82 As previously discussed at the March REDA meeting, this program is proposed as a pilot program due to the type of funds being used (ARPA) and to gauge actual interest and use by Roseville businesses. The attached resolution allows for the Executive Director to make modifications to implement the program based on the following conditions:

- Amendments or consents do not materially adversely affect the interests of the REDA,
- Amendments or consents do not contravene or violate any policy of the REDA, the City or applicable provision of law, and
- Amendments or consents are acceptable in form and substance to the counsel retained by the REDA to review such amendments.

If the program is deemed successful, the REDA could consider continuing the program in some form at a future date after all funds allocated to the pilot are extinguished. The pilot program will be reviewed based on lessons learned through implementation. It should be noted that because the pilot program is being funded with ARPA funds, a decision to continue the program would require that a funding source be identified.

POLICY OBJECTIVE

 The REDA's role is to coordinate and administer housing, economic development and redevelopment efforts for the City of Roseville.

BUDGET IMPLICATIONS

The REDA would utilize up to \$30,000 of ARPA funds for this pilot program.

RACIAL EQUITY IMPACT SUMMARY

No specific racial equity impacts have been identified related to this request. However, the need for this program was discovered through the Choose Roseville program where outreach to BIPOC businesses was prioritized. This suggests the likelihood a BIPOC-owned business may benefit from a micro-loan is high.

STAFF RECOMMENDATION

Approve the Small Business Micro-Loan Program.

REQUESTED REDA ACTION

By motion, adopt the Resolution provided as Attachment D, approving the Small Business Micro-Loan Program.

Prepared by: Jeanne Kelsey, Housing & Economic Program Manager, 651-791-7086

120 Attachments A: Minutes from March 13, 2023 meeting

B: Forgivable Micro-Loan Program Guidelines and Application

C: Loan Agreement Micro-Loan Program

D: Resolution

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built into the agreement versus terms that need to be adhered to. The end goal is to have a delivered facility and Ryan Companies is going in with eyes wide open with the possibility of concessions being made by both parties.

President Roe thanked Mr. Mueller and Mr. Bowen for the presentation and stated he is looking forward to the development of this area.

b. Discuss Small Business Micro-Loan Pilot Program

Housing & Economic Development Program Manager Jeanne Kelsey provided a brief summary of this request as detailed in the staff report and attachments dated March 13, 2023.

Member Groff thanked Ms. Kelsey for the presentation. He appreciated the point that the improvements made would stay with the building. He wondered regarding the ninety days because it is not always easy to get someone within that timeframe. He wondered if the ninety days is when the work is completed to get someone in or how will the timeline work.

Ms. Kelsey explained it would be upon the work completion that staff would do the follow-up to see what type of expansion this offered to grow their business.

Member Groff asked how much time there would be from the time of approval to get the work done.

Ms. Kelsey explained it is based upon reimbursement so the entity would have however long it takes to get the job done and based upon the entity submitting the invoices for reimbursement of costs. That means the invoice does not need to be paid but would need to be a cost related to the improvement and then it would be ninety days from that time period.

Member Etten asked if there are any fees or interest that will be incurred within that ninety days.

Ms. Kelsey indicated at this point there will not be any fees or interest charged, this is a deferred loan without any interest.

Member Schroeder asked what administrative fees are included in this.

Ms. Kelsey explained Open to Business is charging the City for their services to work with the business from the beginning of taking the application, reviewing the application and the proposed improvement as well as reviewing the bids to make sure that it is an eligible expense and then from there a follow-up needs to be done and there will need to be a loan agreement administered and put in place with them, collect the data on the business and do the ninety day follow-up afterwards to release the loan agreement from the individual.

Member Schroeder asked if Open to Business charged a percentage.

Ms. Kelsey explained Open to Business charges a twenty percent fee, up to the one thousand dollars.

Member Groff asked if five thousand dollars enough to make a difference with the businesses Ms. Kelsey has talked to.

Ms. Kelsey explained for one business primarily that is the expense for doing one of the improvements and another business who has an expense of an electrical upgrade was eight thousand dollars so staff felt that five thousand dollars, for small business, is something that maybe is holding them back to make that improvement. If the EDA would like to go higher, that is up to them.

President Roe offered an opportunity for public comment with no one appearing to speak to this issue.

President Roe thought the question tonight is not necessarily an approval to put this in place but rather to initiate the process.

Ms. Kelsey explained that was correct and staff would bring this back based upon any direction the EDA gives them with a final resolution.

Member Strahan explained the EDA is looking at utilizing thirty thousand dollars and she wondered if this would be one time or re-utilization of the dollars when the loans are paid back.

Ms. Kelsey explained the loans would not be repaid and would be forgiven after ninety days.

Member Strahan indicated this would be a one time up to five thousand dollars per business.

Mr. Trudgeon explained this is using ARPA dollars to see how it work and then at the end of that if this is successful the City would need to look at some ongoing funding if the program is to be continued.

President Roe thought there should be some discretion built into the program to allow for more money for certain improvements to be made. Five thousand dollars would be the target but there could be an opportunity to get more. This would affect the ability of someone else to get one of these loans as well but the EDA also has the flexibility in terms of increasing the total funding. He believed the City was not pushing up against their limit of the ARPA funds.

Mr. Trudgeon indicated the City is getting there but still have enough money.

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Member Groff indicated he would be interested in that because he knew the ability to get things done is higher than five thousand dollars almost on any project he has seen over the last couple of years. He would be interested in the flexibility on that number but was not sure how to go about doing that.

Member Etten indicated he was supportive of the program and appreciated the job component tied to it and appreciated who the City is working with and reaching out to. The flexibility does become an interesting thing and understood the point, but he would rather see if the City can impact some businesses using the five thousand dollar as a limit and then seek more funds later on if needed.

Member Schroeder supported the program and thought this is a positive thing to help work toward trust between the small business and the Government. She did like the positive attributes to this entire thing and supports it.

Member Strahan indicated she also supports this and appreciates that this applies to people who are renters. She did want to know how rigid adding new staff for a small business would be on that.

Attorney Fiorini explained this is a requirement that gets at the public purpose of the act. In order for the Government to expend public funds there needs to be a public purpose and one of the EDA's clear purposes is to create jobs and help businesses expand. One of her comments was this is tied to job creation and it helps provide support for why the EDA is doing this.

Groff moved, Strahan seconded, authorizing the next step in the process of setting up this proposes small business micro loan program

Ayes: 5 Nays: 0

Motion carried.

6. Adjourn

Etten moved, Schroeder seconded, adjourning the REDA meeting at approximately 6:57 p.m.

Ayes: 5 Nays: 0

Motion carried.

ATTEST:

Pat Trudgeon, Executive Director

Daniel J. Roe, President



Forgivable Micro-Loan Guidelines

The Roseville Economic Development Authority ("REDA") is providing forgivable loans up to \$5,000 for small businesses with 5 or fewer full-time equivalent employees to assist the business with making capital improvements. Applications are on a first-come, first-served basis. Loans would be given to businesses to fund capital improvements that foster business growth and business expansions, help redevelop and improve aging commercial properties, and help create and retain jobs in the City of Roseville.

Program Parameters

Loan funds are only to be used for capital improvements. Eligible capital improvements include, but are not limited to: repair, renovation and rehabilitation of buildings; building code corrections; and façade improvements.

To be eligible for a small business micro-loan, a business must meet **all** of the following criteria:

- Employ no more than 5 full-time equivalent employees (including the business owner).
- Have a brick-and-mortar presence in Roseville. Home-based businesses are not eligible for funds, unless the funds are proposed to be used towards expansion into a brick-and-mortar location in Roseville.
- The business must use the micro-loan proceeds in connection with an expansion of the business's operations that results in an increase of employees or be able to demonstrate that the funds are necessary to help prevent job loss.

Loan Structure

- Micro-loans would be forgiven if the business remains open in the City of Roseville for a period of 3 months.
- At the end of 3 months, the business must provide a statement describing how the assistance helped to expand the business, increase the number of employees, or retain employees.
- Micro-loan proceeds would be disbursed directly to the contractor who completed the capital improvements following receipt of a final invoice.
- Micro-loan recipients would enter into a forgivable loan agreement with and deliver a promissory note to the REDA. Micro-loan proceeds must be disbursed within 6 months of execution of the loan agreement

Application Requirements

- Basic details about the business (who, what, where).
- Must be able to demonstrate the business has been in business for at least one year.
- Description of capital improvements to be funded.
- A statement of need, including whether access to traditional funding has been explored, and if yes, why traditional funding was not pursued for the intended use

- of the micro-loan.
- A summary of the business's monthly revenues & expenditures for the last 1-2 years.
- An explanation of how the micro-loan will help the business remain and expand in the City of Roseville and/or create or retain jobs.

Businesses Not Eligible

The following businesses are not eligible:

- Businesses that do not have a physical address within the City of Roseville
- Non-profit organizations
- Businesses with annual gross revenues greater than \$1 million
- Chain retail
- Businesses that derive income from passive investments without operational ties to operational businesses
- Businesses that engage in sexually explicit goods/services
- Businesses that engage in gambling enterprises
- Businesses that engage in activities prohibited by law
- Businesses that earn revenue from pyramid schemes, lending services and/or day trading/short term investments
- Businesses that are not in compliance with all state and local laws and regulations pertaining to licensing, building codes, zoning, and environmental requirements.
- Businesses that have delinquent taxes, bills, fines or other charges due to the city.

REDA reserves the right to approve or reject any application on a case-by-case basis, taking into consideration factors considered appropriate by REDA, in addition to established polices, criteria, and potential benefits. Meeting the criteria does not guarantee an application will be approved. Approval or denial of an application is at the sole discretion of REDA.

Forgivable Micro-Loan Application

*Indicates required field

Applicant Information			
* First Name:	* La	ast Name:	
* Primary Phone:	Sec	condary Pho	one:
* Email Address:			
Business Information			
*Business Legal Name:			
*Business Operating Name (if differe	nt):		
* Business Address:			
*City:	*State: MN	N	*ZIP Code:
*Describe type of business and what	services do	you provid	le:
How many employees do you have?: *Part-Time?Full-Time including *Date business opened in the City of * For what purpose will you use the forther money be used?	Roseville?		your need. How exactly will
*Description of Loan request a. Loan amount requested: \$ b. Estimate total cost of the proposed	project: \$		
c. If the total cost of the proposed proeach source will provide:			rces of funds and how much
Applicant Equity: \$		ling sources	? If yes, why weren't funding

* Will the funds be used to expand the business operations that will result in an increase of employees? If so, how many employees will be added?
*If no new jobs will be created, how will the funds otherwise help your business retain employees? How many employees will be retained due to the funds provided? What circumstances have led to your possible reduction in staffing in the last year and how will these funds help address this issue?
* What is your goal, and how will this loan help you retain the business or achieve business growth/job creation?
* What is your time frame for completing the project related to this forgivable loan?
*What was the business' annual gross revenue last year?
* Please provide a summary of the business's monthly revenues & expenditures for the last 1-2 years. <i>(optionally supply as an attachment)</i>
Gender (please select):
Male
Female
Other
Ethnicity (please select):
African
African American
Asian
Native American
White/Caucasian

What is the highest education level you have completed?:

__ Hispanic/Latino/a

__ Multi-racial

__ Other

The data provided on this form will be used by the REDA to evaluate an application for financial assistance. I understand that this data may be subject to disclosure in accordance with the Minnesota Government Data Practices Act, Minnesota Statutes, chapter 13. You are not required to provide the information requested in this application, but the REDA will not process an application without all requested information.

I hereby affirm that all the information above and information and documents provided in connection with this application are true and accurate to the best of my knowledge. I have read and fully agree to be bound by the Forgivable Micro-Loan Guidelines.



MCCD BUSINESS ADVISORS:

- * Overall, how do you rate the applicant's level of confidence and outlook?
- 1. not positive
- 2. rarely positive
- 3. somewhat positive
- 4. often positive
- always positive

^{*} Why do you recommend this client for a Roseville micro-forgivable loan?

LOAN AGREEMENT FOR THE ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY'S FORGIVABLE MICROLOAN PROGRAM

This Loan Agreement (this "Agreement") is made this day of, 2023, between the Roseville Economic Development Authority, a public body corporate and politic organized and existing under the laws of the State of Minnesota ("Lender"), and [name of business], a Minnesota [type of business entity, e.g. limited liability company, sole proprietorship, assumed name, etc.] ("Borrower").
RECITALS
A. Lender has created a small business forgivable loan program (the "Program") intended to diversify and strengthen the economic fabric of the City of Roseville, Minnesota (the "City") by (i) providing financial resources to small businesses located within the City that may struggle to obtain traditional financing, (ii) improving the odds of businesses successfully expanding in the City, (iii) redeveloping and improving commercial properties in the City, (iv) helping small businesses create and retain jobs in the City, and (v) providing opportunities for wealth building, and Lender has approved guidelines for the Program (the "Program Guidelines").
B. Borrower has submitted a loan application (the "Loan Application") and Lender has approved a forgivable loan to Borrower in the maximum principal amount of \$ (the "Loan") to pay a portion of the expenses described in Exhibit A attached hereto, in connection with Borrower's [kind of business, e.g. restaurant, salon, etc.] located at [address] in the City (the "Project").
C. Lender and Borrower wish to memorialize the terms of the Loan in this Agreement.
ACCORDINGLY, to induce Lender to make the Loan to Borrower, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:
1. The Loan Amount . Subject to the terms and conditions of this Agreement, the Note (as hereinafter defined), the Program Guidelines, and the Loan Application, Borrower agrees to take and Lender agrees to make a loan in the principal amount of Dollars and no/100 (\$00) or so much thereof as is disbursed to Borrower in accordance with this Agreement. The Loan shall be evidenced by a promissory note (the "Note"), substantially in the form of Exhibit B attached to this Agreement. Proceeds of the Loan shall be disbursed in accordance with Section 2 hereof.

2. **Disbursement of Loan Proceeds.**

- (a) The Loan shall be disbursed in a single lump sum directly to the contractor who completes the Project ("Contractor") upon delivery to the Lender of the following:
 - (i) Loan Documents. Executed copies of this Agreement and the Note;
 - (ii) <u>Borrower's Organizational Documents</u>. Copies of Borrower's organizational documents, including articles of incorporation or articles of organization, as applicable, a certificate of good standing issued by the Minnesota Secretary of State, and evidence that it has a city, state, or federal license to do business or relevant professional license;
 - (iii) <u>Business Location Information.</u> Borrower has submitted a copy of a fully executed lease or purchase agreement clearly indicating the Project is located within the City;
 - (iv) Other Funding Sources. If the Borrower is using other funding sources to complete the Project, the Borrower has provided evidence reasonably satisfactory to the Lender that all other sources of funding for the Project have been disbursed, which may include the submission of paid invoices, a bank closing statement, or written confirmation from the Contractor that it has received payment from other sources in an amount sufficient to complete the Project; and
 - (v) <u>Contractor Documents</u>. The final invoice, a lien waiver for all work done, verification that any City permit has been properly closed and an executed Certificate of Completion in the form attached hereto as Exhibit D.
- (b) Upon receipt by Lender of the items required pursuant to this section hereof in the form and condition required therein, Lender agrees to disburse the Loan proceeds to the Contractor in an amount not to exceed the lesser of (a) the costs of the Project or (b) the Loan amount.
- 3. **Representations and Warranties**. Borrower represents and warrants to Lender that:
- (a) Borrower is duly authorized to sign, deliver, and perform this Agreement and to receive the Loan from Lender and constitutes its lawful and binding obligation, legally enforceable against it.
- (b) The execution and delivery of this Agreement, and the performance by Borrower of its obligations hereunder, do not and will not violate or conflict with, or cause any default or event of default to occur under any agreement binding upon Borrower.

(c)

- (d) Borrower agrees that it will keep and maintain books, records, and other documents relating directly to the receipt and disbursement of proceeds of the Loan and that any authorized representative of Lender, with reasonable advance notice, may have access to and the right to inspect, copy, audit, and examine all such books, records, and other documents of Borrower related to the Loan for 6 years after the date hereof.
- (e) To the best of Borrower's knowledge, Borrower has fully complied with all applicable state and federal laws pertaining to its business and will continue to comply throughout the term of this Agreement. If at any time Borrower receives notice of noncompliance from any governmental entity, Borrower agrees to notify Lender of such noncompliance and take any necessary action to comply with the state or federal law in question.
- (f) Borrower warrants that it will use the proceeds of the Loan made by Lender solely to finance the Project.
- (g) Borrower will comply with all state and local laws pertaining to licensing, building codes, zoning, and environmental requirements. Borrower represents that it does not have delinquent taxes, bills, fines or other charges due to the City. Borrower represents and certifies that the Project is a conforming or legally nonconforming use under the current zoning regulations of the City.
- (h) Borrower represents and certifies that is an eligible recipient of the Loan under the Program Guidelines. Borrower further represents and certifies that it is a small business with less than 5 employees and has annual gross revenues of less than \$1,000,000. The Borrower represents and certifies that the Project will be undertaken in connection with an expansion of its existing business resulting in the creation of jobs.
- 4. **Event of Default by Borrower.** The following shall be Events of Default under this Agreement:
 - (a) failure to pay any principal or interest on the Loan when due;
- (b) any representation or warranty made by Borrower herein or in any document, instrument, or certificate given in connection with this Agreement or the Note that is false when made;
- (c) any breach or failure of Borrower to perform any other term or condition of this Agreement not specifically described as an Event of Default in this Agreement and such breach or failure continues for a period of thirty (30) days after Lender has given written notice to Borrower specifying such default or breach, unless Lender agrees in writing to an extension of such time prior to its expiration; or
- (f) any breach by Borrower of any other agreement between Borrower or Lender relating to the Loan and/or the Project, including but not limited to a breach of a covenant by Borrower in the Note.

- 5. **Lender's Remedies upon Borrower's Default.** Upon an Event of Default by Borrower and after provision by Lender of written notice thereof, Lender shall have the right to exercise any or all of the following remedies (and any other rights and remedies available to it):
- (a) declare the principal amount of the Loan and any accrued interest thereon to be immediately due and payable;
 - (b) suspend its performance under this Agreement; and
- (c) take any action provided for at law to enforce compliance by Borrower with the terms of this Agreement and the Note.
- 6. **Lender's Costs of Enforcement of Agreement.** If an Event of Default has occurred as provided herein, then upon demand by Lender, Borrower shall pay or reimburse Lender for all expenses, including all attorneys' fees and expenses incurred by Lender in connection with the enforcement of this Agreement and the Note, or in any action or proceeding relating in any way to the transactions contemplated by this Agreement.
- 7. **No Business Subsidy**. The parties agree that the Loan is not a business subsidy as defined in Minnesota Statutes, Sections 116J.993 to 116J.995, as amended (the "Business Subsidy Act"), because the assistance is in the amount of less than \$25,000.

8. Forgiveness.

- (a) If Borrower (i) continues to operate its business in the City for a period of three (3) months from the date of disbursement of the proceeds of the Loan (the "Required Operations Period") and (ii) provides a summary to Lender describing how the funds helped it expand its business and increase or retain its number of employees as required by the Program Guidelines in substantially the form set forth in Exhibit B (the "Summary") on the three (3) month anniversary of the date hereof (the "Deadline Date"), then the Loan shall be forgiven upon written confirmation from Lender.
- (b) If Borrower (i) ceases to operate its business during the Required Operations Period or (ii) fails to submit the Summary by the Deadline Date, then the Loan shall not be forgiven, and Lender may by written notice to Borrower declare the Loan due and payable (the "Default Notice"), whereupon the Loan and all amounts owing with respect to this Agreement and the Note shall immediately become due and payable. In such event, Lender may proceed to exercise any right or remedy under the Note. Borrower shall repay the Loan with interest as follows:

- (i) The principal amount of the Loan to be repaid shall equal the amount of the Loan disbursed to Borrower in accordance with this Agreement commencing on the date of the Default Notice.
- (ii) Payments of principal and interest shall commence on the 15th day of the first month following the date of the Default Notice and continue each and every month on the 15th day of each month through and including the 15th day of the 24th month after the Default Notice or such other repayment term as agreed to by the Executive Director of the Lender.

9. **Indemnification**.

- (a) Borrower shall and does hereby agree to protect, defend, indemnify and hold Lender and the City, and their officers, agents, and employees, harmless of and from any and all liability, loss, or damage that it may incur under or by reason of this Agreement, and of and from any and all claims and demands whatsoever that may be asserted against Lender or the City by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained herein.
- (b) This indemnification and hold harmless provision shall survive the execution, delivery, and performance of this Agreement and the payment by Lender of any portion of the Loan.

10. **Miscellaneous**.

- (a) **Waiver**. The performance or observance of any promise or condition set forth in this Agreement may be waived, amended, or modified only by a writing signed by Borrower and Lender. No delay in the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.
- (b) **Assignment**. This Agreement is binding upon the parties. All rights and powers specifically conferred upon Lender may be transferred or delegated by Lender to any of its successors and assigns. Borrower's rights and obligations under this Agreement may be assigned only when such assignment is approved in writing by Lender.
- (c) Governing Law. This Agreement is made and shall be governed in all respects by the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

- (d) **Severability**. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications that can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby.
- (e) **Notice**. All notices required hereunder shall be given by depositing in the U.S. mail, postage prepaid, certified mail, return receipt requested, to the following addresses (or such other addresses as either party may notify the other):

To Lender: Roseville Economic Development Authority

2660 Civic Center Drive Roseville, MN 55113 Attn: Executive Director

To Borrower:	Borrower address
--------------	------------------

Attn:	

- (f) **Termination**. If the Loan is not disbursed pursuant to this Agreement within 6 months hereof, this Agreement shall terminate and neither party shall have any further obligation to the other, except that if the Loan is not disbursed because Borrower has failed to use its best efforts to comply with the conditions set forth in Section 3 of this Agreement, then Borrower shall pay to Lender all reasonable attorneys' fees, costs, and expenses incurred by Lender in connection with this Agreement and the Note.
- (g) **Entire Agreement.** This Agreement, together with the Exhibits hereto, which are incorporated by reference, constitutes the complete and exclusive statement of all mutual understandings between the parties with respect to this Agreement, superseding all prior or contemporaneous proposals, communications, and understandings, whether oral or written, concerning the Loan.
- (h) Electronic Signatures; Execution in Counterparts. The electronic signature of the parties to this Agreement shall be as valid as an original signature of such party and shall be effective to bind the parties hereto. For purposes hereof, (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(i) **Data Practices**. All data collected, created, received, maintained or disseminated for any purpose in the course of the Grantee's performance of this Agreement is governed by the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, and any other applicable state statutes, any state rules adopted to implement the Act and statutes, as well as federal statutes and regulations on data privacy.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the proper officers thereunto duly authorized on the day and year first written above.

Lender: ROSEVILLE AUTHORITY	ECONOMIC	DEVELOPMENT
By:		
Its President		
By:		
Its Executive Di	rector	

Borrov	/er:
Busine	ess name]
	By:
	Title:

[SIGNATURE PAGE TO LOAN AGREEMENT – BORROWER]

EXHIBIT A LOAN ACTIVITIES

EXHIBIT B

PROMISSORY NOTE

\$00	, 2023
[name of business], a Minnesota [name of business], a Minnesota [name of business], a Minnesota [name of business], assumed name, etc.] ("Borroreceived, hereby promises to pay to the Roseville Economic Development Authority corporate and politic organized and existing under the laws of the State of Minnesota, it assigns ("Lender"), at its designated principal office or such other place as Lender rewriting, the principal sum of and No/100ths Dollars (\$00) or as may be advanced under this Note (the "Loan"), with interest thereon at the per annulate determined on or about the date Lender provides notice in writing to Borrower declariand payable (the "Default Notice"), accruing on the disbursed amount from the date of the in any coin or currency which at the time or times of payment is legal tender for the padebts in the United States of America. The principal and interest of this Note is payable at	y, a public body ts successors and may designate in so much thereof am rate of 0% as ing the Loan due e Default Notice, syment of private
1. On the fifteenth (15th) day of each month (each a "Payment Date"), con 15th day of first month following the date of the Default Notice, through and including the 12thth month after the Default Notice, Borrower shall pay an amount equal to the from the preceding Payment Date (or with respect to the first Payment date, from the da Notice) and a portion of the principal in an amount sufficient to fully amortize this Note monthly payment of principal and interest by the Loan Payoff Date (as hereinafter de however, the entire balance of principal and accrued and unpaid interest as of 24 months the Default Notice (the "Loan Payoff Date") shall be due and payable in full on the Loan provided in the amortization schedule to be prepared and attached hereto as Exhibit A at Lender provides the Default Notice to Borrower. If Borrower does not pay the amoundays after any Payment Date, a penalty of fifty dollars (\$50.00) will be added to the amoundays after any Payment Date, a penalty of fifty dollars (\$50.00) will be added to the	g the 15th day of accrued interest ate of the Default based on a level fined), provided, from the date of a Payoff Date, as or about the time and the within 10
2. Borrower shall have the right to prepay the outstanding principal and ir this Note, in whole or in part, on any date without penalty.	nterest amount of
3. As provided in the Loan Agreement (as hereinafter defined), if Borro operate its business in the City of Roseville, Minnesota (the "City") for a period of three the date of disbursement of the proceeds of the Loan (the "Required Operations Period written summary to Lender as set forth in the Loan Agreement, the Loan shall be fo however if Borrower ceases to operate its business during the Required Operations Period shall not be forgiven, and the amounts payable under the Loan Agreement and this Note become due and payable. The Loan shall be repaid in accordance with the terms of Loan	(3) months from l") and provide a orgiven; provided od, then the Loan will immediately
4. The Loan has been authorized pursuant to a resolution adopted be Commissioners of Lender approving the Program (as defined in the Loan Agreement) of This Note evidences the Loan and is given pursuant to the Loan Agreement, dated (the "Loan Agreement"), between Borrower and Lender.	n May 15, 2023.

It is agreed that time is of the essence of this Note. If an Event of Default occurs hereunder or under the Loan Agreement then Lender may at its right and option, take all actions under the Loan Agreement.

5. The remedies of Lender as provided herein and in the Loan Agreement, shall be cumulative and concurrent and may be pursued singly, successively, or together and, at the sole discretion of Lender, may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by Lender and then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event. This Note may not be amended, modified, or changed except only by an instrument in writing signed by the party against whom enforcement of any such amendment, modifications, or change is sought.

- 6. The obligations of Borrower hereunder are unconditional irrespective of any defense or any rights of setoff, recoupment or counterclaim it might otherwise have against Lender, the City, or any government body or other person.
- 7. If any of the terms of this Note, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such terms to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each of the terms of this Note shall be valid and enforceable to the fullest extent permitted by law.
- 8. It is intended that this Note is made with reference to and shall be construed as a Minnesota contract and governed by the laws of the State of Minnesota.
- 9. IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, and things required to exist, happen, and be performed precedent to or in the issuance of this Note do exist, have happened, and have been performed in regular and due form as required by law.

Borrower:
[Business name]

IN WITNESS WHEREOF, Borrower has caused this Promissory Note to be duly executed as of the date first written above.

Title: _____

By: _____

EXHIBIT C

LOAN SUMMARY FOR THE ROSEVILLE EDA

Applicant Information
Name:
Business Legal Name:
Business Address:
How many employees do you have:
Part-Time?Full-Time including yourself?
Is the business still operating in Roseville? Yes/No
What were the proceeds of the Roseville EDA financing used for?
How many employees were you able to add due to the Roseville EDA financing?
How did the Roseville EDA financing help your business expand?
If now new jobs were created, how did the Roseville EDA financing help your business retain job and remain in the City of Roseville? How many jobs were retained?
How did the Roseville EDA financing help your business achieve its goals including the goals listed in the application submitted in connection with the financing?

EXHIBIT D

CERTIFICATE OF COMPLETION

[name of busines	omic Development Authority (the "Lender") and ss] (the "Borrower") entered into a certain Loan
forgivable loan to the Borrower in the max	, 2023, wherein the Lender provided a imum principal amount of \$ (the "Loan") to
pay all or a portion of the costs to complete	the Project (as defined in the Agreement):
pay an or a portion of the costs to complete	the Project (as defined in the Agreement),
WHEREAS, the Borrower engage	d [name of contractor] (the
"Contractor") to construct the Project pursu	ant to the terms of the Loan Agreement;
	certify that all construction and other physical
	fied to be done and made by the Borrower and the
	orrower maintains and affirms the representations and
warranties in Section 4 of the Agreement,	and this Certificate of Completion is intended to be a
conclusive determination of the satisfactor	y termination of the Project, but any other covenants
in the Agreement shall remain in full force	and effect.
Dated:,2	20
	BORROWER
	By
	Its
	CONTRACTOR
	CONTRACTOR
	By
	Its

1 2		EXTRACT OF MINUTES OF MEETING OF THE
3	ROSI	EVILLE ECONOMIC DEVELOPMENT AUTHORITY
4		
5		* * * * * * * * * * * * * * * *
6		
7		ue call and notice thereof, a regular meeting of the Board of Commissioners
8 9		of the Roseville Economic Development Authority ("REDA") was duly 15 th day of May, 2023, immediately preceding the meeting of the City
10	Council of the	e City of Roseville.
11 12	The following	g members were present:
13 14	and the follow	wing were absent: .
15	and the fono	wing were absent.
16	Member	introduced the following resolution and moved its adoption:
17 18		RESOLUTION No.
19		RESOLUTION NO
20	R	ESOLUTION APPROVING A SMALL BUSINESS
21		OAN PROGRAM AND AUTHORIZING STAFF TO
22	A	DMINSTER SAID LOAN PROGRAM
23	WHEREAS,	the Roseville Economic Development Authority ("REDA") has undertaken
24		a program to promote economic development and job opportunities,
25 26		support existing businesses, and promote the development and redevelopment of land which is underutilized within the city of Roseville,
27		Minnesota (the "City"); and
28		
29	WHEREAS,	
30		goods and services, increase and retain job opportunities in the City and
31 32		the State of Minnesota, help make communities desirable and productive, and help maintain and increase the tax base in the City, as well as further
33		diversify the local economy by making it stronger and more vibrant; and
34		arreierly and reconstructing of manifest or engages and manifest and
35	WHEREAS,	REDA proposes to establish a Forgivable Micro-Loan Program (the
36		"Program") intended to diversify and strengthen the City's economic fabric
37		by supporting small businesses, create and retain jobs in the City, improve
38		the odds of small businesses successfully opening or expanding in the
39		City, help redevelop and improve existing commercial spaces in the City,
40 41		encourage the revitalization of existing buildings and reduce the potential for blight in in the City by supporting small businesses in making capital
+1 42		improvements; and
43		mpro . smonto, una
14	WHEREAS,	REDA has prepared the Program Guidelines (the "Guidelines") and the
1 5		Program Application (the "Application") for the Program; and

WHEREAS, in connection with the Program, REDA has prepared a model Loan Agreement and Promissory Note (the "Loan Documents") to be executed in connection with the provision of each loan provided under the Program;

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Board hereby approves the Program and the Board finds, determines and declares that it is in the public interest of the residents and businesses of the City that the Program be adopted.

2. The Board hereby approves any related documents necessary in connection with the Program, including without limitation, the Guidelines, the Application, the Loan Documents and all other documents or certifications referenced in or attached to the Guidelines and the Application (collectively, the "Program Documents") and the REDA Executive Director (the "Executive Director") is hereby authorized to execute the Program Documents on behalf of REDA, and to carry out, on behalf of REDA, REDA's obligations thereunder when all conditions precedent thereto have been satisfied. The Board hereby delegates to the Executive Director the authority to administer the Program in accordance with the Guidelines including without limitation processing and approving Program applications and executing Program Documents pursuant to the Guidelines and the Application.

3. The Board authorizes the expenditure of available REDA general fund dollars for the implementation of the Program in the amount of up to \$30,000.

4. The approval hereby given to the Program Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to REDA and by the Executive Director prior to their execution; and the Executive Director is hereby authorized to approve said changes on behalf of REDA. The execution of any instrument by the appropriate officers of REDA herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the Executive Director, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of legal counsel to REDA, may act on the Executive Director's behalf.

5. The authority to approve, execute and deliver future amendments to the Program Documents is hereby delegated to the Executive Director, subject

92		to the following conditions: (a) such amendments or consents do not
93		materially adversely affect the interests of the REDA; (b) such
94		amendments or consents do not contravene or violate any policy of the
95		REDA, the City or applicable provision of law, and (c) such amendments
96		or consents are acceptable in form and substance to the counsel retained
97		by the REDA to review such amendments. The execution of any
98		instrument by the Executive Director shall be conclusive evidence of the
99		approval of such instruments in accordance with the terms hereof.
100		
101	6.	The Board authorizes and directs the Executive Director and REDA staff
102		to undertake and implement the Program and Program Documents as
103		provided therein and take all actions necessary in connection therewith.
104		
105		
106	The motion for the adoption of the foregoing resolution was duly seconded by Member	
107		
108	, and upon a vote being taken thereon, the following voted in favor thereof:	
109		
110	and the following voted against the same:	
111		
112	WHEREUPC	N said resolution was declared duly passed and adopted.
113		

114	Certificate		
115			
116	I, the undersigned, being duly appointed Executive Director of the Roseville		
117	Economic Development Authority, Minnesota, hereby certify that I have carefully		
118	compared the attached and foregoing resolution with the original thereof on file in my		
119	office and further certify that the same is a full, true, and complete copy of a resolution		
120	which was duly adopted by the Board of Commissioners of said Authority at a duly		
121	called and regular meeting thereof on April 10, 2023.		
122			
123	I further certify that Commissioner introduced said resolution and		
124	moved its adoption, which motion was duly seconded by Commissioner,		
125	and that upon roll call vote being taken thereon, the following Commissioners voted in		
126	favor thereof:		
127			
128			
129			
130			
131	and the following voted against the same:		
132			
133			
134	whereupon said resolution was declared duly passed and adopted.		
135			
136	Witness my hand as the Executive Director of the Authority this day of April,		
137	2023.		
138			
139			
140			
141			
142	Patrick Trudgeon, Executive Director		
143	Roseville Economic Development		
144 145	Authority		
145 146			
1-10			