

Economic Development Large Project Loan Program Fact Sheet

The Wyoming Business Council is authorized to lend funds for the benefit of Wyoming businesses. The loan may finance the purchase, construction and installation of buildings or equipment, which will add economic value to goods, services, or resources within the state.

Eligible projects must generally consist of an applicant's prospectively planned, well-defined business endeavor, and the project shall have a set beginning and completion date. A loan or loan guarantee hereunder shall not be used to fund past business or construction expenditures. Expenses eligible for reimbursement from loan proceeds following execution of applicable loan or loan guarantee documents shall relate back no earlier than the submission of the request for the loan or loan guarantee to the Wyoming Business Council. Financing under this program shall not primarily serve as a refinance mechanism or otherwise serve to substitute the loan or loan guarantee for an applicant's current lenders. Examples of eligible projects can be found in Section 6(c) of the rules.

Applicants must complete the “3rd Party Impact analysis Inputs” sheet for the WBC to determine eligibility and ascertain how much the WBC can contribute to a project. The assessed value includes value of the company’s capital investment, plus additional assessed value created by supplier and consumer businesses and their employees that would benefit from the increase demand created by the project.

PROGRAM TERMS:

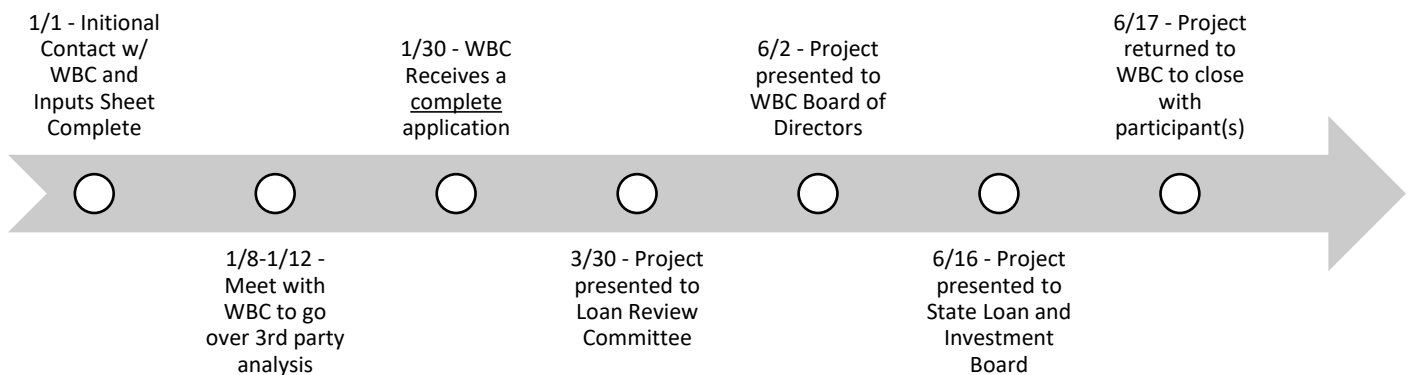
- Minimum Amount - Project Costs must exceed \$5,000,000
- Interest Rate – The interest rate for any loan under this program shall be consistent with Wall Street Journal Prime (WSJP) as of the date of the application with a floor of WSJP minus one (1) percent and a ceiling of WSJP plus seven (7) percent.
- Equity - The applicant must commit private funds from funding sources not provided by the state of Wyoming in an amount which is at least twenty-five percent (25%) of the total cost of the project.
- Fee(s) - The Wyoming Business Council shall charge the applicant a loan origination fee or loan guarantee fee in the amount of one percent (1%) of the State’s total loan or guaranteed loan amount.
- Security - The loan or loan guarantee shall require that the State maintain a first priority lien on all collateral including, but not limited to, pledge of revenues, mortgages, or security interest in equipment.

APPROVAL PROCESS:

1. The applicant shall first notify the WBC via email and/or phone of the potential project and complete the “3rd Party Impact Analysis Inputs” sheet.
2. The WBC will then provide the information on the input sheet to the 3rd party for impact analysis. Once we receive feedback from the 3rd party analysis (usually within 1 week), and determine the project is eligible for funding we will set up a meeting to go over how much money the WBC may provide to a project.

3. Upon completion of this meeting, and the applicant deciding to move forward, we will ask that you complete all tabs included in the program rules Section 4. “Material Required for Review”. *(This will be considered your application – More details below)*
4. Upon WBC receiving a **complete** application, the Wyoming Business Council staff shall review the project application under the process set forth in W.S. 9-12-601 through W.S. 9-12-603.
5. Within sixty (60) calendar days of receipt of a **complete** application the Wyoming Business Council staff and participants (if applicable) shall present the project, the proposed loan or loan guarantee, and its terms to the Loan Review Committee. The Loan Review Committee may accept or deny the proposed loan or amend its terms.
6. Upon the favorable recommendation by the Loan Review Committee, the project shall then be submitted for the formulation of an accept or deny recommendation by vote from the Wyoming Business Council Board at the next scheduled quarterly (March, June, September, or December) Board meeting.
7. Upon the recommendation by the Wyoming Business Council Board, the Wyoming Business Council shall forward its recommendation to the Wyoming State Loan and Investment Board at the next available meeting for its final approval, or rejection of the loan or loan guarantee.
8. Upon the completion of final approval of the Wyoming State Loan and Investment Board, the application is finally approved and will return to the Wyoming Business Council staff to close the loan or loan guarantee in conjunction with the participating financial institution(s).

TIMELINE EXAMPLE:



PROJECT APPLICATION: The applicant shall submit five (5) copies of the ***complete*** project application to the Wyoming Business Council staff, including materials required by the Wyoming Business Council staff in addition to those items described in Section 4(a) of the Rules for review. The project application must contain the following comprehensive information as described in Section 4(a)(The following information shall be submitted in a three ring binder):

Section 4. Materials Required for Review.

(a) Project application.

Tab A - A detailed overview of the applicant's business entity, including identification of all principal management and owners.

Tab B - A detailed description of the project to be financed, including all costs to be funded and a specific explanation of how the project satisfies the criteria set forth in W.S. 9-12-308(f);

Tab C - A business plan accurately describing the existing business and its history, future business endeavors, and all characteristics of the project to be funded through the loan or the financing secured by the loan guarantee. The business plan must address, but should not be limited to, the following components:

(A) The total cost of the project, the amount of financing sought and what costs and expenses for the project will be covered by such financing;

(B) The source of applicant's required private funds, as described in Section 7(h) of this Chapter, to be used in the completion of the project in an amount which is at least twenty-five percent (25%) of the total cost of the project.

(C) The collateral offered to secure the loan or the loan guarantee, including documentation establishing that the collateral is the property of the applicant and is unencumbered with any other financing or an indication that any such financing will be paid off with proceeds from the loan or the financing obtained in connection with the loan guarantee;

(D) The proposed term of financing, including loan amount, term of the loan, amortization, interest rate, and/or private bank participation; and

(E) Any other information reasonably necessary to inform the Wyoming Business Council staff about the project to be financed, the nature of which may vary depending upon the type of business and facilities at issue;

Tab D -A comprehensive chart and detailed description identifying all business entities related to the applicant, whether by contract or through corporate affiliations;

Tab E — The applicant's financial records for five (5) years or the life of the applicant, whichever is less, including tax returns;

Tab F -A balance sheet and projected cash flow for the project for the anticipated term of the loan or loan guarantee evidencing the applicant’s ability to repay the loan or the financing guaranteed by the loan guarantee on or prior to maturity;

Tab G -Existing short-term and long-term financing for property associated with the project to be financed through the loan or loan guarantee;

Tab H -Records concerning the environmental compliance with the applicable environmental regulations of facilities and underlying real property associated with the project and completion of an environmental questionnaire provided by the Wyoming Business Council staff with regards to such property which will serve as collateral. If the environmental questionnaire indicates any environmental problems with the property, then further due diligence may be required, such as a Phase 1 and possibly Phase 2 environmental report;

Tab I -Notice and identification of any threatened or pending litigation involving the anticipated project or property offered as collateral and/or the applicant (or such entity that will be the borrower) and any guarantor as provided in Section 7(j).

Tab J - Industry-specific information and documentation concerning the applicant’s business activities within that industry, including without limitation, regulatory information related to the project to be undertaken; and

Tab K -Any relevant ongoing or new information that arises any time after applicant’s initial submission of the above information which may influence or bear upon the review of the proposed loan or loan guarantee, including without limitation, new or altered financing arrangements, statutory, rule or regulatory changes which may impact applicant’s project or operations or the proposal thereof, or changes in ownership.

Helpful Tips:

- State of Wyoming is willing to run the impact modeling and determine an eligible amount to lend, however, it is advisable that other financing is established first, as State approval is highly dependent on established other financing as well.
- Working with the WBC is easiest and most advisable – this starts with the regional director located in the area of the proposed project.
- Owners/operators of the project will *more than likely* be asked to provide a personal guarantee of the loan.

CONTACT:

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