



Loan Application

Commercial Revitalization Loan Fund (CRLF) and ED-RLF



Version: 5.22.2012

SECTION A: APPLICANT INFORMATION

| | |
|--|--|
| Business Legal Name: | One Love LLC |
| Doing Business As (DBA): | Little Cardinals Academy |
| Street Address: | 1805 Bourbon Road |
| City/State/Zip: | Cross Plains WI 53528 |
| Municipality: | Cross Plains |
| Web Site: | Current owner's site www.littlecardinals4k.com |
| DUNS Number*: | Do not have at this time |
| Contact Person Regarding this Application | |
| Name: | Melissa Gobourne |
| Title/Position Function: | Owner / Operator |
| Street Address: | 141 Valley View Road |
| City/State/Zip: | Mount Horeb WI 53572 |
| Phone Number: | 608.575.2343 |
| Alternate Phone: | |
| Fax Number: | |
| E-mail Address: | melissa.gobourne@gmail.com |

*A Data Universal Numbering System (DUNS) number must be provided for each business. A business may contact Dun & Bradstreet at 1-800-333-0505 to register and obtain a free DUNS number.

SECTION B: BUSINESS INFORMATION

1. Legal Structure (check one)

- | | | |
|--|--|---|
| <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> Corporation | <input checked="" type="checkbox"/> Limited Liability Company (LLC) |
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> S-Corporation | <input type="checkbox"/> Limited Liability Partnership (LLP) |
| <input type="checkbox"/> Limited Partnership | <input type="checkbox"/> Other | |

2. Is there a written operating agreement, partnership agreement, or bylaws? Yes No

3. If an LLC, is the LLC managed by all members? Yes No. If no, who is the managing member?

Melissa Gobourne

4. Date Business Originally Established September 2017

5. Number of Years Under Current Ownership 2 years

6. Type of Business (check all that apply):

- Architecture
- Consultant
- Construction Contractor
- Engineering
- Fabricator
- Finance
- Manufacturing
- Retail/Vendor
- Service
- Transportation
- Wholesale/Distributor
- Legal
- Broker
- Other (specify)

7. Certifications held by business (check all that apply): Soon to apply

- Minority Business Enterprise
- Small Business Enterprise
- Section 3 Business
- Women-Owned Business Enterprise

8. How many years have you been doing business under your present firm or trade name?

2 years

9. Please list any other names under which this business may have operated:

2010 - Present Little Cardinals Academy
1997 - 2016 Clubhouse for Kids Inc.

10. Current number of employees: 15 Full-time 3 Part-time

11. How many hours per week does an employee work to be considered full-time? 30

12. Briefly describe the primary products and/or services of the business.

Little Cardinals Academy provides childcare for families with children ages 6 weeks to 10 years old. There is also an established 4K program through the Middleton-Cross Plains School District

13. Briefly describe critical trends in the business/industry in which this business is operating.

In the Community of Cross Plains, there is only one other daycare facility servicing families with children ages 6 weeks to 10 years.

14. Describe the existing and potential target customers of the business.

Based on the Cross Plains Market Analysis prepared by UW Extension's Center for Community and Economic Development, 34% of homes have children, compared to 28% in Dane County. Cross Plains continues to grow like many Madison-Area communities. Childcare is hard to find and centers fill-up quickly. This is an on-going need in the community as well as important work to help working mothers and fathers continue to provide for their families. 2

15. Ownership of Business - Identify all owners; attach separate sheet if necessary. Personal financial statements will be required for each owner of 20% or more of the business.

| Name | Address | Latino or Hispanic (Y/N) | Race* | Gender* | Ownership | | Voting % |
|------------------|--------------------|--------------------------|-------|---------|-----------|------------|----------|
| | | | | | % | Date | |
| Melissa Gobourne | 141 Valley View Rd | N | W | F | 100 | March 2014 | 100 |
| | | | | | | | |
| | | | | | | | |

* Demographic Options

| | | | |
|--|--|---|--|
| Gender: | Race: (Indicate all that apply) | | |
| <ul style="list-style-type: none"> • Female • Male | <ul style="list-style-type: none"> • African-American, Black (B) • Asian (A) | <ul style="list-style-type: none"> • Native American (NA) • Pacific Islander (PI) | <ul style="list-style-type: none"> • White, Caucasian (W) |

16. If your business is incorporated please provide names of all officers.

| Board of Directors | Title | Latino or Hispanic | Race* | Gender* |
|--------------------|----------------|--------------------|-------|---------|
| | President | | | |
| | Vice President | | | |
| | Secretary | | | |
| | Treasurer | | | |

17. Provide information on the key members of your management team. Please be sure to attach resumes.

| Management Team | Title | Latino or Hispanic | Race* | Gender* |
|---|------------------|--------------------|-------|---------|
| Melissa Gobourne Owner / Operator | Owner / Operator | N | W | F |
| Jennifer Bloom | Daycare Director | N | W | F |
| Kandi Jones | Daycare Director | N | W | F |
| Brenda Fritz | Current Owner | N | W | F |

Transition Coach

SECTION C: PROJECT AND FINANCING REQUEST

18. Provide a description of the location where the project will take place, indicate whether the site is leased or owned, and the current zoning. Attach a map to this application.

| | |
|-----------------|--------------------------|
| Project Name: | Little Cardinals Academy |
| Street Address: | 1805 Bourbon Road |
| City/State/Zip: | Cross Plains WI 53528 |
| Municipality: | Cross Plains |

| | |
|------------------|--|
| Owned or Leased: | Building is currently leased; but for sale |
| Current Zoning: | Community Mixed Use - Commercial |

19. Provide a description of the proposed project.

Current business owner is terminating lease to focus on growing her daycare center in Mount Horeb. Current building owner is looking to sell the building to recover losses from last year's flood in Middleton where they own another daycare.

20. Provide information on the site acreage, square footage of the facility currently used by your business (if any) and proposed facility, whether the business will own or lease each facility, and the current and proposed number of tenants in each facility.

The LCA will close unless this transaction is completed.

| Facility | Site Acreage | Square Footage | Own/Lease | Number of Tenants |
|-----------------------|--------------|----------------|-----------|-------------------|
| Existing Facility | 1.1 Acre | 13,050 | Lease | 1 |
| New/Rehabbed Facility | 1.1 Acre | 13,050 | Own | 1 |

21. If this project involves the purchase of land, provide a legal description of the property to be purchased.

N/A

22. If this project involves the purchase of land and/or existing building(s), provide a description of the current and any prior uses of the property.

The current use of the property is a daycare facility

23. If this project involves the purchase of land/or existing buildings, have any environmental studies been done?
 Yes No (If yes, please attach one copy.)

24. Will the project require any change in zoning? Yes No

25. Will the project involve the demolition or conversion of any existing structures? Yes No

26. Provide a description of the sources and uses of funds for the project. Please note that a detailed budget showing the sources and uses of all funds for the project is required to be attached.

| Uses of Funds | Dane County CRLF/RLF Funds | Source 2 Name: | Source 3 Name: | Total |
|----------------------------------|----------------------------|---------------------------------------|----------------|-------|
| Acquisition of Land or Buildings | 125,000 | State Bank of Cross Plains 590,000 | | |
| Rehab or remodeling | | | | |
| New Equipment | | | | |

| Uses of Funds | Dane County CRLF/RLF Funds | Source 2 Name: | Source 3 Name: | Total |
|-----------------|----------------------------|----------------|-------------------|---------|
| Inventory | 25,000 | | Melissa Colbourne | |
| Working Capital | | | \$12,000 | |
| Other, | | | | |
| Total | \$150,000 | 590,000 | \$12,000 | |
| | | | Total | 752,000 |

27. Business Loan Terms. For each existing loan source identified in 26, please indicate the loan terms, original amount of the loan, the current outstanding balance, and the name and phone number of your contact person.

| Source | Interest Rate | Terms | Original Amount | Current Outstanding Balance | Contact Name/ Phone Number |
|---------------|---------------|-------|-----------------|-----------------------------|----------------------------|
| State Bank CP | 4.75% | 25yr | \$590,000 | | Casey McClyman |
| RLF | Prime + 2 | 7yr | \$150,000 | | 416-4834 |

28. Collateral. Provide a description of the collateral for this proposed loan. (Please attach one copy of any appraisals that have been done.)

| Collateral | Cost | Appraised Value | Source of Appraisal | Other Lien Holder(s) |
|---|---------|-----------------|---------------------|----------------------|
| 2nd position <i>Little Cardinals</i> | 690,000 | N/A | | State Bank C.P. |

29. Describe the reason for requesting funds under the Dane County Commercial Revitalization Loan Program (Check all that apply and describe):

| | |
|--|--|
| <input checked="" type="checkbox"/> Insufficient equity available for capital costs. | <input checked="" type="checkbox"/> Lender unable to commit more funds to project. |
| <input type="checkbox"/> Unable to pay market rates. | <input type="checkbox"/> Insufficient rate of return for business. |
| Describe: <i>Needing downpayment funds to purchase building & business</i> | |

30. Project Timeline. Provide a timeline for this project. Milestones may be such items as securing all financing, bidding on construction, acquiring equipment, or hiring employees. Please customize this for your project.

| Milestone | Timeline |
|-----------------------------|-------------------|
| Secure Financing | August 1, 2019 |
| Licensing Process Complete | September 1, 2019 |
| Acquire building / business | October 1, 2019 |
| | |
| | |

| Milestone | Timeline |
|-----------|----------|
| | |
| | |
| | |

JOBS are the major inducement for the County to provide loan funds. One full-time equivalent (FTE) job must be created or retained for every \$35,000 in CRLF funds loaned. At least 51 percent of those jobs (computed on a full-time equivalent basis) must be made available to or held by a low-and-moderate income person. A full time equivalent is a 40 hour per week or 2,080 hour per year job. If two persons are hired for 20 hours per week for 52 weeks per year, that is 1 full-time equivalent job.

The following requirements must be met for jobs to be considered created or retained.

- a. For projects that **create** jobs, at least 51% of the jobs must be held by or **made available** to low-and-moderate income persons.
- b. For projects that **retain** jobs, there must be sufficient documentation that the jobs would be lost without this loan and that one or both of the following apply to at least 51% of the jobs:
 - The job is currently held by a low-and-moderate income person; or
 - The job can reasonably be expected to turn over within the following two years and steps will be taken to ensure that the job will be filled by, or made available to, a low-and-moderate income person.

Created or retained jobs are only considered to be **made available** to low-and-moderate income persons when:

- Special skills that can only be acquired with substantial training or work experience or education beyond high school are **not** a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training; and
- The business takes actions to ensure that low-and-moderate income persons receive first consideration for filling such jobs, such as:
 - advertising the jobs to be filled with the Dane County Housing Authority, Centro Hispano of Dane County, Madison Apprenticeship Program, Madison Urban Ministry, Porchlight, and other non-profits serving low-and-moderate income populations;
 - conducting a job fair in a low-and-moderate income neighborhood;
 - listing the jobs to be filled with Job Service;
 - providing a listing of the jobs to be filled to the Associate Division Manager of Economic Assistance and Work Services Division (EAWS) of the Dane County Department of Human Services who will work to refer eligible applicants
- The business must track the persons interviewed for each position and maintain income self-certification forms from each applicant for review by the County, HUD, and the Office of Inspector General.

For developments in which units or space will be leased or purchased by other tenants, such as a retail mall, the borrower/owner must ensure that the job creation and reporting requirements are incorporated into the lease or purchase agreements for each tenant.

31. Jobs Created. For each job to be created and filled in the next 24 months, please list the job title, job type, whether it will be full time or part time, the number of employees to be hired, whether the position requires any special skills, training, or education beyond a high school level, the number of hours per week, the hourly wage, and whether the job will be made available to low-and-moderate income persons. Please attach additional pages as needed.

| Job title | Job Type* | Full-Time or Part Time (FT/PT) | Number of Employees to be Hired | Requires Special Training (Yes, No) | Number of Hours Per week | Number of Weeks Per Year | Hourly Wage | Job to be Made Available to LMI Person (Yes/No) |
|--------------|--------------|--------------------------------|---------------------------------|-------------------------------------|--------------------------|--------------------------|-------------|---|
| Lead teacher | Professional | FT | 2 | No | 40 | 52 | \$15 | Yes |
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* JobType:

Officials and Managers
 Technicians
 Office and Clerical
 Operatives (Semi-Skilled)
 Service Workers

Professional
 Sales
 Craft Workers (Skilled)
 Laborers

32. For any jobs that require special skills, training, or education beyond high school prior to hiring and that will be made available to low-and-moderate income persons, please list by job title the actions that will be taken to assist low-and-moderate income persons to meet those requirements.

Company Paid-for training, plus on the job training.
Professional development opportunities provided throughout the year.

33. Describe the actions that will be taken to ensure that jobs are made available to low-and-moderate income persons.

Work with local agencies & organizations that serve LMI communities to promote job openings Utilize Social media to post openings

34. Job Retention. In order to claim job retention, a business must provide clear, convincing, and objective evidence that without the CRLF loan, the jobs would be lost to Dane County within an immediate time frame. If this application is for the retention of jobs, please indicate which of the following statements apply and attach the supporting documentation to this application.

| Statement | Yes | No |
|---|-------------------------------------|-------------------------------------|
| A notice of mass layoff or business closing has been filed with the Wisconsin Department of Workforce Development in the past 60 days. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| A notice has been given to employees of layoff or business closing within the past 60 days. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Articles have appeared in a local newspaper or other trade publication related to employment loss. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Financial statements demonstrate the need for funds and/or a deteriorating competitive position that will result in a reduction in the workforce or the business closing. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Other, specify: | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

The Current lease ends August 31, 2019 and the Current business Owner Operator does not intend to resign a new lease or enter into a purchase agreement with the building owners. If this occurs, employees will lose jobs and families will need to find another daycare.

SECTION D: JOB PIRATING

Job pirating is prohibited under Section 588 of the Quality Housing and Work Responsibility Act of 1998. The County is prohibited from providing assistance that will result in the relocation of a plant, facility, or operation from one Labor Market Area to another, within three years of the date of assistance, if such relocation will result in a significant loss of jobs in the labor market area from which the relocation occurs. A significant loss is defined as the loss of 500 or more jobs or equal to or greater than one-tenth of one percent of the total number of persons in the labor force of that Labor Market Area.

36. Will the project relocate jobs from one labor market to another? Yes No
37. If yes, how many jobs will be lost from the labor market area from which the jobs will be relocated? (Include jobs that will not be relocated to or replaced at the project site.) _____ jobs.
38. From which location will the jobs be relocated or lost?
 City _____ State _____

SECTION E: ENVIRONMENTAL CERTIFICATION

Prior to the County being able to commit funds to a project, an environmental review must be conducted, and if needed, approval for the release of federal funds must be obtained from HUD (Department of Housing and Urban Development).

39. This business understands and agrees that:

| Statement | Yes | No |
|---|-------------------------------------|--------------------------|
| CRLF funds are provided under the Community Development Block Grant (CDBG) program which requires that projects obtain environmental clearance prior to any portion of the project moving forward or project funds will be rescinded and repaid to the County. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| The environmental review must cover the entire scope of the project as presented in this application. The project is defined and includes all line items listed in the application and all aspects necessary to successful completion of the project, including both private and public on and off-site investment by any party. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| It will assist the County in fulfilling it's environmental review requirements. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Local and regional governmental and civic bodies and citizens must be notified of the project's potential effects on various aspects of the environment. In addition, the environmental review process may include coordination with several regulatory entities. These entities may have requirements such as archaeological studies, special permitting, and mitigation measures. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Federal regulations may require that a public notice be published in a newspaper of general circulation and that a 15-day public comment period be observed. This process takes a minimum of 20 days and may take longer if public comments are received. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Federal regulations may require that a approval for Release of Funds be obtained from HUD. This process takes a minimum of 20 days. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| If a purchase option is offered prior to the environmental review being completed, the option must contain contingency language indicating there will be no transfer of title to the purchaser until all environmental review procedures have been completed. Any deposits made must be nominal (less than \$1,000) or refundable (if more than \$1,000). | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

SECTION F: LEGAL INFORMATION

| Statement | Yes | No |
|--|--------------------------|-------------------------------------|
| Has the applicant or any owner been involved in any lawsuits or judgments in the last five (5) years of have any lawsuits pending? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Has the applicant or any owner been involved in any bankruptcy or insolvency proceedings or have any proceedings pending? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Has the applicant or owner had any civil or criminal charges in the last five (5) years or have any charges pending? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Does the applicant or any owner have any outstanding tax liens or judgments? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Is the property tax delinquent? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Please attach a detailed explanation for any YES responses.

SECTION G: CONFLICT OF INTEREST

Immediate Family Ties

Immediate family ties includes spouse (including fiancée/fiancé), parent (including step parents), child (including step-children), siblings (including step-brothers and step-sisters), grandparent, grandchild, and in-laws of a covered person.

40. For each owner of the business, please list any immediate family ties to any employees of Dane County, the County Board of Supervisors, or the CDBG Commission.

| Business Owner | Name of Person to Whom the Business Owner has Immediate Family Ties | Relationship |
|----------------|---|--------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

IDENTIFICATION NUMBERS

Please list the FEIN for the business.

| | |
|--------------------------------|------------|
| Federal Tax Identification No: | [REDACTED] |
|--------------------------------|------------|

Please list the Social Security Numbers for: 1) each proprietor, or 2) each limited partner who owns 20% or more interest and each general partner, or 3) each stockholder owning 20% or more voting stock, or 4) any partner or entity providing a guaranty on the loan.

| Business Owner Name | Social Security Number (SSN) |
|---------------------|------------------------------|
| Melissa Gobaurne | [REDACTED] |
| | |
| | |
| | |
| | |

APPLICATION CHECKLIST

Each completed application to be submitted to the County of Dane shall consist of the following:

Business Documents

- 1. Completed CRLF Loan Application
- 2. Business plan outlining management, marketing, competition, business history, and future potential (for new businesses and those in operation less than five (5) years.)
- 3. Detailed project budget
- 4. Balance sheets for the preceding three years.
- 5. Profit and loss statements for the preceding three years.
- 6. Federal income tax returns for the prior three years.
- 7. Three year projections of cash flow with the first year being on a month-to-month basis. Include an explanation of all assumptions.
- 8. Three year projections of income and expenses. Include an explanation of all assumptions.
- 9. Aging of accounts receivable and payables, even dated with the current financial statements.
- 10. If claiming jobs as retained, documentation that without this loan, that jobs would be lost. (See item 29/)
- 11. If claiming jobs as retained, copy of most recent payroll.

Personal/Individual Information

- 12. Current personal financial statement of: 1) each proprietor, or 2) each limited partner who owns 20% or more interest and each general partner, or 3) each stockholder owning 20% or more voting stock, or 4) any person or entity providing a guaranty on the loan. NOTE: A notarized statement from a certified accountant indicating the net worth of each business owner under this section may be substituted for the personal financial statements.
- 13. Resumes of all key management personnel.
- 14. In the case of stock option, copies of Private Placement Memorandum.

Project Information

- 15. Map of project location.
- 16. Evidence of site control, such as a signed offer to purchase, current building lease, etc..
- 17. Copies of any estimates or quotes regarding work to be done or equipment to be purchased in connection with the project.
- 18. Appraisal of real estate, property, or other collateral.
- 19. Pictures of collateral offered.
- 20. Copy of any environmental studies done for the project.
- 21. If the project involves acquisition of land or buildings, new construction, or rehabilitation, a letter of support signed by the chief elected official of the municipality where the project is located.
- 22. Real estate projects must include at least 4 photographs of the site and adjacent land uses from all directions, including applicable street views.
- 23. If applicable, copies of building lease(s).

Lender Documents

- 24. Commitment letter(s) from bank and/or other lenders that includes a description of the terms of the loan(s), a description of collateral and/or guarantees, listing of any co-signers, and a signed acceptance from borrower (s). The bank and other lenders should advise the County of all covenants and/or limitations relating to the loan(s).

Additional materials may be requested by the County. Please consult with the County's Economic Development Specialist as to the required documents for your specific loan request.

Closing

Additional information will be required at the time of loan closing. This may include, but is not limited to:

- 25. Copies of Articles of Incorporation and Bylaws if a corporation; Articles of Organization and Operating Agreement if a LLC; or any written Partnership Agreement if a partnership.
- 26. Title Commitment/Equipment make, model, serial numbers
- 27. Appraisals
- 28. Environmental
- 29. Hazard Insurance
- 30. Life Insurance/Life Insurance Collateral Assignment Form
- 31. Proposed Lease Draft
- 32. Evidence of Equity Injection