

REVOLVING LOAN FUND

The East Central Regional Development Commission (ECRDC) established a Loan Fund for business development. It is designed to offer fixed asset financing for new, expanding and relocating businesses.

Projects must be located within the following counties:

- Chisago
- Isanti
- Kanabec
- Mille Lacs
- Pine

The Loan Fund includes both Federal EDA and local dollars contributed by several communities or jurisdictions as matching funds.



*BowDaddy Archery Company
Jenn Russell—ECRDC Economic Development Director,
William Johnson—Loan Recipient, and Robert Voss,
ECRDC Executive Director*



*Loan recipients: Sean and Jody Okerlund, owners
Cambridge Bar & Grill*

EAST CENTRAL REGIONAL DEVELOPMENT COMMISSION

The ECRDC is a public agency whose board members are represented by officials appointed by county boards, townships, municipalities, school boards, and citizens at large.

"The mission of the ECRDC is to provide services and resources which enhance the ability of the regions residents and units of government to effectively problem solve and establish a quality of life desired by the citizens of the region."

Economic Development
100 Park Street South
Mora, MN 55051
Office: (320) 679-4065 #29
Fax: (320) 679-4120

ECRDC REVOLVING LOAN FUND



Revolving Loan Fund loan made to Freedom Center in Princeton. Pictured (l-r) Jennifer Russell—ECRDC Economic Development Director, Cheryl Minks -Owner, Robert Voss—ECRDC Executive Director, Cindi Naumann - Owner, Mark Karnowski—Princeton City Administrator, and Ben Montzka—ECRDC Chairman

East Central Regional
Development Commission
100 Park Street South
Mora, MN 55051
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RLF Loan Recipient
Isanti Rental

PURPOSE OF THE LOAN

- To create or retain permanent, private sector full-time jobs in the region
- To provide capital for business development and expansion within the region
- To leverage other public and private investment in order to achieve maximum number of jobs per loan fund dollar
- To bolster the tax bases of local units of government

ELIGIBLE COSTS

- Acquisition and/or improvements of land, buildings, plant and equipment
- New construction or renovation of existing facilities
- Demolition and site preparation
- Machinery purpose

INELIGIBLE COSTS

- Professional fees
- Acquisition or improvements of real property for subsequent leasing

PARTICIPATION CRITERIA

- Exhausted traditional financing opportunities
- Leverage new investment by a local lender
- Borrower's equity contribution of at least 10% of the total project cost
- Goal is to create or save one (1) full time job for every \$10,000 in Loan Fund dollars

TERM OF THE LOAN

- Average loan 3 to 5 years

MAXIMUM LOAN

- No more than 49% of the cost of a project that does included local bank participation

INTEREST RATES

- Comparable with banks
- Interest may be charged on a stepped or graduated schedule

LOAN FEES

- 1% of loan and legal fees
- All origination fees will be used only for the administration of the fund

COLLATERAL

REQUIREMENTS

- No unsecured loans are made
- Loans will be collateralized by any assets and any possible security positions deemed appropriate by the Loan Committee

NEED CRITERION

- It is the policy and purpose of the RLF Committee to provide gap financing to business projects that offer job creation and private investment gains to the regional economy.

LOAN APPLICATION

- To receive the full loan application packet and guidelines, please contact.



RLF Loan Recipient
Isanti Spirits, LLC