



“ WE HAVE SERVED OVER 60 LOCAL BUSINESSES WITH THE REVOLVING LOAN FUND AND HELPED THEM TO GROW THEIR BUSINESS IN EAST CENTRAL MINNESOTA.



REVOLVING LOAN FUND BOARD



Members L to R: Frank Westling, Kevin Hofstad, Robert Voss (ECRDC Executive Director), Brad Larson, Doyle Casavant, Clyde Bloyer (Vice Chair), Nancy Hoffmann (Chair), Glen Williamson, Rachelle Nelson, and Daniel Blake (RLF Attorney). Not pictured: Bruce Montgomery, Bill Hill Jr., and John Mikrot, Jr.



East Central
Regional Development Commission

Serving Chisago, Isanti, Kanabec, Mille Lacs & Pine Counties

“ WE PROVIDE GAP FINANCING TO BUSINESS PROJECTS THAT OFFER JOB CREATION AND PRIVATE INVESTMENT GAINS TO THE REGIONAL ECONOMY.



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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.

CONTACT US

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(320) 679-4065 #29
www.ecrdc.org
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OUR HISTORY

In 1994 the East Central Regional Development Commission Revolving Loan Fund was created by contributions from cities in our region and a grant from the US Department of Commerce / Economic Development Administration.

Since that time the Revolving Loan Fund has leveraged over \$13 million in other financing to assist more than 60 businesses to grow in East Central Minnesota, helping to retain or create more than 560 jobs.



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WWW.ECRDC.ORG

REVOLVING LOAN FUND SPECIFICS

PURPOSE OF THE LOAN

- Create or retain permanent, private sector full-time jobs in the region
- Provide capital for business development and expansion within the region
- Leverage other public and private investment in order to achieve maximum number of jobs per loan fund dollar
- Bolster the tax base 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 purchase

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

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

TERM OF THE LOAN

- Average loan is 5 to 7 years

MAXIMUM LOAN

- No more than 49% of the cost of a project that does not include local bank participation

INTEREST RATES

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

LOAN FEES

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



PROJECTS MUST BE LOCATED IN CHISAGO, ISANTI, KANABEC, MILLE LACS OR PINE COUNTIES. THE LOAN FUND INCLUDES BOTH FEDERAL EDA AND LOCAL DOLLARS CONTRIBUTED BY SEVERAL COMMUNITIES OR JURISDICTIONS AS MATCHING FUNDS.