

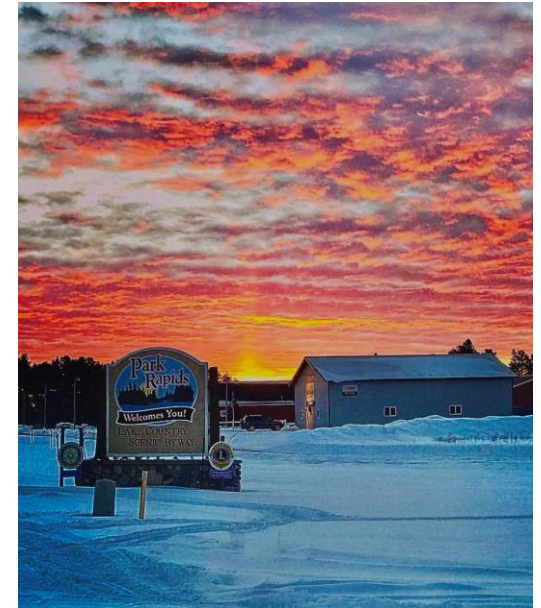


Jackie Hemmer - Catching a Ride

Administration

Heartland Lakes Development Commission

The City of Park Rapids has contracted with Heartland Lakes Development Commission (HLDC) to administer the revolving loan fund.



Justin Frette - Morning Sunrise

Objectives

The Objectives of the Revolving Loan Fund are:

- To create or retain permanent livable – wage jobs in the City by expanding the existing business base and attracting new businesses to the community.
- To leverage private and other public investment to promote economic growth.
- To encourage successful redevelopment in the City's priority development sites.
- To increase the local tax base through building a diverse industry mix.
- To enhance the quality of life within the Community.

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City of Park Rapids
212 West Second Street
Park Rapids, MN 56470

Revolving Loan Fund

City of Park Rapids



Barbra Wicks - A Day at the Park

Eligible Businesses

For profit commercial, service, retail, and manufacturing businesses are eligible, however...

Special preferences will be given, but not limited to, businesses and projects that:

- Are manufacturing or technology oriented
- Are non – competitive with an existing business
- Have high growth potential
- Are an existing business expansion
- Will enhance Park Rapids quality of place and its competitive advantage

In addition, private non – profit organizations, governmental units, and tribal authorities may be eligible to apply if the project meets the criteria contained in the RLF policies.

Program Parameters

Loan Amounts

Applicants may request loan in the range of \$5,000 to \$150,000.

Terms

Typical loan terms will be based on the life of the assets being financed and borrowers' cash flow needs.

Interest Rate

Interest rates will be set at 1% below the Wall Street Prime Rate.

Collateral

All loans shall be secured, but unconventional forms of security are acceptable.

Equity Contribution

New businesses will typically be required to provide a minimum of 10% equity investment into the total project costs.

Fees

Borrowers will pay a 1% origination fee and all costs associated with processing the application, preparing the necessary documents, recording fees and perfecting the appropriate liens, etc.

Eligible Uses

The loan funds may be used for:

- Acquisition of physical assets
- Acquisition and/or development of land
- Construction, conversion, enlargement, relocation, repairs, remodeling or modernization of buildings, plants, machinery and/or equipment
- Demolition with an acceptable redevelopment plan
- Working Capital
- Initial start – up operating costs and initial working capital
- Technical assistance for private business enterprises
- Small business expansion
- Purchase of an existing business
- Business incubators
- Medical facilities
- Training/Educational facilities
- Tourism
- Interim/Bridge financing
- Housing, with the purpose of attracting and retaining workforce talent (not rehabilitation or renovations)

Lending Area

Generally, the applicants must be located in the city limits of Park Rapids or in an area that is in the process of being annexed.