

WHAT ARE THE EDA REVOLVING LOAN FUND PROGRAMS?

The Economic Development Authority of the City of Medford administers two Revolving Loan Fund Programs (RLF).

Commercial Incentive/ Improvement RLF

This fund is used to provide low interest improvement loans to upgrade building appearance and energy efficiency of commercial and industrial properties within Medford city limits.

Business Expansion/ Job Creation RLF

The purpose of this fund is to facilitate business expansion, relocation or loans to start-ups that include the creation or retention of jobs within Medford.

Other Guidelines for Both RLFs

Up to 40% of project costs may be used as gap financing through one of the RLFs. Loans are considered on a case-by-case basis and decisions are based on the merits of the project and the overall benefit to the community.

MEDFORD ECONOMIC DEVELOPMENT AUTHORITY

CITY OF MEDFORD

408 2nd Avenue SE
PO Box 127
Medford, MN 55049

Phone: 507-455-2866

Fax: 507-455-2088

medford@qwestoffice.net

www.medfordminnesota.com

MEDFORD EDA REVOLVING LOAN FUND PROGRAMS



**A MEANS TO HELP
PROVIDE GAP
FINANCING FOR
YOUR BUSINESS
NEEDS**

WHEN YOU APPLY:

Set up an initial meeting with the EDA's Executive Director to discuss the proposed project. At this meeting you will be provided an RLF application. After the initial meeting you should be prepared to provide:

- A completed loan application
- A summary and overview of your project (business plan)
- A history of your business
- Purchase agreements
- Written cost estimates
- Financial statements from your business
- A current statement (within 90 days)
- A two-year projection
- Personal financial statements
- Lender commitment letter(s)
- Your resume and other exhibits as requested

GENERAL REVOLVING LOAN FUND POLICIES

ELIGIBLE BORROWERS:

Any legitimate business whose primary place of business is within Medford and whose loans are targeted to general service retail and manufacturing businesses.

ELIGIBLE LOAN USES:

Loans may be used for real estate, new construction, building renovation, machinery and equipment.

LOAN AMOUNTS:

The maximum loan amount for the Commercial Incentive/Improvement Fund is \$20,000 and the maximum loan amount for the Business Expansion/Job Creation Fund is \$40,000.

LOAN TERMS:

The typical loan is repaid between 5 to 20 years in monthly installments that cover principal and interest. Loans are typically 2–2.5%. The EDA may also add additional terms to any loan.

COLLATERAL & PERSONAL GUARANTEES:

The borrower must provide collateral adequate to safeguard the lender. When the EDA is the sole lender, it takes a "first security interest" in the assets that are financed. If the EDA is in partnership with another lending source, the EDA is the secondary lender. PERSONAL GUARANTEES ARE REQUIRED IN ALL PROJECTS.

OWNER PARTICIPATION:

At least 60% of the project cost shall be funded privately through a lender, with not less than 10% of the project provided by the borrower's cash or owner equity.

All EDA Revolving Loan applications are considered on a case-by-case basis.

Please note: All fees for filing, recording and other closing costs are the responsibility of the borrower. In real estate transactions, the City Attorney will conduct the closing and the borrower will be responsible for the Attorney's fee, which is usually \$250 per loan closing.
