



Revolving Loan Program

PURPOSE OF THE FUND

To provide financial assistance to existing businesses and new businesses through joint private and public action. To establish a city-wide low interest longer term loan program to provide one or more of the following: Capability and incentive for owners and tenants to upgrade the appearance, structural condition and/or operating efficiency of their place of businesses;

Assistance and incentive for the development of new industry; retention of existing business; and/or

Retention and expansion of job opportunities. Maximum loan amount \$19,000.

Priority will be given first to those applicants who, without the low interest rate, would not be able to improve their property or locate new industry in Green Isle.

USE OF PROCEEDS

Eligible activities for assistance include:

- Equipment and machinery
- Furniture and fixtures
- Land and building acquisitions
- New building construction or building renovation/rehabilitation
- Building expansion and/or construction of site improvements.

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Ineligible use of proceeds:

- Loans may not be used to service or refinance any existing debt.
- Not-for-profit businesses are not eligible
- Personal property items
- Previously completed or started projects
- Acquisition of land for which a specific use has not been identified.

CONTACT

Additional information and application may be obtained from:

Amy Soeffker, EDA Director

PO Box 275, 310 McGrann Street

Green Isle, MN 55338 greenisleeda@greenislemn.gov

The City of Green Isle does not discriminate on the basis of race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program or political beliefs.

LOAN TERMS AND CONDITIONS

Loan Terms

- Final loan terms/rates are determined by agreement between the participating lender and City on a case-by-case basis.

Loan Conditions/Amount

- The loan fund shall not provide gap financing exceeding 50% of the total project
- Job creation and retention is required
- Relocation of business outside of the Green Isle Area requires immediate and full loan repayment.
- Must meet financial (cash flow), collateralization, and credit requirements for borrowing.

Loan Security/Collateral

Loans must be secured by collateral sufficient enough to assure repayment. Acceptable security could include a mortgage or land, building and/or equipment; and in some projects assignment of accounts receivable. A personal guarantee from each major principle in the company is a requirement. A life insurance policy matching the City's loan and naming the City of Green Isle as beneficiary may be required from each major principle in the company.

Origination and Closing Costs

An application fee of \$125 is due on the date of application.