



BUSINESS LOAN PROGRAM FACT SHEET

PUBLIC BENEFIT

Creation/retention of jobs. More than half of new jobs must be available to low and moderate income (LMI) recruits. Jobs should be entry level and/or not require special skills that can only be acquired with substantial training, work experience or education beyond high school. (Exceptions may be made where the business agrees to hire less-skilled individuals and provides sufficient on the job training so that the employee may be successful.)

Community reinvestment and local business support. Ramsey County is committed to cultivating economic prosperity, enhancing access to opportunity, and investing in neighborhoods where need is greatest. Local businesses are the backbone of a thriving broad-based economy. Investing in their success reaps countless rewards. Business assistance enhances economic vitality of small business districts while redevelopment of vacant and underutilized property is a catalyst for neighborhood revitalization.

LENDER, BUSINESS AND LOAN ELIGIBILITY

- Loans are available to for-profit commercial, industrial or business-to-business services located in or moving to suburban Ramsey County. Businesses may be sole proprietorships, limited liability companies, corporations, and partnerships, that demonstrate need for public financial assistance.
- Companies must be registered to do business in Minnesota and may be either a start-up or an expanding operation.
- Interested lenders are encouraged to take part in the in the Ramsey County Business Loan Program by executing the Participation Agreement.
- Ramsey County, through its Housing and Redevelopment Authority (HRA) in collaboration with local banks, may fund up to 50% of the borrower's financing need up to a maximum of \$150,000.
- Loan funds are limited to 1 job/\$25,000 HRA loan per new permanent, full-time (2080 hours) job created. For example, \$125,000 in loan funds from HRA requires creation of 5 FTEs.
- Loan funds may be used toward fixed asset financing: 1) purchase of capital equipment or leasehold improvements integral to the building or manufacturing/production, 2) acquisition of land and/or buildings, and/or 3) building rehabilitation, leasehold improvements or new construction (prevailing wage requirements will apply). Loan funds *may not* be used for: 1) working capital, 2) refinancing existing debt, 3) inventory purchase, or 4) retail operations.
- Private lender match of at least 50% is required. Businesses must demonstrate capacity to repay all incurred debt.
- The Ramsey County HRA loans will be at 2% annual interest with the term concurrent with the primary loan from the local lender. The repayment schedule may be negotiated between all parties to afford maximum success. Further, upon approval, the HRA loans may be partially forgiven if the company operates successfully in a locally targeted impact area for 10 years and/or hires harder-to-employ workers (veterans, disabled, felons).

LOAN PROCESS

- Interested businesses complete Ramsey County Business Loan Application available on line at <https://www.ramseycounty.us/businesses/business-workforce-development/business-loan-programs> and submit it to participating lender at the time private financing is considered.
- Lender enters a participation agreement with the HRA.
- Lender reviews the application for the HRA loan and the participating lender's loan application and recommends project financing to the RCCED for approval.



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- ☑ RCCED reviews loan request package and on approval, prepares loan documents for the HRA loan and provides them to lender for execution at closing. After closing, the lender forwards the executed loan package to Ramsey County and services the lender loan and HRA loan.
- ☑ Funds are disbursed by the lender on a pro rata basis with other financing provided to the project, to the extent feasible.
- ☑ The Borrower reports job creation to RCCED during the agreed upon project activity period.

JOB AND INCOME REQUIREMENTS

- ☑ Jobs created are limited to the new or expanded activity made possible by the business loan (the loan from the lender together with the loan from the HRA) and there should be agreement regarding the scope of the project or activity and its job creation potential.
- ☑ Job creation is determined at the time the newly created position is initially filled, and not for employees holding the position in the future. Employees are expected to self-certify eligibility.
- ☑ Income eligibility is determined by household size according to a schedule published annually by the Department of Housing and Urban Development. Evaluation of access of employment to low and moderate income persons (LMI) is determined by job description criteria and by new hire self-certification of income.
- ☑ Businesses are expected to work with Ramsey County WorkForce Solutions and to execute a First Source Hiring Agreement agreeing to accept applicants from a job-ready pool. Working with WorkForce Solutions assures that LMI job seekers receive first consideration for filling jobs.

Other Considerations

- ☑ Construction activity exceeding \$2000 requires compliance with Davis Bacon and related acts including payment of prevailing wages, submission and review of weekly payrolls, and restitution for non-compliance.
- ☑ Businesses are encouraged to “shop locally” and purchase goods from CERT/W-MBE and Section 3 vendors, contractors and workers.
- ☑ New construction and substantial rehabilitation may require environmental review.

Additional information is available on the Ramsey County Business Loan website at:

<https://www.ramseycounty.us/businesses/business-workforce-development/business-loan-programs>

For specific questions and technical assistance, contact RCCED at 651.266.8000.