

NADO Small Business Loan Funds Forum: “Making a Difference in Rural Regions”



Presented by: Char Gurney

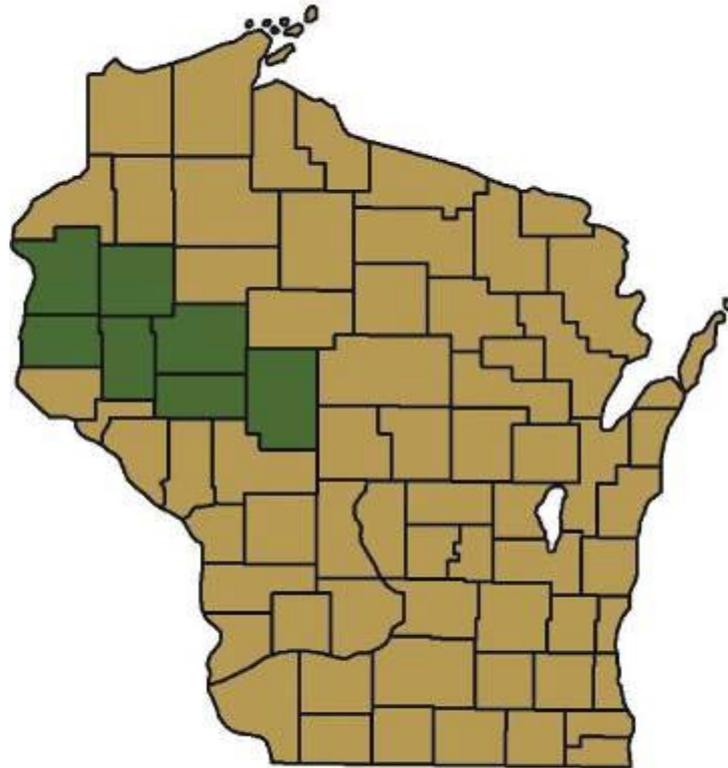


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REGIONAL BUSINESS FUND, INC.

West Central Wisconsin Region



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Consolidation Initiative

CDBG – Revolving Loan Funds

- State Funded CDBG - Revolving Loan Fund Programs
- History
 - Initiative began in 2005 by WI Dept. of Commerce & WCWRPC
 - 1 of 2 pilot programs in the State
 - May of 2007 – Consolidated Fund was established
 - 25 of 32 local programs consolidated
 - \$5 million in Cash
 - \$11 million in Loan Receivables (225 loans)
 - January of 2008 – Funds de-federalized enough to start “Special Programs”



Consolidation Initiative

CDBG – Revolving Loan Funds

- Key Factors of Success
 - Existing Structure
 - Non-profit organization – Regional Business Fund, Inc.
 - Communication
 - Existing Relationships - WCWRPC Staff & County Economic Development Corporations
 - Advantages
 1. Encourage local governments to work regionally
 2. Streamline Administrative duties
 3. Improve capacity
 4. De-federalization of funds
 - Compromise



Consolidation Initiative

CDBG – Revolving Loan Funds

- Status of Consolidation Today
 - 31 of 32 communities passed resolutions to consolidate their CDBG-RLF programs (97%)
 - Entitlement Community Involved
 - RLF Program capitalized at \$16.5 million
 - 4 Distinct Programs

Revolving Loan Fund Program

- Financing for growing/expanding and established businesses
- Larger loan amounts
- Larger economic impact on individual basis

Air Motion Systems, Inc. – River Falls, WI



Economic Impact

-27 jobs created

-\$4.5 million in private \$'s invested

Micro Loan Fund Program

- Financing for Start-up/Newly Established businesses
- Loan Amount
 - \$5,000- \$25,000
- Eligible Uses
 - Start-up costs, FF&E purchases, working capital & **BEYOND**



Downtown Façade Loan Program

- Encourage revitalization of core downtowns within region
- Eligibility = property located in designated downtown boundaries
- Loan Amount \$5,000 - \$30,000
- Very favorable terms
 - 0% Interest & Repayment up to 15 years



Downtown Façade Projects

**Chickadee Doo Da & Swendby Insurance -
New Richmond, WI**



Before

Total Project Cost: \$67,400

RBF Participation: \$58,000



After

Downtown Façade Projects

Isle Theatre - Cumberland, WI



Before

Total Project Cost: \$53,000

RBF Participation: \$30,000



After

Technology Enterprise Fund (TEF)

- Financing for New and emerging technology companies
- Patient Debt
- Loan Amount
\$100,000 - \$250,000

Rapid Diagnostek, Inc. -
River Falls, WI



Economic Impact

- 8 jobs created initially
- \$2 million+ in equity capital



Economic Impacts of CDBG – RLF Consolidation

- \$13.7 million lent to 251 businesses
 - 111 of them Start-up businesses
- 1,400 jobs retained by businesses
- 1,200 jobs created by businesses
- Average award per job created/retained = \$5,000
- \$61 million in private \$'s leveraged
- New technology being developed
- Many community downtowns being revitalized and adding to the tax base

Thank you!

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