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

Presented by: Char Gurney
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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