

### **Chisago County HRA-EDA**

38871—7th Avenue  
PO Box 815  
North Branch, MN 55056

Phone: 651-674-5664  
[www.chisagocounty.org](http://www.chisagocounty.org)

## **Economic Development Funding Programs**



Chisago County  
Housing & Redevelopment Authority-Economic Development Authority



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*A Natural Resource For Business*



## Let us be a resource for you!

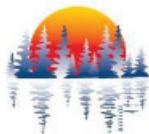
Chisago County HRA-EDA's tag line is a "Natural Resource for Business" **and** we are here to be the natural resource for cities working with businesses! If you have a new prospect or local business expansion project, we are here to help you identify and administer funding programs to get the project done! For more information, please contact us at 651-674-5664.

### Tax Increment Financing (TIF) Tax Abatement

Looking for a funding program to assist with land acquisition, site improvement, public infrastructure or assessments? Tax increment financing (TIF) or tax abatement may be the financial tools for you. TIF and tax abatement use the new taxes that are generated as a result of the expansion, major rehabilitation or new construction. The taxes the business pays on the increased value can be "rebated back" to the company. Many lenders recognize this as part of the required up-front equity contribution to the project or as collateral for a mortgage. The Chisago County HRA-EDA can assist with developing and administering TIF and tax abatement projects.

### Industrial Development Bonds (IDBs)

Working on an industrial project? Industrial development bonds (IDBs) are private activity bonds that can be issued by cities or the county on behalf of private borrowers to finance the fixed costs of manufacturing facilities. IDBs may be used if the company owns or leases their facility. Bonds are marketed on their financial strength, with either a variable floating rate or fixed rate. This financing does require a letter of credit. We are here to help cities and businesses with IDBs!



### Initiative Foundation Capital Technology Fund

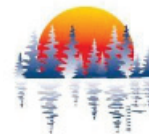
The **Technology Capital Fund** supports emerging technology ventures and helps established companies integrate proven productivity applications into their business operations and process. Eligible investments: operating capital, fixed assets, land and buildings, construction and leasehold improvements, machinery and equipment for high-volume productivity or high margin applications, commercialization of new product launch and marketing, productivity and process-enhancing software systems.

<b>Term:</b> Varies	<b>Fees:</b> Up to 2% origination fee, legal fees associated with documenting and closing the investment	<b>Interest:</b> Varies
<b>Interest Type:</b> Varies	<b>Amount \$:</b> \$500,000	

#### **Eligibility/Requirements:**

Demonstrated management skills, industry experience and financial controls. A sound business plan with financial projections. Due diligence in product and technology validations. Outside assessment of business and marketing plan (if deemed necessary). Creation of living wage jobs with broad employee benefits.

Please see the Initiative Foundation website at [www.ifound.org](http://www.ifound.org) for additional information.




## *Initiative Foundation Business Loan Program*

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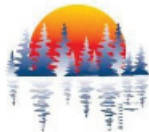
The Initiative Foundation **Business Loan Program** is designed to assist business owners and conventional funding sources in financing new and expanding businesses that provide quality job opportunities and strengthen the local and regional economy. Eligible projects: land and buildings, construction, remodeling, machinery and equipment, financing costs and working capital.

<b>Term:</b> Varies	<b>Fees:</b> 1% loan application - origination fee	<b>Interest:</b> Determined on a case by case basis
<b>Interest Type:</b> Fixed	<b>Amount \$:</b> Up to \$250,000	

### **Eligibility/Requirements:**

Demonstrated management skills, industry experience and financial controls. A sound business plan with financial projections. Due diligence in product and technology validations. Outside assessment of business and marketing plan (if deemed necessary). Creation of living wage jobs with broad employee benefits.

Please see the Initiative Foundation website at [www.ifound.org](http://www.ifound.org) for additional information.


## *Business Enterprise Program*

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Is the business you are working with creating new high paying jobs? If so, this low interest loan program may be helpful! The Business Enterprise Program assists with loans up to \$200,000 for fixed asset financing at an interest rate of 1% below prime for five years. The loan amount is based on a ratio of \$25,000 per job paying in excess of \$12 per hour, or \$30,000 per job paying in excess of \$15 per hour. Funds can be used for new building construction, expansion of current facilities, or equipment purchase. The business will need to work with a Chisago County Lender in order to be eligible for this financing program.



## *Local Revolving Loan Funds*

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Don't forget about your local funding sources! Several communities have revolving loan funds to assist businesses that create new jobs and tax base. Depending on the City's policy, funds can be used for new owner occupied construction, expansion of current facilities, and equipment purchase. The Chisago County HRA-EDA can assist communities in administering local revolving loan funds as well as applying for grants to originally capitalize the fund.



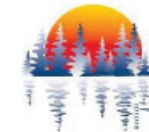
## *Job Opportunity Building Zone (JOBZ)*

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Chisago County has JOBZ acres! Qualifying businesses may be eligible for JOBZ which provides incentives such as...

- Exemption from property taxes on new development. The base tax or predevelopment tax remains on the tax roles.
- Exemption on sales tax on good and services building materials for construction, business vehicle purchases, etc.
- Corporate income tax or individual income tax on investment

JOBZ can be used to assist a company in relocating from another county if the business increases employment by at least 20% or a minimum of five jobs, whichever is greater. As with all financing programs, a development agreement is executed.






## Greater Minnesota Business Development Infrastructure Fund

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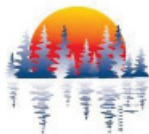
Looking for GRANT dollars for an industrial park expansion or to assist with infrastructure costs for an industry in your industrial park? The Minnesota Department of Employment & Economic Development (DEED) has grant funds available to assist with the development of infrastructure for expanding businesses or development of new industrial parks. The grant funds can provide up to 50% of the cost of new infrastructure up to a maximum of \$500,000. Applications are funded on a first-come first serve basis. The Chisago County HRA-EDA is available to assist in preparing and submitting the application to DEED.



## Minnesota Investment Fund

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Will the business be creating a large number of jobs? If so, this grant/loan program may be mutually beneficial to the business and city! DEED offers a program which is a grant to the City, who in turn makes a low interest loan to qualifying manufacturing businesses for land, building, infrastructure improvements or equipment purchases. The size of the grant/loan is dependent upon the number of jobs the business creates in two years, and the wages paid to those employees, including benefits. For example, a business paying wages of \$9.03 to \$9.99 per hour would be eligible for up to \$6,000 per job; a business paying \$10 to \$11.99 per hour would be eligible for loans of \$10,000 per job and if they pay \$12+ per hour they are eligible for a loan of up to \$15,000 per job created. The maximum grant/loan is \$500,000. The term is dependent on the use of funds (e.g. 10 years for equipment, 20 years for real estate). As the business repays the loan, the City is able to retain a portion for a local revolving loan fund. Applications are accepted year-around on a first come first serve basis (July-June fiscal year).





## Seed Fund

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The Purpose of the **Seed Fund** is to promote the entrepreneurial culture within Central Minnesota and promote the capacity of manufacturing or technology-related companies to grow. Eligible uses of funds include the development of new products or technologies including:

- Product research and development.
- Working capital to develop new product(s).
- Market research and development of new product(s).
- Prototype development and testing.
- Other related uses deemed appropriate by the Central Minnesota Seed Fund.

<b>Term:</b> n/a	<b>Fees:</b> 1% origination fee	<b>Interest:</b> n/a
<b>Interest Type:</b> n/a	<b>Amount \$:</b> Up to \$50,000	

### Eligibility/Requirements:

Project funding requires a minimum of a 1:1 equity or cash match dollar for every dollar of Seed Fund investments. Eligible participants include individuals, small and medium size businesses located in the counties served by the Initiative Foundation.

Please see the Initiative Foundation website [www.ifound.org](http://www.ifound.org) for additional information.

