

FINANCING PROGRAMS

Economic Development Financing Programs

Initiative Foundation Business Loans

Gap financing for targeted industries including value-added agriculture, natural resource-based manufacturers and industries utilizing technology in manufacturing processes. Financing up to \$250,000.

Minnesota Investment Fund

Low-interest loan program from the state, which grants money to the city, which in turn lends money to the business at a negotiated rate, typically 1% - 4%. Dollar amount of loan is based on number of jobs created at certain wage thresholds, up to \$500,000.

Tax Abatement

Qualifying taxes are "abated" (or more like "rebated") to a qualified business for a set period of years (up to 15-20 years). Would need to go before each taxing district separately: the city, the county and the school district for approval.

Tax Increment Financing (TIF)

Qualifying taxes are "captured" and used to write down the costs of the project. Some of the eligible activities include land, site improvements, and utilities. Would need to go before the city for approval.

USDA Business Loans/Grants

The USDA has a variety of loan and grant programs available to businesses. For example, the Rural Business Intermediary Relending Program has up to \$250,000 available at a negotiated interest rate between 1-4%. Can be used for land, building, equipment, working capital, feasibility studies, interest, and fees for professional services.

Wright County Revolving Loan Fund

Low-interest loan program for new or existing businesses that create jobs, expand the tax base, or modernize facility/processes.

Please call the City for more information on these programs.