



Commercial Revolving Loan Fund

A Commercial Revolving Loan fund has been established to financially assist with the creation, expansion and retention of local businesses in the City's commercial district. Funds are generally available for new commercial construction, to acquire commercial property for new construction, or for exterior or interior rehabilitation of existing property. The program is designed to be used in conjunction with other financing, including bank loans, SBA financing, equity and other sources.

Conditions

The loan amount will be at least \$10,000 and no more than \$50,000, subject to the availability of funds. The term of the loan is variable, but will not exceed 10 years. Collateral will be required to ensure that loan funds are repaid, which could include mortgages, personal or corporate guarantees, special charges on the property tax roll, or other security. A loan agreement outlining the process for repayment will be required for each loan recommended to the City Council for approval.

Loans will be considered only in the City's commercial district, which is defined as the current Business Improvement District, as well as commercial properties on Main Street between Quarry Road and Cemetery Road.

Ineligible Activities

The Commercial Revolving Loan fund will not be used to refinance existing debt, expenditures made prior to loan approval, working capital, or properties outside the commercial district.

Equity

At least 20% of the project must be in the form of equity participation by the borrower.

Interest Rate

Interest on the outstanding balance will be at a rate of 4% annually.

Service Fee

Approved loans are subject to a 1% service fee.

Conflicts of Interest/Self Dealing

No member of the governing body, Loan Committee, or any other official, employee, or agent of the City who exercises decision-making functions or responsibilities in connection with the implementation of this program is eligible for financial assistance under this program.

Loan Committee

A Loan Committee (the "Committee") is created to review and recommend approval of all loans issued in the Loan Fund. The Committee will review all information required from the Loan Application and the payment schedule.

Process for Analyzing Loan Applications

The lead bank will administer the Loan Fund, and provide the necessary information to the Committee for review. The lead bank will follow its normal criteria for extending credit, including ability to repay the loan, collateral, etc.

Additional information and application materials may be obtained at the City of River Falls, 222 Lewis Street, River Falls, WI 54022 or by calling Julie Bergstrom at (715) 426-3416.

