

SUMMARY

A local program funded by the revolving loan fund and supported by Wahpeton Economic Development and the Wahpeton City Council. Available to retail businesses for structural improvements, general remodeling, furniture and fixtures.



Allocated dollars determine the number of loans closed in any calendar year as well as program availability. The FLEX loan program began June 1, 2000. Loans are approved on a first come first served basis.

OTHER AVAILABLE PROGRAMS

Mini-Match is a program specifically designed for smaller projects such as demolition/clean-up and new signage. Some restrictions apply. Can only be accessed one time.

The **Revolving Loan Fund Program (RLF)** offers commercial loans as low as 3% and no greater than 7% fixed, \$40,000 maximum and 10 year maximum term.

Application and guidelines for these programs can be found on the City's website, www.wahpeton.com, or by calling 701-642-8559. The Economic Development Office also has applications for Lake Agassiz's Microloan Programs.

Call Wahpeton Economic Development for further information.

Application Fees are set at \$150

ECONOMIC DEVELOPMENT

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ECONOMIC DEVELOPMENT

FLEX LOANS

Flexible Financing for Start-ups and Established Businesses holding a City Sales Tax permit



CITY OF WAHPETON
ECONOMIC
DEVELOPMENT
701-642-8559

WHAT IS A FLEX LOAN?

IMPROVEMENT ASSISTANCE

You really want to spruce up your store with fresh paint, new carpeting, or new fixtures and display counters. As a new business, you need time to get up and running and make some sales, but you don't have some basic necessities to get things rolling.

Don't give up—it is very possible your business qualifies for a FLEX loan through the City's Revolving Loan Fund Program! Read on to find out more about the FLEX loan program...

A flex loan is a 1% interest incentive for improvements to businesses in the City of Wahpeton holding a local sales tax permit. Qualified established businesses can apply for up to \$10,000 at 1% interest for up to 8 years on improvement projects. Start-up businesses can apply for up to \$5,000 at 1% interest for the term of their lease AND have their payments deferred for the first three months!

The loan remains at 1% as long as payments are received by the due date. Late charges and a 7% rate are applied if a payment is missed. Interest can be reduced to 1% after 6 consecutive months of timely payments.

WHO QUALIFIES?

Businesses pre-qualify for FLEX based on answering YES to the following questions:

- Are you a business in the City of Wahpeton, incorporated in the State of ND?
- Do you or will you hold a local sales tax permit? [sales subject to tax must be 51% or greater to qualify]
- Are you current on all city taxes and governmental obligations [includes RLF history, utility billings, and licensing]?

ELIGIBLE ACTIVITY

The following improvements would be considered an eligible use of FLEX funds:

- Furniture and Fixtures
- Permanent structural additions
- Floor covering, painting, wallpapering
- Display racks, counters, desks and chairs
- Computer hardware and software used by the business to increase sales
- Any other necessity considered a physical improvement

INELIGIBLE ACTIVITY

The following are NOT allowable uses of FLEX funds:

- Working capital, inventory, refinancing or purchasing real estate
- Advertising and marketing needs

FLEX EXAMPLES ...

Business A owns a building downtown and needs to make some basic improvements to its retail business. New carpeting and linoleum, paint, new ceiling tile, improved electrical lighting, and an updated heating system will cost \$11,500. Business A meets all the requirements, has a proven track record and would like to apply for a 1% interest FLEX loan of \$10,000 [the maximum].

In this case, loan payments would begin 30 days after loan closing. Loan proceeds would be released to third party contractors as the work is done and authorized by the business. Lien waivers would need to be signed. The business could be reimbursed directly provided copies of checks and invoices paid meet RLF standards.

Business B is starting a new shoe store in town and will be leasing space for 4 years. Included in the rent agreement are some basic leasehold improvements. However, shoe racks, in-store directional signs, chairs for customers and a computerized cash register are needed to get started. These needs total \$6,000. Business B can access \$5,000, 1% interest 4 year loan. Payments for the first three months are deferred with a payment due beginning in the 4th month.

COLLATERAL

Personal guarantees are required. A first security position on furniture & fixtures may be needed.

Call Jane or Shari at 701-642-8559 for additional information or to apply.