



PACE & FLEX PACE INTEREST BUYDOWN PROGRAM Guidelines – August 2024

The City of Wahpeton has a number of incentives in its toolbox in which to assist businesses, both new and established, with a focus on business retention and expansion.

Included in these programs are the PACE & Flex PACE Interest Buydown programs through the Bank of North Dakota (BND). The premise: a business works with its lead lender for a loan, and the lead lender works with BND and the city to have the interest reduced. If approved, BND and the city buy down the interest on the loan with a 70/30 split (70 BND, 30 city). City policy is that the city's portion of the buydown is repaid. BND's portion is not.

The following parameters will be applied with which decisions can be made consistently:

- A scoring matrix will be used to assess each application.
- Payback will be required to begin five years after the loan closes. If no payback is required (due to in-kind benefits), no stipulation will be applied.
- When possible, in-kind benefits will be applied to the city's portion of the buydown.
Examples:
 - Mini-Match+ grants
 - Revolving Loan Fund loans
 - Renaissance Zone tax abatements
 - Payment in Lieu of Taxes benefits
 - Sales tax buydowns in special assessments
- The City Council will maintain the option to make exceptions at its discretion.

Local banks will be made aware of these changes and asked to allow time for the city to do its due diligence so that all information from BND is accurate when council approves an application.

The City of Wahpeton reserves the right to reject any application.