

Financial Resources for City of Racine Businesses





Business Lending Partners

RCEDC's Finance Specialty Area

- Business Lending Partners (BLP): RCEDC's Finance Specialty Area
 - BLP offers a variety of beneficial loan and grant programs to businesses in City of Racine/Racine County
 - BLP is a certified SBA 504 Lender since 1985

- Programs for Discussion

Zero RLF Loans (Up to \$250,000)

- Federal EDA Cares Act Recovery Funds

Low Interest Loans (\$5,000 - \$5.5 million)

- Micro Loans
- Community Loans
- Small Business Administration (SBA)

Matching Grants

- Up to \$5,000 per Applicant per Year

● ZERO RLF Loans, EDA Cares Act Recovery Program



Assists businesses impacted by COVID-19 and result in job retention/creation

- 0% Interest Rates through June 2022
- \$0 Application and Processing Fees
- 0 Principal Payments up to 18 Months

To be used for:

- Equipment
- Limited Working Capital

● ZERO RLF Loan Recipient

Racine Manufacturing Company

- Business impacted by COVID/two employees furloughed
- New innovative equipment would make company competitive
 - Reduced cost on equipment during COVID
- Would allow company to expand customer base and better serve existing customers
- Beneficial combination of City of Racine loans and grant

Note: 90% financing and no payments for 18 months allowed company to focus on recovery and growth during pandemic

- Other ZERO RLF Loan Recipients

Fitness Center

- Shut down during State mandate and still not all members have returned due to pandemic
- Competitors shut down
- New fitness equipment purchased to draw members
- Job creation will result

● Other ZERO RLF Loan Recipients

Emerging Manufacturer

- Business less than one year old
- Growing customer base
- Financing new equipment allows company to increase capacity and add jobs
- Company worked with SBDC on business planning
- Funds secured for equipment, start up costs and operations

● City of Racine Loan Programs

What makes these programs attractive?

- **Low down payment** – Typically 90% financing
- **Low interest rate** – approximately 3%
- **Fixed rates**
- **Flexible Terms** – Deferral Options
- **SBA 504** offers reduces uncertainty with 10, 20 and 25-year terms

● Microloan/Loan Programs

How do BLP Microloans/Community Loan programs work?

- These are direct loans that typically are a second lender in partnership with a bank
- The Zero RLF and Microloan programs may not need a bank partner depending on size of financing need

● Microloan Recipients

City of Racine Manufacturing Company

- New piece of equipment for less than \$50,000
- BLP provided 90% financing at a below market interest rate
- Project resulted in job creation
- Streamlined approval/closing process

- Community Revolving Loan Funds







