

FOR IMMEDIATE RELEASE: March 8, 2021

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RCEDC's ZERO Loan Program provides immediate financial relief for Racine's Razor Sharp Fitness, O&H Bakery

Racine County, WI – The goal of the Racine County Economic Development Corporation's (RCEDC) ZERO Loan Program is to provide immediate financial relief to local businesses impacted by COVID-19. With interest rates fixed at 0% through June 2022, no administration fees and 18-months of no principal payments, this program has already created a spark for multiple Racine County businesses.

RCEDC's most recent recipients, Terri and Michael Bannon, owners of Racine's Razor Sharp Fitness, used the ZERO loan program to purchase new fitness equipment, which will increase memberships and alleviate the effects of the pandemic. The growth in revenue generated will allow the company to create nine full-time jobs.

"After closing our facilities when the pandemic struck, we opened our doors in May, but with a lot of uncertainty," said Terri Bannon, co-owner of Razor Sharp Fitness. "We were planning to place orders for new equipment before the pandemic, but because of stalled operations, we did not proceed. The ZERO loan program allowed us to purchase the equipment to help grow our business."

In July 2020, RCEDC received a grant of \$3.6 million from the Economic Development Administration (EDA) to establish the ZERO loan program. RCEDC's business financing team, Business Lending Partners (BLP), immediately promoted the program to local businesses, chambers, and partners – emphasizing its use towards equipment and working capital.

With employees working remotely, and offices closed or at reduced staffing levels, Racine County's O&H Danish Bakery saw its daily sales to businesses and cafeterias decline. Vice President, Peter Olesen, familiar with using RCEDC loan programs, saw the ZERO loan program as an opportunity to purchase equipment that would positively impact the company's e-commerce division.

"We've been fortunate to have a strong relationship with RCEDC over the years," said Olesen. "When we discovered this program, we knew it would provide the opportunity needed to not only survive these difficult times but allow our company to innovate and grow our mission."

The program indicates that eligible businesses must have less than 200 employees – and because this program was developed as part of the CARES Act – applicants must explain the impact of COVID-19 on their business and how the funding will benefit Racine County. BLP staff are ready to provide guidance with eligibility criteria and the loan application.

In addition to Razor Sharp Fitness and O&H Danish Bakery, Hestia Heat Treat, and TS Food Packaging also used the program to purchase new equipment.

"This is the perfect program for businesses in Racine County that are negatively affected by the pandemic and need immediate relief," said Bannon. "Carolyn and Natalie (BLP staff) were extremely helpful and especially diligent from application to loan approval and loan disbursement."

About 25% of the grant has already been approved and disbursed to local businesses. Any Racine County business interested in applying for the ZERO loan program should contact BLP's Finance Manager, Carolyn Engel at (262) 898-7420 or carolyn@blp504.org.

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About RCEDC

The Racine County Economic Development Corporation is a private, non-profit organization providing Racine County businesses with technical and financial resources for nearly 40 years. The mission of RCEDC is to increase Racine County's property tax base and create employment opportunities in the County.

About BLP

Since 1983, RCEDC has executed its financial lending services through Business Lending Partners (BLP). Approaching 40 years of operation, BLP has administered nearly \$600 million to 500+ businesses throughout Wisconsin. BLP is the only Certified Development Company (CDC) headquartered in Southeast Wisconsin and manages an office in Green Bay. Specializing in processing and servicing SBA 504 loans, BLP utilizes local, state and federal partners to successfully assist in completing a variety of projects.