



LEWIS & CLARK REGIONAL DEVELOPMENT COUNCIL



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For Immediate Release

### **Second \$1 Million Loan Pool Will Assist New and Expanding Businesses in Mandan**

June 12, 2009 — Lewis and Clark Regional Development Council and the City of Mandan announced today the creation of a second \$1 million revolving loan fund to provide financing for businesses in Mandan. The loan fund was created through the City of Mandan using \$250,000 in sales tax revenue to match a \$750,000 loan to the regional council from USDA Rural Development.

The purpose of the second fund is to continue Mandan's uptrend by spurring economic development and creating jobs. The loan fund will help maintain and expand existing businesses and launch new businesses.

USDA Rural Development Business and Community Program Specialist Matt Burthold presented the \$750,000 check to LCRDC stating, "Lewis and Clark Regional Development Council being awarded this second Intermediary Relending Program loan demonstrates its commitment to helping continue the revitalization efforts for the Mandan area. The City of Mandan contributing the \$250,000 match to the Revolving Loan Fund truly shows its commitment for continued growth and prosperity. This project truly captures Rural Development's mission of improving the quality of life and economy of rural North Dakota."

"This fund was created through a strategic partnership between the Lewis and Clark Regional Development Council, the City of Mandan through the Mandan Growth Fund, and USDA Rural Development. This fund is designed to be the catalyst to spur private investment into the City of Mandan. This new infusion of funds will go a long way in strengthening existing businesses and developing new retail and primary sector businesses in Mandan." explained Brent Ekstrom, LCRDC Director of Commercial Lending.

Mandan Mayor Tim Helbling thanked USDA Rural Development and the Lewis and Clark Regional Development Council, pointing out, "The first million-dollar loan pool has been instrumental in fueling business growth in Mandan over the last couple years. Businesses assisted have ranged from new retail in Mandan Sporting Goods and an upgrade for the Prime Steer restaurant, to expansion of a high-tech business like National Information Solutions Cooperative."



Mandan's first loan pool became active in July 2007. By November 2008, all funds had been loaned to businesses and were beginning to revolve. Repayments from business recipients replenish the fund. Because it takes time for those payoffs to accumulate and to maintain momentum, the City approved an additional \$250,000 to leverage the USDA loan to the Regional Council to create the second \$1 million loan fund.

Businesses seeking to locate and grow in Mandan or the surrounding 10-mile radius in Morton County that need assistance in covering a portion of financing needs may apply for low interest loans. Qualifying investments include real estate purchases, building construction, leasehold improvements, equipment and inventory expenses.

The loan can be for no more than 50 percent of total financing needs and cannot exceed \$250,000 for any one project. Interested borrower should first contact a conventional lender to take the lead in arranging a financing package. The amount of financing available through the loan pool will be proportionate to the number of jobs created or retained through the business. Owner equity of at least 10 percent of total project costs also is required. Interest rates and repayment terms depend on the assets being financed, credit risk, economic impact, and borrower ability to cash flow. There is a 1 percent origination fee on all loans.

The LCRDC serves a 10-county area including Morton County by helping local governments, organizations, businesses and individuals access federal, state and other funding sources to enhance employment and business opportunities, to maintain and improve infrastructure and public services, rehabilitate housing, and develop plans.

For more information about the revolving loan fund, persons interested in locating and expanding businesses in Mandan should contact LCRDC Director of Commercial Lending Brent Ekstrom, phone 701-255-4591, or Mandan Business Development Director Ellen Huber, phone 701-667-3485.

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