



CITY OF BLAINE

SMALL BUSINESS LOAN PROGRAM



The City of Blaine has established a Small Business Loan Program to provide additional financial assistance to small business owners who are improving an existing building and/or redeveloping a commercial or industrial property. In general, projects will increase tax base, improve blighted properties, increase employment, and bring properties into conformance with existing city and state codes.

ELIGIBILITY REQUIREMENTS

Existing commercial and industrial buildings and sites, or buildings/improvements constructed as part of a redevelopment (not for use on green field construction). The program is available to business and/or real estate owners with less than 25 employees.

ELIGIBLE ACTIVITIES

Exterior site improvements such as parking lots, trash enclosures, signs, fences and landscaping. Exterior building improvements such as additions, windows, awnings, masonry repairs and exterior finishes or demolition of existing buildings, parking areas or signs. The program is not intended for any interior improvements, machinery and equipment, or real estate.

BUSINESS/PROPERTY

Must be current on real estate taxes and utilities and not have any outstanding code violations. Loan funds may be used to resolve code violations provided the criteria of the loan program is met.

LOAN TERMS

Maximum of 10 years. Interest rate will match existing prime rate at the time the loan is approved and will remain fixed for the term of the loan. In certain instances, the term of the loan may have to match SBA funding that is part of the project.

LOAN AMOUNT

Maximum loan amount is \$75,000. At least 50% of the financing must come from a private lender or private equity. Funds will be set up as a revolving loan fund with \$250,000 initially allocated from the EDA general fund.

UNDERWRITING AND REVIEW

Tier 1: Loans between \$20,000 - \$75,000

- Full underwriting by CMDC with recommendation and approval by the EDA.
- Fee to applicant is \$1,500.
- Applicant will pay all closing costs.

Tier 2: Loans between \$5,000 - \$19,999

- Credit and background checks completed by CMDC; basic underwriting completed by EDA staff with recommendation and approval by the EDA.
- Fee to applicant is 7.5% of the loan amount.
- CMDC may provide services at an hourly rate as needed.
- Applicant will pay all closing costs.