



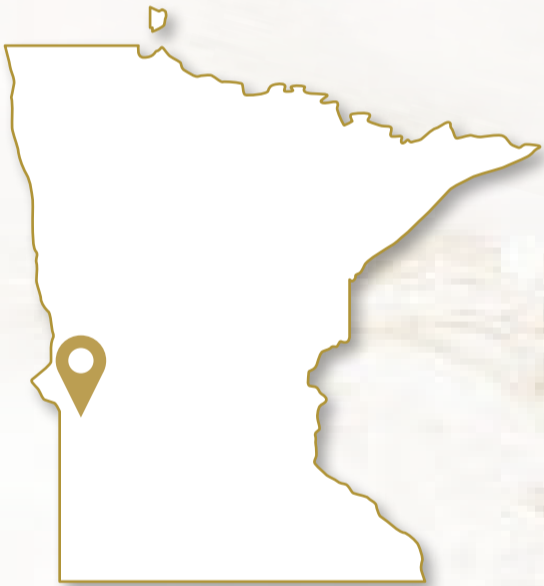
Upper Minnesota Valley
**REGIONAL
DEVELOPMENT
COMMISSION**

Helping Communities Prosper

UPPER MINNESOTA VALLEY REGIONAL DEVELOPMENT COMMISSION

REVOLVING LOAN FUND

ANNUAL REPORT



FY 23

JULY 1, 2022 - JUNE 30, 2023

ADDRESS

323 W SCHLIEMAN
AVE APPLETON, MN

PHONE

320.289.1981

WEB

WWW.UMVRDC.ORG

BIG STONE || CHIPPEWA || LAC QUI PARLE || SWIFT || YELLOW MEDICINE COUNTIES



UMVRDC RLF LOAN FUND HISTORY

The UMVRDC Revolving Loan Fund (RLF) was established on December 5, 1988. Big Stone, Chippewa, and Swift Counties and the U.S. Department of Commerce Economic Development Administration (EDA) originally provided capital for the RLF. In 1993, the RLF was recapitalized with EDA funds and matching funds from all five counties in the region. With this recapitalization, businesses in Big Stone, Chippewa, Lac qui Parle, Swift and Yellow Medicine Counties were eligible to receive loans.

The RLF was again recapitalized with EDA and county funds in 2001 to create a separate disaster fund for Chippewa and Yellow Medicine Counties and after once revolved would be combined with the existing revolving loan fund for all counties to utilize. A request to combine funds in August 2006 was submitted to EDA for approval and action. In December 2010, EDA combined the UMVRDC's two funds into one.

The Covid-19 pandemic hit in March of 2020, which impacts economies' world-wide. To provide fast and direct economic assistance for our American workers, families, small businesses, and industries, On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and

Economic Security Act which appropriated supplement funds to the Department of Commerce, Economic Development Administration (EDA) to "prevent, prepare for, and respond to coronavirus. The UMVRDC was the grant recipient of these EDA funds and was awarded \$1.72 Million dollars to create a separate revolving loan fund to respond to the economic impacts resulting from the coronavirus within the region.

The Reinvigorating Lending for the Future Act was enacted in October of 2020. This act authorized the request for the release of the federal interest in awarded Revolving Loan Funds. On April 29, 2021, the UMVRDC received approval for the release of the EDA's interest in the Original RLF Award with no continued EDA monitoring and oversight in regard to that revolving loan fund. The Disaster RLF Award also was deferalized in June 2022.

In June 2022 the UMVRDC was awarded yet another allocation of RLF funds for a new \$500,000 RLF - which \$400,000 came from EDA and \$100,000 divided between the five counties.

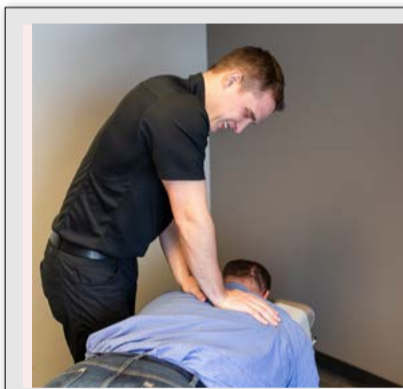
Examples of RLF businesses throughout the years



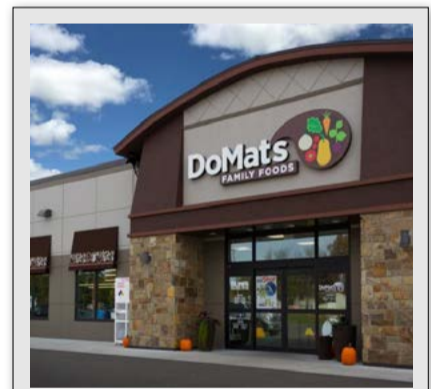
**DONNERS
SERVICE INC**



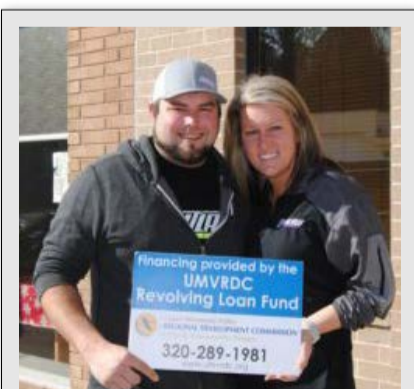
**SEWEARABLES
DESIGNS**



**MADSEN
CHIROPRACTIC**



**DOMATS
FAMILY FOODS**



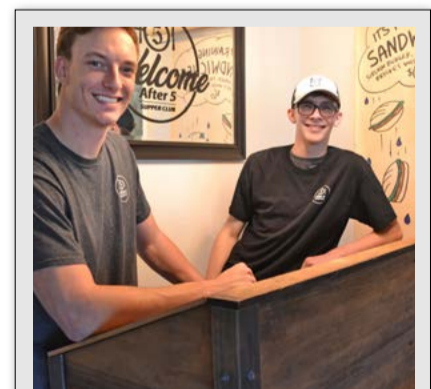
**OUTLAW
GRAPHIX**



**THE
HOMESTORE**



**THE DRYER
DOCTORS**



**THE AFTER FIVE
SUPPER CLUB**



FY2023 APPROVED LOANS

JULY 1, 2022 - JUNE 30, 2023

2 new loans

30

Jobs are expected to be created and retained within the region, as a result from the 2 loans

\$450,000

The amount of RLF funds loaned out this fiscal year

\$1,138,000

Was leveraged in public and private funding in addition to the RLF funds

LENDING PRIORITIES

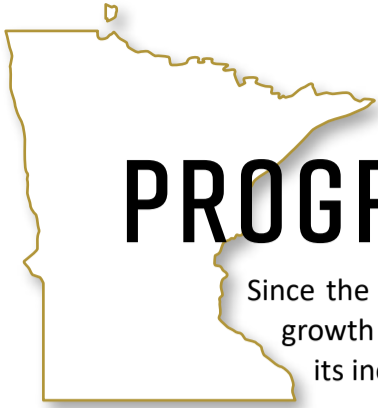
- Create or retain permanent employment, with priority given to business affected by coronavirus
- Reduce unemployment and underemployment in the region in response to economic injury
- Encourage the creation of jobs that create a living wage and improve income levels
- Stimulate increased tax base
- Leverage other public and private (with an emphasis on private) sector investment
- Encourage growth of the region's existing business and industry with priority given to those directly impacted by coronavirus or other economic injury
- Develop a diversified base of businesses and industries to insulate the region's economy from changing markets and business cycles
- Support new and emerging industries
- Encourage and support entrepreneurship sustained through coronavirus or other economic disaster

MARKETING

The UMRDC RLF has a variety of different marketing efforts. Many loan requests come from local lender referrals, along with board members and local economic development staff promoting our program. UMRDC staff continues to make regular contact with financial and economic development professionals throughout the region. UMRDC staff have completed videography and interviews with some of our current loan portfolio businesses. These videos and marketing materials have been utilized on our website and social media outlets and are available for our businesses to utilize. Staff will be continuing to market these funds over the next year and rely on existing partnerships with local EDA's, Small Business Development Center, and lenders to help bring forth quality loan projects for consideration.

As part of our effort to support new and existing businesses, the UMRDC hosted a series of online classes. Materials from these classes are available on our website. Below are a few examples of the classes that are available:

- Understanding Google My Business
- Speed Up Your Hiring Process & Fill Your Open Positions
- Google Ads for Small Budgets
- 5 Reasons Why Your Business NEEDS to Use LinkedIn
- Digital Marketing & the Trust Tipping Point
- Getting Found Online & On Maps

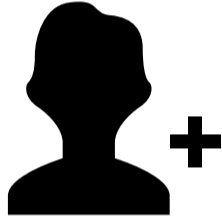
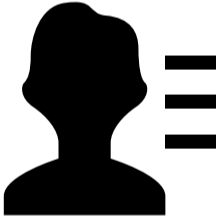


AS OF JUNE 30TH, 2022

PROGRAM IMPACT SUMMARY

Since the RLF was incorporated in August of 1988, the fund has made a significant impact on the economic growth and employment opportunities in the region. The RLF has completed the following loan activities since its inception.

Total Program Impact

ECONOMIC IMPACT	TOTAL	
Number of Loans Closed	157	1,330 JOBS CREATED
Total in RLF Loans	\$10,056,730	
Private Loan Dollars Leveraged	\$127,807,857	
Public Loan Dollars Leveraged	\$21,450,468	
Owner Equity leveraged	\$40,706,089	1,861 JOBS RETAINED
BUSINESS TYPE		
Start- Up	50	
Expansion	66	
Retention	41	

Current Program Update

Total RLF Portfolio	\$2,895,178
Total active loans	41
Balances available for lending	\$1,145,167

Borrower	City	Loan Amount	"Interest Rate"	"Term	Loan Closed	Payments	Original RLF Balance	Disaster RLF Balance	CARES RLF Balance at 6/30/23	ARPA RLF Balance	Original RLF Balance
Anderson TeBeest Funeral Home	Granite Falls	69,720	4.50%	7	3/29/2018	\$970.12	\$21,364.41	\$-			\$21,364.41
Anderson TeBeest Funeral Home #2	Granite Falls	60000	2.40%	5	2/18/2021	\$1,038.43			\$33,092.72		
Appleton Power	Appleton	40,000	4.00%	10	11/1/2018	\$404.98	\$25,805.73				\$25,805.73
BKP Jewelers LLC-Korthuis Jewelers	Granite Falls	38,000	4.00%	7	6/19/2020	\$520.41	\$24,522.27				\$24,522.27
Books by Kelly	Granite Falls	20,000	5.00%	5	7/31/2010	\$121.69	\$2,573.41				\$2,573.41
Clara City Foods, Inc	Clara City	200,000	2.44%	10	4/8/2016	\$2,056.74	\$34,694.22	\$34,694.22			\$34,694.22
Custom Roto-Mold, LLC	Benson	200,000	0.00%	10	5/28/2021	\$1,667.67	\$121,249.94	\$40,416.65			\$121,249.94
Devo's Paint and Body	Dawson	88,000	2.40%	7	11/24/2020	\$1,113.78			\$58,882.08		
Donner's Garage	Clara City	163,500	0.00%	5	2/24/2022	\$909.33			\$150,783.38		
Donner's Manufacturing Inc		300,000	6.00%	5	2/3/2023	\$3,331.62			\$196,180.08	\$98,090.04	
Donner's Service Loan #1	Clara City	36,500	0.00%	5	4/13/2022	\$202.78			\$33,863.86		
Donner's Service Loan #2	Clara City	163,500	4.00%	5	4/13/2022	\$1,210.39	\$154,719.92				\$154,719.92
Evenson Properties, LLC (Ambient)	Benson	107,500	2.40%	10	2/12/2021	\$2,501.00			\$80,510.29		
Falls Café and Canoe	Granite Falls	15,100	5.00%	5	6/25/2020	\$285.96	\$7,351.84				\$7,351.84
Fernholz Concrete, LLC	Madison	32,000	0.00%	10	6/29/2021	\$267.67			\$25,866.59		
Granite Falls Woodworks	Granite Falls	51,000	2.40%	10	11/4/2020	\$468.53			\$38,074.63		
Handeland Granite Falls, LLC	Granite Falls	101,008	0.00%	15	8/13/2021	\$562.16			\$89,223.64		
Headquarters Bar & Grill	Graceville	90,000	5.50%	10	10/26/2018	\$977.74		\$59,063.31	\$-		
JAT Holdings, LLC	Montevideo	200,000	2.49%	10	3/29/2021	\$1,302.77			\$171,449.38		
Krave Wellness Studio	Canby	26,000	5.00%	5	7/24/2019	\$491.65	\$8,868.10				\$8,868.10
Lein Lumber, LLC	Madison	90,000	2.40%	7	10/21/2020	\$826.05			\$67,190.55		
Lumpy's Inc.	Maynard	30,000	5.00%	5	12/14/2017	\$566.14	\$1,017.09				\$1,017.09
Madsen Chiropractic	Montevideo	117,000	2.40%	10	12/29/2020	\$1,073.57			\$90,025.49		
Marathon Holdings GoFasters Power	Ortonville	100,000	5.00%	15	6/14/2019	\$791.79	\$42,056.15	\$42,056.14			\$42,056.15
Montevideo Design Group	Montevideo	200,000	2.49%	5	3/18/2021	\$1,840.90			\$156,983.12		
Montevideo River Side Auto Body LLC- Dustin German	Montevideo	50,000	0.00%	15	7/20/2021	\$278.80			\$43,888.40		
Northern Geo, LLC	Appleton	150,000	2.44%	10	2/27/2014	\$1,013.88	\$11,406.76	\$22,813.52			\$11,406.76
Northern Geo, LLC (2)	Appleton	80,000	4.25%	10	1/6/2017	\$819.50	\$27,063.66	\$9,021.22			\$27,063.66
SEWearable Designs (2)	Appleton	27,250	4.50%	10	2/14/2017	\$282.41	\$12,833.04				\$12,833.04
Stony Ridge Foods, Inc	Benson	200,000	4.00%	10	6/30/2020	\$2,025.90	\$113,414.56	\$37,804.85			\$113,414.56
Streblov Family Enterprise dba Carl's Bakery	Granite Falls	50,000	5.00%	10	8/30/2019	\$531.33		\$36,459.12			
Sunshine & Whiskey, LLC	Watson	77,100	2.40%	10	10/14/2020	\$707.79			\$57,559.94		
The Dryer Doctors	Montevideo	34,000	4.50%	10	8/14/2017	\$353.37	\$17,548.73				\$17,548.73
The Dryer Doctors (2)	Montevideo	28,000	4.50%	10	7/31/2019	\$290.19	\$20,001.89				\$20,001.89
10th AVENUE REBUILDERS LLC	Montevideo	188,820	0.00%	10	11/9/2021	\$1,574.50			\$160,497.00		
The Sawmill	Granite Falls	50,000	4.00%	10	3/31/2010	\$203.81	\$18,321.73				\$18,321.73
Trish's Catering	Clara City	38,000	4.25%	10	5/31/2017	\$390.26	\$20,178.93				\$20,178.93
Wager Chiropractic, P.L.L.C.	Dawson	39,572	2.44%	10	5/18/2021	\$330.77			\$31,657.52		
Western Consolidated Cooperative	Appleton	200,000	4.25%	10	10/24/2017	\$2,049.75	\$49,298.15	\$49,298.15			\$49,298.15
Williams Family Companies, LLC	Granite Falls	118,000	2.40%	10	1/14/2021	\$764.70			\$99,987.96		
Winter Family Enterprises, Inc	Montevideo	150,000	5.25%	5	12/2/2022	\$1,610.38			\$-	\$145,455.81	
TOTAL		4,019,570				\$38,731.21	\$734,290.53	\$331,627.18	\$1,585,716.63	\$243,545.85	\$734,290.53



FREQUENTLY ASKED QUESTIONS



Upper Minnesota Valley
**REGIONAL
DEVELOPMENT
COMMISSION**

Helping Communities Prosper

LOAN SIZE

\$5,000 - \$200,000

TYPE OF ASSETS FINANCED

Fixed assets
Working capital (with additional restrictions)
Real Estate

TERMS

Fixed assets financed at a maximum of 10 years
Real estate financed at a maximum of 20 years
Working capital financed at a maximum of 5 years
Average financing is 5 – 7 years

INTEREST RATES

Most loans are made at 4 – 7 percent at a fixed rate

EQUITY & COLLATERAL

Minimum of 10 percent borrower equity
All loans must be secured with available assets, inventory, real estate, personal guarantees, assignment of life insurance.

REPAYMENT

Monthly payments are made through electronic transfer (ACH)

JOB CREATION RATIO

One job created or retained for every
\$25,000 in RLF Funding

OTHER REQUIREMENTS

Project must demonstrate a gap financing need
Lead Financial Institution participation is required
Maximum participation rate is 33% for manufacturing and 20% for all other projects

FY2023 LOAN ADVISORY BOARD MEMBERS

The Loan Advisory Board met on an as-needed basis to review loan **applications and other requests throughout the** fiscal year. **The time and dedication by all board members is greatly appreciated!**

Big Stone County

Jeff Klages
County Commissioner

Drew Dohman
Cenbank - Ortonville

Chippewa County

Candice Jaenisch
County Commissioner

Dean Solem
Citizen's Alliance Bank - Montevideo

Lac qui Parle County

Ben Bothun
County Commissioner

Jordan Bothun
Greater Credit Union - Madison

Swift County

Larr Mahoney
County Commissioner

Eddie Masee
Farmers & Merchants Bank - Appleton

Yellow Medicine County

Glen Kack
County Commissioner

Carrie Dreissen
Co-Op Credit Union - Canby

UMVRDC Representatives

Gary Hendrickx
RLF Chairman

Rusty Dimberg
Ortonville Townships

Aaron Koosman
Swift County Commissioner



Helping our Communities Prosper

