



# DOING BUSINESS IN DILWORTH

Guide to Local, State, and Federal Incentives



## Dilworth Programs

### **Revolving Economic Development Loan Fund**

The Dilworth revolving loan fund provides gap financing to new & existing primary sector businesses and projects with the goal of retaining and creating jobs in the City. A business in Dilworth may qualify for up to a \$25,000 loan at below market rates. Proceeds may be used for land acquisition, site improvements, new construction, remodeling, machinery, and fixtures.

Any project located within Dilworth that meets the eligibility requirements may apply for a loan from the City. Some restrictions do apply, program guidelines are available for your review.



### **Border City Enterprise Zone Credits**

Tax credits may be awarded to new commercial or industrial businesses locating in the City of Dilworth. Up to \$3,000 per new employee and \$1,500 for a retained employee may be awarded. Depending on the impact of the new business, they may receive an award for multiple years.

### **Tax Abatement**

Tax abatement is the process by which a portion of property taxes are rebated

back to the property owner, who then uses it to help offset development or redevelopment costs. Tax abatement is simpler and less restrictive than tax increment financing and is quite useful for new and redevelopment projects. Applicable to commercial, industrial, and multi-unit housing projects. Abatements eligible for up to five years.

### **Tax Increment Financing (TIF)**

Tax Increment Financing, or TIF, is a method of financing real estate development costs to assist with applicable project costs for site improvements, and depending on the project may include financing assistance with the construction of buildings or other private improvements.

TIF uses the additional property taxes paid as a result of development and increased property value to pay for a portion of the development costs.

### **City Virtual Tour Marketing Program**

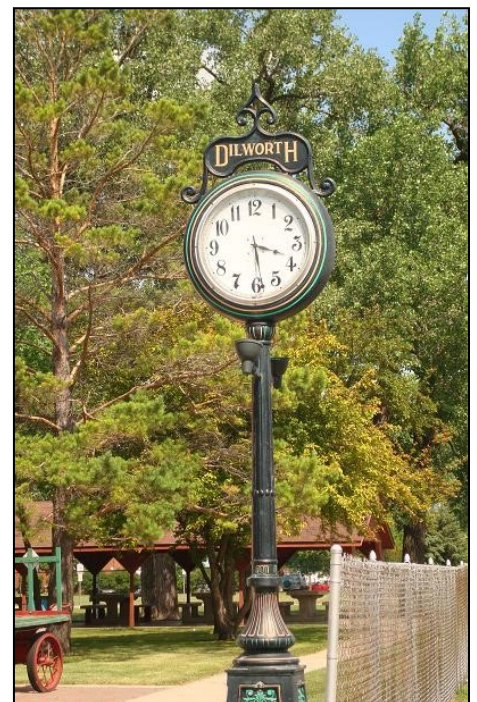
The City of Dilworth participates in On-Line Virtual Tour GIS Marketing through the firm, [Be More Colorful](#). Local businesses can be marketed as a part of the Community Tour that is available on the City of Dilworth website. For new commercial and industrial businesses, the City will sponsor a first-year membership. This membership includes location of the business on the Community Tour, and outside and inside photos of the new business (up to \$500 per business).

\*Contact the [City of Dilworth](#) regarding these programs.

## Regional Programs

### **West Central Initiative**

The West Central Initiative (WCI) organization is located in Fergus Falls, Minnesota and serves Clay County. As a part of its activities, it offers financing assistance to commercial and industrial businesses. Financing assistance is provided through loans and is typically used as “gap financing” for projects. Loan programs include: Small Enterprise Loans, Business and Industry Loans, Access to Capital Loans and Child Care Loans. WCI also administers the Clay County Loan Program, with funding specifically for businesses in Clay County. Information on the loan programs, as well as staff contacts can be found on the [WCI website](#).



## State Programs

### **Growth Loan Fund**

Minnesota's [Growth Loan Fund](#) (GLF) supports entrepreneurial growth by providing direct loans for businesses engaged in Technological Innovation. The loan amount can be up to 20% of the total amount of equity investment raised by the business in a funding round (after GLF approval). Loan range from \$100,000 to \$400,000. Funds may be used for start-up costs, working capital, equipment loans, inventory financing, and tenant improvements.



### **Minnesota Investment Fund (MIF)**

The [Minnesota Investment Fund](#) provides grants to help add new workers and retain high-quality jobs on a statewide basis.

The focus is on industrial, manufacturing, and technology-related industries to increase the local and state tax base and improve the economic vitality for all Minnesota citizens.

At least 50 percent of total project costs must be privately financed through owner equity and other lending sources (most applications selected for funding have at least 70 percent private financing).

### **Minnesota Job Creation Fund**

The [Minnesota Job Creation Fund](#) provides financial incentives to new and expanding businesses that meet certain job creation and capital investment targets.

Companies deemed eligible to participate may receive funding assistance for creating or retaining high paying jobs and for constructing or renovating facilities or making other property improvements.

## Federal Programs

### **Small Business Administration (SBA)**

Banks and other lending institutions offer a number of SBA guaranteed loan programs to assist small businesses. While the SBA itself does not make loans, it does guarantee loans made to small businesses by private commercial and other lending institutions.

Below is an overview of SBA's guaranteed loan programs:

#### 7(a) Loan Program:

This is SBA's primary and most flexible loan program, with financing guaranteed for a variety of general business purposes. It is designed for start-up and existing small businesses.

The major types of 7(a) loans are:

- Express Programs (SBA Express, Community Express, & Patriot Express)
- Export Loan Programs
- Rural Lender Advantage Program
- Special Purpose Loans Program

#### CDC/504 Loan Program:

This program provides long-term, fixed-rate financing to acquire fixed assets (such as real estate or equipment) for expansion or modernization. It is designed for small businesses requiring "brick and mortar" financing, and is delivered by CDCs (Certified Development Companies)—private, non-profit corporations set up to contribute to the economic development of their communities.

#### Microloan Program:

This program provides small (up to \$35,000) short-term loans for working capital or the purchase of inventory, supplies, furniture, fixtures, machinery and/or equipment. It is designed for small businesses and not-for-profit child-care centers needing small-scale financing and technical assistance for start-up or expansion, and is delivered through specially designated intermediary lenders (nonprofit organizations with

experience in lending and technical assistance).

#### Disaster Assistance Loan Program:

This program provides low-interest loans to homeowners, renters, businesses of all sizes and most private non-profit organizations to repair or replace real estate, personal property, machinery and equipment, inventory and business assets that have been damaged or destroyed in a declared disaster.

### **Small Business Development Centers (SBDC)**

The Office of Small Business Development Centers (SBDC) provides management assistance to current and prospective small business owners. SBDCs offer free, one-stop assistance to individuals and small businesses by providing a wide variety of information and guidance in central and easily accessible branch locations. The program is a cooperative effort of the private sector, the educational community and federal, state and local governments and is an integral component of Entrepreneurial Development's network of training and counseling services.

If you would like help with the development of your business plan, marketing techniques, or if you would like assistance with financial/loan packaging, please contact: West Central Region SBDC Center, Concordia College, Grant Center 220, 1310 8th Street S., Moorhead, MN 56562 (218) 299-3037, SBDC@cord.edu All assistance through the Small Business Development Center is free of charge and strictly confidential.

