# Barron Electric's Economic Development Programs

### **Low or No Interest Loans**

Barron Electric Cooperative members are eligible to apply for two different financing options that can be used for profit or not-for-profit businesses, new, expansion or start-up businesses, infrastructure, machinery, and equipment.

## **Below-Market Financing**

Barron Electric provides a below-market interest rate loan for up to 50% of an eligible project.

# 0 % Financing

The Cooperative is the liaison with the United States Department of Agriculture for a zero-percent loan through the Rural Economic Development Loan and Grant (REDL&G) Program.

REDL&G is a flexible financing resource that channels federal loans through rural electric cooperatives to economic development and job creation projects. Since the approval of the first applications in 1989, approximately \$390 million in REDL&G funding has been awarded to assist in rural projects.

### **Successful Criteria**

The project will be assessed according to several criteria, such as:

- Quality of business plan
- ✓ Energy consumption
- ✓ Supplemental funds
- ✓ Nature of a project
- ✓ Economic impact
- ✓ Probability of success
- ✓ Job ownership and management
- Creation of quality jobs

### **Plan for Success**

Please include the following in the comprehensive business plan:

- Executive summary
- ✓ Business description
- Organizational structure
- Jobs created
- ✓ Feasibility and marketing studies
- Operating plan
- Equipment requirements
- Financial information
- ✓ Sources and uses of funds
- Assumptions for projected financial statement

### **Timetable**

Submit all required materials to Barron Electric no later than fifteen business days prior to the board meeting. Barron Electric's Board of Directors typically meets the last Wednesday of the month. Required materials Include:

A comprehensive business plan, past 3 years of audited financial statements, 3 years of pro forma financial statements and environmental assessments. The approval process is estimated to take six to nine months for the zero-percent REDL&G loan and thirty to ninety days for the belowmarket financing.

### **Board Presentation**

Members will be asked to present their projects to the Board of Directors for approval.

### **Mission Statement**

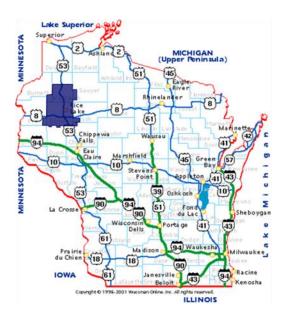
Barron Electric Cooperative is a memberowned business that provides energy, products, and services to improve the quality of life in the area we serve.

### **Contact**

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Barron Electric is committed to working with members and local economic development agencies to provide the best package available to new and expanding businesses.

Barron Electric's service territory is highlighted in purple in the map below. The service territory consists mostly of rural Barron County, the southern half of Washburn County and portions of six neighboring counties



Over the past 10 years, Barron Electric has loaned \$2.4 million to 13 area businesses and created more than 100 local jobs.

# **0% Financing**

# Requirements

- Approved resolution from Barron Electric's Board of Directors
- Comprehensive Business Plan
- Letter from the project owner requesting financial assistance
- Application forms (provided by the cooperative)
- Letter of Commitment
- Evidence of supplemental financing
- Copy of an environmental study for the project

# **Terms**

- Project cannot start prior to submitting an application
- Prefer client equity of 25% for a start-up business
- 10-year financing agreement
- 10-year service agreement
- Adequate security required



# Attractive Financing to Grow & Expand Businesses



**Trego Travel Center** 

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