Medina County Economic Development Corporation

Medina County Revolving Loan Fund
Brief Guidelines & Description

The Medina County Revolving Loan Fund (RLF) can lend funds for eligible projects, which includes start-up operations.

Other eligible borrowers include:

- Private sector for-profit enterprises;
- New or existing companies which are expanding or retaining employees;
- Locally or outside owned;
- Small or large companies;
- Industrial or commercial enterprises using new or traditional technology.

The County's RLF fund can provide up to 50% of the cost of the project. The other 50% would need to include owner equity, bank financing, or other types of private borrowing (venture capital, friends & family, etc.).

RLF funds can be used to pay for the purchase, repair, or upgrade of any fixed asset such as building construction or renovation, purchase of machinery and equipment, site improvement, land acquisition, etc. Ineligible activities include: working capital, debt refinancing, training costs, relocation from within Ohio, speculative projects, or debt servicing. Other activities not specifically listed above must be approved by the RLF Committee.

Because of the government nature of the funds, there are certain job creation requirements that must be met. Borrowers must agree to create or retain one job for every $35,000 in RLF funds loaned.

In hiring new workers, companies must endeavor to ensure that a minimum of 51% of the jobs created or retained will be filled by persons of low and moderate income households. All jobs must be created or retained within 18 months of project completion.

All loans must be secured with a mortgage, security agreement, financing statement, or other assignment of rights. Buildings and property will require a mortgage collateral. Machinery and equipment will require a financing statement.

Regarding the terms of the loan, the maximum repayment period shall not exceed the life of the assets. In general:

Machinery & Equipment	5 - 10 years
Building & Land	10 - 15 years

Interest rates shall vary depending upon the financial need of each company on a project by project basis as determined through necessary or appropriate documentation. No special financing will be permitted. For expansion, 5-10% equity is required and 20-30% equity will be required for start-ups. The acceptable equity percentage will be a function of the soundness of the business, and the ability of the applicant to meet and exceed more required criteria. The loans will be simple interest.

The applicant is required to submit a $100 fee with each application. If the application is denied, $50 of the fee will be refunded.

The attached pre-application form can be submitted for initial review without the submission of the application fee.

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