

City of Racine

Racine Development Group Revolving Loan Fund (RDG-RLF)

The Racine Development Group (RDG) created a loan fund to promote business development and real estate projects in the City of Racine, with emphasis on low- and moderate-income neighborhoods. Contributing members of the RDG include: Bank of Elmwood, Chase Bank, Johnson Bank, M&I Community Development Corp., RCEDC, S.C. Johnson, Tri City National Bank, US Bank and Wells Fargo Bank.

Eligible Project Costs

- Land acquisition,
- Building acquisition and construction,
- Equipment, furniture, and fixture purchases,
- Working capital needs (direct labor, inventory, and training).



Generations Portrait Studio, Inc. received funding for a building purchase/renovation and start-up costs for their new business on Sixth Street.

Rate & Term

- Fixed at 4%,
- Up to 5-year term/20 year amortization on real estate projects,
- Up to 5 year term/10-year amortization on equipment projects.



JavaVino received RDG funding for a new coffee, tea, and wine establishment on Main Street.

Ineligible Project Costs

- Refinancing existing debt.

Program Parameters

- Equity Requirement: Typically 10% of project cost.
- Loan Amount: Typically up to 40% of total project cost but no more than \$100,000.
- Eligibility: City of Racine 'for profit' businesses that have a positive impact on the community, such as job creation/retention.

Fees:

- 1.5% processing fee,
- Servicing fee of .5% calculated annually,
- \$500 application fee charged at the time of approval and applied towards closing costs,
- Approx. \$1,000 legal fee for closing,
- Banks that are not members of RDG are charged .5% fee,
- Out of pocket closing costs.



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