



Economic Development Incentive Loan Program

The Economic Development Incentive Loan provides businesses with financial assistance to support the retention and creation of jobs for Town residents. The Program is available to for-profit commercial, industrial or service businesses that expand or move within the Town of Mooresville Municipal Service District (MSD) or designated redevelopment areas.

The fund provides fixed-rate financing at .5% below the federal prime rate at the time of loan application. The loan fund is intended to fill a financing gap beyond the amount of private participation and equity investment that can be raised. Loans range from a minimum of \$15,000 to a maximum of \$75,000, up to fifty percent (50%) of total project cost. Loan terms are up to ten (10) years. Loans can be used to finance the acquisition of land, buildings, as well as for new construction, renovation, expansion and/or conversion of facilities. Loans cannot be used to refinance debt, purchase inventory, pay other non-capital costs or on speculative projects. The Town will take a subordinated collateral position provided there is adequate collateral available as security, up to a ninety percent (90%) loan to value ratio.

Businesses are required to create one new, full time, permanent job for every \$35,000 loaned within three years of loan closing.

This is a pilot program with limited funding and is available on a first come, first serve basis.

Business Requirements:

- \$100 nonrefundable application fee, plus a loan origination fee equal to .5% of the Town loan amount.
- Businesses must provide a minimum of ten percent (10.00%) equity. The business owner or majority stockholder must provide a personal guarantee for the loan amount.
- A majority or fifty-one percent (51.00%) of the jobs created must be made available to low and moderate income persons as defined by the federal government.
- Business must demonstrate the ability to repay the loan as well as have adequate collateral and acceptable credit.
- When loan funds are used for construction, federal prevailing wage rates must be paid and a departmental environmental review must be conducted.
- The business owner or majority stockholder must provide a personal guaranty in the amount of the loan. Additionally, key man insurance and hazard of business insurance is required in the amount of the loan with the Town of Mooresville as the loss payee.