

TECHNOLOGY ENTERPRISE FUND

The Technology Enterprise Fund (TEF) is a "quasi-equity", or a patient debt, revolving loan fund that provides creative financing to new and emerging technology companies.

ELIGIBILITY

- Be located in, or propose to locate in, west central Wisconsin (Counties of: Barron, Chippewa, Clark, Dunn, Eau Claire, Polk, and St. Croix)
- Being a technology specific business either possessing and/or developing patentable technology or intellectual property.
- Having fewer than 100 FTE employees.
- Raising at least a dollar-for-dollar (1:1) amount of private capital. Prior investments in the form of in-kind support and/or equipment contributions may qualify as private match.
- Eligible activities include: working capital used in the research and development, testing, and/or commercialization of a product, process or service; equipment and other fixed asset purchases that are essential in the research and development of an innovative technology.

ELIGIBLE TECHNOLOGIES

Any business engaged in the activities of research, development or manufacture of advanced products or materials for use in the technology industry.

FINANCING GUIDELINES

- Loan size can range from \$100,000 to \$250,000.
- All loans are risk priced at a variable rate of Prime plus 200 to 800 basis points. The TEF may also require warrants, conversion rights, royalties or other success fees to mitigate risk and provide for appropriate levels of upside participation.
- Repayment terms shall not exceed five years. Repayment options, including deferrals and interest-only periods, are negotiable.
- A security interest in all of the company's assets, including the technology associated with or developed during the life of the loan, will usually be required as collateral.
- Unlimited personal guarantees are required for any owner with greater than 20% ownership interest in the business.

APPLICATION PROCEDURE

Interested businesses obtain and submit applications to their local County Economic Development Corporation or directly to the West Central Wisconsin Regional Planning Commission.

RBF, Inc. Board of Directors March 1, 2007 – February 29, 2008

President	Raymond Hughes	Eau Claire County
Vice President	Gary Weirauch	Clark County
Secretary/Treasurer	Linda Clark	WCWRPC
	Peter Olson	Barron County
	Lee Rusch	Chippewa County
	Daniel Ostermann	Dunn County
	Dan Draxler	Polk County
	Joel Kraemer	St. Croix County
	Stacy Olson	At-Large Member

Regional Business Fund, Inc. (RBF, Inc.) Balance Sheet as of December 31, 2007

Assets		
Total Cash		\$4,582,952
Total Loan Receivables		\$11,407,677
	Total Assets	\$15,990,629
Liabilities		
		\$82,456
Fund Balance		
		\$15,908,173
	Total Liabilities & Fund Balance	\$15,990,629

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2007 Annual Report



The Regional Business Fund, Inc. (RBF, Inc.) is a non-profit economic development corporation whose purpose is to promote business and economic development in west central Wisconsin. The RBF, Inc. offers loan funds to businesses that expand within the region, diversify the economy, add new technology and create quality jobs and capital investment in the region.

RBF, Inc. has managed an Economic Development Administration (EDA) funded business loan fund for the West Central Wisconsin Regional Planning Commission (Commission) since 1995. RBF, Inc., through the EDA program, has provided over \$1.2 million in low interest loan funds to 23 businesses in west central Wisconsin. The loan funds have leveraged almost \$18 million of private funds for new development and helped create over 400 jobs to date. The Commission provides administrative support and management oversight.

RBF, Inc. experienced many changes in 2007 that were related to the consolidation of community CDBG Revolving Loan Fund programs. The Commission worked with 32 communities in west central Wisconsin and 28 (almost 90%) of them that had CDBG Revolving Loan Funds agreed to consolidate their programs. The consolidation created a much larger Revolving Loan Fund that is capitalized at approximately \$15 million and is available to businesses located in the Counties of Barron, Chippewa, Clark, Dunn, Eau Claire, Polk, and St. Croix.

The RBF, Inc. Board of Directors was reorganized in 2007 to meet the needs of the consolidated fund. Each participating county and the West Central Wisconsin Regional Planning Commission appointed one representative to the board. Additionally, one at-large member was appointed by the RBF, Inc. completing the board at nine members. The board is responsible for the general oversight of the fund, as well as reviewing loan requests larger than \$150,000, and all loan requests to the Technology Enterprise Fund and EDA Loan Fund.

In 2007, approximately \$5 million of cash was transferred and 167 loans, which totaled over \$9.4 million in loan balances, were assigned to RBF, Inc. In addition, 22 new loans were approved for a total loan balance of \$1,962,000. These loan funds have leveraged almost \$12 million of private funds for new development and assisted in the creation or retention of 194 jobs throughout west central Wisconsin.

Economic Development Administration (EDA) Loan Fund 2007 Activity

- Disbursed a \$30,000 loan for BOH Electronics, Inc. of Hudson (St. Croix County) to assist with capital equipment expenditures as part of a \$90,000 company expansion project. BOH Electronics, Inc. is expected to create at least four new jobs within the next two years.
- Midwest Aluminum, Inc. in Withee (Clark County) repaid its loan.

Technology Enterprise Fund (TEF) 2007 Activity

- Approved a \$100,000 loan for WaveOn Technologies, Inc. to assist with working capital costs associated with continued research and development of capacitive (touchless) sensing technologies. The TEF funds are to be used as part of a \$450,000 expansion project in Osceola, Wisconsin (Polk County). The company relocated from Minnesota to Wisconsin in 2006 and is expected to create 10 new full-time jobs.
- Approved a \$150,000 loan for Rapid Diagnostek (f/k/a Intellignostics) to assist with working capital requirements as part of a \$1.5 million dollar project to test & commercialize a sensor appropriate for detecting bacteria, viruses, spores and pathogens. The business will be locating in the SciTech incubator building in River Falls (St. Croix County) and is expected to create 7.5 highly skilled positions within two years. Final terms of the RBF, Inc. commitment have not yet been finalized.

2007 Revolving Loan Fund Activities

- Throughout 2007, staff at the Commission worked to assign over 167 loans from the local jurisdictions to the RBF, Inc. In addition to preparing the assignment documents, staff spent time modifying UCC filings, assigning mortgages and updating insurance information, ensuring that all collateral would be properly perfected through the transition.
- Twenty-two (22) new loans were disbursed for a total loan balance of \$1,962,000. These loans helped create/retain 194 jobs and leveraged \$12 million in private investment.
- Community Development Block Grant—Milk Volume Production (CDBG-MVP) requests originated with the Wisconsin Department of Commerce are processed by Commission staff and all loan repayments are capitalized into the RBF, Inc. Revolving Loan Fund. Activity for 2007 is as follows:
 - \$200,000 request approved for Calla-Ville Dairy, LLC—Clark County
 - \$125,000 request approved for Mahr's City View Dairy, Inc.—Chippewa County
 - \$125,000 request pending for Valley Vu Farms, LLC—Barron County
- Commission staff worked with the County Economic Development Corporations to hold information meetings with local communities about the newly created Downtown Façade Loan Program and Micro Loan Program. Communities were encouraged to take the steps needed so their businesses could access the funds at the program launch date of January 2, 2008.
- Staff at the Commission updated existing applications and manuals, and created new applications for the Micro Loan Program and Downtown Façade Loan Program.
- A tri-fold brochure was created that provides information on the four programs administered by the RBF, Inc. In addition, the RBF, Inc. logo was created and incorporated in all marketing materials.
- The RBF, Inc. Investment Policy was drafted by staff and approved by the RBF, Inc. Board. The policy will be implemented in 2008.
- Ann Raid retired June 22nd of this year after 26 years of service to the Commission as Senior Planner and the RBF, Inc.'s loan fund manager. She spearheaded the consolidation effort with the Department of Commerce which resulted in the great success of the consolidated Revolving Loan Fund Program. The success of the consolidation is a testament to her hard work, dedication, and reputation in the region. Upon her retirement and the departure of Jason Griepentrog in mid 2007, Beth Waldhart and Char Gurney were hired as Business Development Specialists to manage the consolidated fund.

Regional Business Fund, Inc. Program Summaries

REVOLVING LOAN FUND PROGRAM

The Revolving Loan Fund (RLF) is a flexible source of loan funds for commercial and industrial projects. The purpose is to encourage the creation of quality jobs and to increase the tax base.

ELIGIBILITY

- Be located in, or propose to locate in, west central Wisconsin (Counties of: Barron, Chippewa, Clark, Dunn, Eau Claire, Polk, and St. Croix).
- Create and/or retain jobs.
- Demonstrate ability to repay the loan.
- Eligible activities include: acquisition of equipment, machinery, furniture and fixtures; new working capital; site improvements; land and building acquisition; new building construction or building renovation.

FINANCE TERMS AND CONDITIONS

- Loan size of \$25,000+.
- 4% fixed interest rate.
- Deferrals of principal and/or interest payments may be allowed.
- Repayment terms can be up to five years for working capital, seven to ten years for machinery and equipment, and 12 years for real estate.
- Collateral is required.
- Unlimited personal guarantees are required for any owner with greater than 20% ownership interest in the business.

APPLICATION PROCEDURE

Interested businesses obtain and submit applications to their local County Economic Development Corporation or directly to the West Central Wisconsin Regional Planning Commission

DOWNTOWN FAÇADE LOAN PROGRAM

The Downtown Façade Loan Program provides financial assistance to encourage property and business owners in core downtowns to revitalize downtown commercial buildings within towns, cities, and village of west central Wisconsin.

ELIGIBILITY

- Be located within designated downtown boundaries of eligible towns, villages, and cities.
- Demonstrate ability to repay the loan.
- Property taxes must be kept current.
- Provide acceptable design plans for building renovation.
- Eligible activities include: façade renovation; exterior lighting, doors, and graphics; signage, windows, and awnings; other façade or landscape improvements.

DESIGN REQUIREMENTS

Applicants must provide acceptable façade design plans that comply with approved general design guidelines adopted by local governments.

FINANCE TERMS AND CONDITIONS

- Loan size can range from \$5,000 to \$30,000.
- 0% fixed interest rate.
- Repayment terms up to 15 years.
- All loans shall be secured by a mortgage on the property being renovated.
- Unlimited personal guarantees are required for any owner with greater than 20% ownership interest in the business.

APPLICATION PROCEDURE

- Review design guidelines provided by community.
- Obtain and submit application and design plans to the primary contact at the local government unit (i.e., City/Village Hall).
- Application and design plans are reviewed by local loan committee and a decision will be made.

MICRO LOAN FUND PROGRAM

The Micro Loan Fund Program provides small loans to start-up, newly established, or growing small businesses. The key objective is to assist business owners, who have traditionally had difficulty accessing debt financing, by affording them another alternative to obtaining credit.

ELIGIBILITY

- Be located in, or propose to locate in west central Wisconsin (Counties of: Barron, Chippewa, Clark, Dunn, Eau Claire, Polk, and St. Croix).

- Have annual sales less than \$1 million OR have 25 or fewer employees.
- Demonstrate ability to repay the loan.
- Eligible activities include: new working capital; inventory purchases and supplies; acquisition of equipment, machinery, furniture and fixtures; leasehold improvements; building renovation and rehabilitation; real estate acquisition; natural disaster recovery.

FINANCE TERMS AND CONDITIONS

- Loan size can range from \$5,000 to \$25,000.
- 4% fixed interest rate.
- Repayment terms up to ten years, with the exception of working capital loans which have a maximum term of three years.
- Collateral is required.
- Unlimited personal guarantees are required for any owner with greater than 20% ownership interest in the business.

APPLICATION PROCEDURE

Interested businesses obtain and submit applications to their local County Economic Development Corporation or directly to the West Central Wisconsin Regional Planning Commission.

Regional Fund, Inc. Loan Activity Report March 1, 2007 – February 29, 2008

Revolving Loan Funds

Name	Amount	County (Community)
ABC's Daycare & Preschool	\$20,000	Dunn (Menomonie)
American Crankshaft	50,000	Dunn (Menomonie)
Ardisam, Inc.	280,000	Barron (Cumberland)
Balsam Millwork & Cabinets	140,000	St. Croix (New Richmond)
Black Bear of Chippewa Falls	42,000	Chippewa (Chippewa Falls)
Comstock Dairy	100,000	Barron (Comstock)
Contour Plastics	150,000	St. Croix (Baldwin)
Contour Plastics	500,000	St. Croix (Baldwin)
Homeplace of Dorchester	85,000	Clark (Dorchester)
Flaherty Plumbing	20,000	Polk (Balsam Lake)
Haines Strike Time Lanes	25,000	Clark (Neillsville)
Interfacial Solutions	150,000	St. Croix (Hudson)
Lake Country Tool & Design	20,000	Barron (Chetek)
NAPA Parts of Cadott	45,000	Chippewa (Cadott)
Pac Basic	40,000	Eau Claire (T/Washington)
Pallet Service Corporation	75,000	Dunn (Knapp)
Paragon Lighting	60,000	St. Croix (Hudson)
ProtoMax, LLC	20,000	St. Croix (River Falls)
Roytek, Carmen (d/b/a Visions Salon)	15,000	Chippewa (Stanley)
RMF Auto Service	40,000	St. Croix (Hudson)
Sophies Manor Assisted Living II	60,000	Polk (Centuria)
Uber Meats	85,000	Clark (Owen)
TOTAL	\$1,962,000	
Revolving Loan Funds—EDA		
BOH Electronics	\$30,000	St. Croix (Hudson)