

2012 ANNUAL REPORT

REGIONAL BUSINESS FUND, INC.

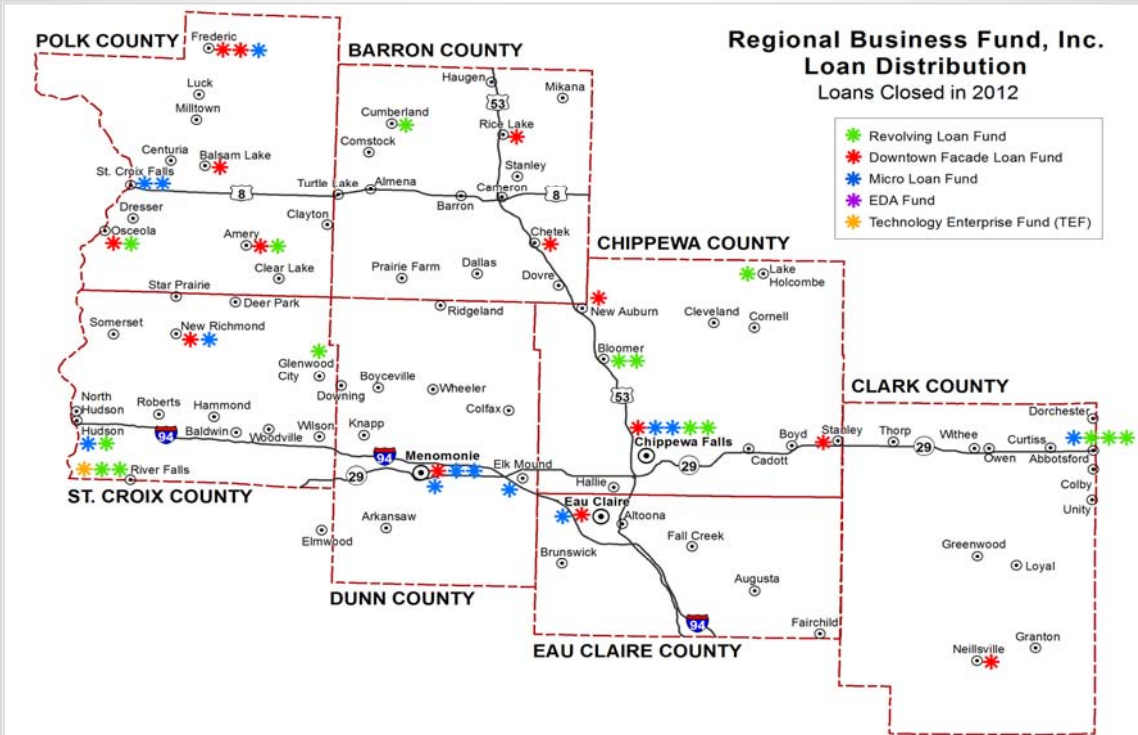
In May of 2007, the west central Wisconsin region collaborated to create a HUD-Community Development Block Grant-based consolidated revolving loan fund program that would be managed by Regional Business Fund, Inc. (RBF, Inc.). Being one of two pilot programs in Wisconsin, there was no precedent showing how a consolidated fund would impact business and economic development in our region.

2012 marked the five year anniversary of those consolidated efforts. These past five years have shown that RBF, Inc. has been able to provide the needed financial support for business and economic development throughout the entire region. Over \$17 million has been lent to 316 businesses since 2007, exceeding the amount of dollars originally pooled! These businesses are creating **1,489 jobs** and RBF, Inc. funding helped **leverage over \$92.4 million in private funds**. Additionally, the creation of the Micro Loan Program has allowed the region

to support **130 start-up businesses** and the Downtown Façade Program provided financing to 75 property owners that renovated their commercial buildings to help revitalize the core downtowns within the region.

In 2012 alone, RBF, Inc. awarded 43 loans totaling \$2,608,950. The loans assisted businesses in creating **174 jobs** and helped **leverage \$14.7 million in private financing**. The map below depicts the geographic distribution of the 2012 loans by program. Detailed loan information is described on the back page of this report.

The RBF, Inc. December 31, 2012 balance sheet indicates the programs are capitalized at over \$16.3 million, which consists of over \$4.6 million in cash reserves and \$13.2 million in loan receivables. All available cash, along with approximately \$3 million in annual loan repayments, will be used to finance future projects.



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 by providing business financing tools. RBF, Inc. offers low-interest loan funds to businesses that expand within the region, diversify the economy, add new technology, revitalize buildings in the region's downtowns, and create quality jobs and capital investment in the region. RBF, Inc. is managed by a Board of Directors consisting of representatives from each of the seven counties within the region and contracts with West Central Wisconsin Regional Planning Commission to administer the loan programs.

2012 PROGRAM HIGHLIGHTS

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. The minimum loan size is \$25,000 and the interest rate is fixed at 4 percent. In 2012, this program provided approximately \$1.66 million in low-interest loan funds to 14 businesses in west central Wisconsin. These loans are assisting businesses in the creation of 111 jobs and have helped leverage over \$5.3 million of private funds in the region.



COUNTY	LOANS	AMOUNT	JOBS	LEVERAGES
Barron	1	\$25,000	1	\$170,000
Chippewa	5	\$346,500	35	\$1,744,000
Clark	3	\$850,000	41	\$1,738,200
Dunn	0	\$0	0	\$0
Eau Claire	0	\$0	0	\$0
Polk	2	\$190,000	23	\$390,000
St. Croix	4	\$247,700	11	\$1,303,000
TOTALS	15	\$1,659,200	111	\$5,345,200

Enderes, LLC, the real estate holding company for Chemceed, LLC in Chippewa Falls, WI, was awarded a \$60,000 Revolving Loan Fund loan. The funds were used to purchase furniture, fixtures, and equipment for their newly constructed building. Chemceed, LLC expects to create 4 jobs as the result of the expansion.

MICRO LOAN FUND PROGRAM

The Micro Loan Fund Program provides small loans to start-up and newly established growing businesses. The key objective is to afford an alternative source of credit to business owners who have traditionally had difficulty accessing debt financing. The loan size ranges from \$5,000 to \$25,000 and the interest rate is fixed at 4 percent. In 2012, this program provided \$310,500 in low-interest loans to

COUNTY	LOANS	AMOUNT	JOBS	LEVERAGES
Barron	0	\$0	0	\$0
Chippewa	2	\$50,000	4	\$122,000
Clark	1	\$25,000	1	\$160,000
Dunn	4	\$85,500	16	\$658,260
Eau Claire	1	\$25,000	2	\$57,450
Polk	3	\$75,000	14	\$220,900
St. Croix	2	\$50,000	12	\$49,100
TOTALS	13	\$310,500	49	\$1,267,710

13 businesses in west central Wisconsin. These loans are assisting businesses in the creation of 49 jobs and have helped leverage over \$1.2 million in private funds.

Timberland Hills Orchard and Gardens, LLC of Frederic, WI was awarded a \$25,000 Micro Loan Fund loan to assist with equipment purchases. Timberland Hills expects to create 6 jobs in the next 2 years.



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 the cities and villages of west central Wisconsin. The loan sizes range from

COUNTY	LOANS	AMOUNT	LEVERAGES
Barron	2	\$54,600	\$118,900
Chippewa	3	\$90,000	\$1,655,950
Clark	1	\$28,500	\$0
Dunn	1	\$25,000	\$0
Eau Claire	1	\$30,000	\$450,000
Polk	5	\$131,150	\$176,525
St. Croix	1	\$30,000	\$30,000
TOTALS	14	\$389,250	\$2,431,375

to \$30,000 and the interest rate is fixed at 0 percent. In 2012, this program provided \$389,250 in no-interest loans to 14 property/business owners, leveraging over \$2.4 million in private funds.



Volume One Magazine, LLC was awarded a \$30,000 RBF Downtown Façade loan for the renovation of this historic building on Dewey Street in Eau Claire, WI.

TECHNOLOGY ENTERPRISE FUND (TEF) PROGRAM

The Technology Enterprise Loan Fund is a "quasi-equity", or patient debt, revolving loan fund that provides creative financing to new and emerging technology companies. The loan sizes range from \$100,000 to \$250,000 and the interest rate is priced at an adjustable rate indexed to the Wall Street Journal Prime Rate, plus or minus an interest rate margin that is dependent on risk. The TEF Loan Fund awarded one loan in 2012. Magma Composites, LLC of River Falls, WI received a \$250,000 TEF loan to assist in their product and business development. This loan will assist in the creation of 14 jobs and has helped leverage \$5.65 million in private funds.

