An Introduction to Northern Initiatives and Other Funding Options

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Loans on the producer side and also for small businesses
Our Mission

We **deliver loans** and business services to small business owners who **create jobs**.
Northern Initiatives Loans

• Since 1994 we have made 925 loans; 673 in the UP, and 244 in 31 Northern Michigan counties
• The total amount of loans has been $54M
• Over 500 have been microloans<$50,000
• Two hundred forty eight have been start up loans (27%)
• Two hundred and seventy have been to women owned businesses (29%)
• The smallest loan has been $2,500 and the largest $1.8M.
Blended Approach

• Individual Coaching
  • Staff Coaches
  • Contractors, Partners, & Mentors

• Group Training (web & in-person)

• Online Learning Portal
Larger Project Funding- Three sources

• New Markets Tax Credits- example Verso Paper
• Growing Rural Communities Fund- $250,000-$2M
• Community Facilities Fund USDA
Quinnnesec Mill Project

- Use of New Markets Tax Credits (a shallow 7 year subsidy enjoyed by Equity Investors) to fund a $50.3 project to upgrade the mills’ existing combination boiler, a new biomass handling system and a new turbine generator.
- 28 Megawatts of Green Energy
- Anticipated purchasing $6M annually in biomass
- Eligibility-
  - Must be in a low and moderate income area
  - Must be a project that will create jobs
Growing Rural Communities Fund-LISC

- Loans $250,000 to $2M
- 1.5-2.5% interest rate
- Eligible borrowers non-profits, sole proprietors, LLC’s or corporations
- Seven year term, up to three years interest only, then 25 year amortization
- 80% loan to value ratio
- Must be in a low to moderate income area
Community Facilities Direct Loan and Grant Program USDA

- Eligible Borrowers
  - Public bodies
  - Non profit corporations
  - Federally Recognized Tribes

- Use of Funds
  - Funds can be used to purchase, construct, and/or improve essential community facilities, purchase equipment and pay related project expenses

- Priority points
  - Small communities<5,500
  - Median hh income less than 80%

- Term
  - Useful life, maximum of 40 years
Other Resources- IFF

• Loans to not for profits only $10,000 to $2M
• Low interest, fifteen year loans
• Will cover up to 95% of project costs
• Sustainability and energy improvements are a focus of IFF
Applying for a Loan at NI or others

• You will need a business plan; the Small Business Development Center’s Counselors or the SCORE Volunteers are an excellent, free resource

• You can apply on line or request an application

• You should expect to pay a higher interest rate with Northern Initiatives than your bank.

• Please call Dennis West to secure contact people at other organizations 906-226-1671 or dwest@northerninitiatives.org