



An Introduction to Northern Initiatives and Other Funding Options

Michigan Wood Energy Conference

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Dennis West

dwest@northerninitiatives.org






Loans on the producer side
and also for small businesses



NORTHERN INITIATIVES
Prosperity. That's Our Business

Our Mission

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

				
TIME IN BUSINESS	POTENTIAL	PERSONAL CREDIT	LOAN SIZE	LOCATION
0+ years	Where is your business today and where might it be with the right resources.	We look at your score and your story behind the score.	Loans from \$1,000 – \$1,000,000. Looking for more? Let us know.	We serve Northern rural Michigan and bordering Wisconsin.

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

View Edit



Jane Doe

Widgets, Inc.
Company



Messages

3 months 3 weeks ago
[Test](#)

3 months 3 weeks ago
[Test](#)

7 months 4 weeks ago
[Tips for Improving Your Cash Flow](#)

1 year 7 months ago
[Welcome To Northern Initiatives](#)

[Ask Your Coach](#)

Tuesday, February 16 ▾

Showing events after 2/16. [Look for earlier events](#)

Tuesday, March 15

11:00am Webinar - Social Media Done Right

Tuesday, April 19

11:00am Webinar - Market Research Resources

Showing events until 5/15. [Look for more](#)



My Training Plan

VIDEOS

Banking Services

Financial Management

Webinar - Initiate

Organizational Types

Risk Management

Succession Planning

[> View All Training Sessions](#)

TOOLS

BREAK-EVEN
TARGET PROFIT

SALES PLANNER

MARK-UP VS.
MARGIN

SCORECARD

CASH FLOW
PLANNER



Suggested Training Resources

5 Steps for Building an Advertising Campaign That Works

Business Plan Updating Checklist

Introduction to Accounting



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Larger Project Funding- Three sources

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

Quinnesec 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