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## **Economic Development Solutions for Small Businesses and Municipalities 2012 FACT SHEET**

### **BACKGROUND**

The Capital Regional Development Council is a non-profit development corporation that provides a variety of economic development services to businesses and local governments throughout New Hampshire. The Capital Regional Development Council is a mission driven non-profit focused on offering programs that result in private sector job creation and local property tax base enhancement.

### **SMALL BUSINESS LENDING**

#### SBA 504 Lending

The Capital Regional Development Council is certified by the Small Business Administration to provide 504 loans throughout New Hampshire. This popular program offers long-term, fixed rate financing for up to 40% of approved project needs. The borrower's bank provides a 50% first mortgage leaving the borrower with a nominal 10% equity injection.

Maximum Loan Amount:	\$5.5 million
Maximum SBA Participation:	40 percent of eligible costs
Eligible Uses:	Purchase of land/existing building New building construction/renovations Machinery/equipment purchase with a 10-year useful life Refinance of existing real estate debt
Eligible Business:	For profit businesses Tangible net worth not to exceed \$15.0 MM 2-year average net income cannot exceed \$5.0 MM Real estate financed must be 51% owner occupied or 80 percent with new construction Majority ownership US citizens or permanent residents

#### Direct Term Loans

The Capital Regional Development Council also offers a variety of direct loan programs designed to assist growing N.H. companies.

Loan Amounts:	\$10,000-\$150,000
CRDC Participation:	Up to 90 percent of eligible costs
Eligible Uses:	Purchase of land, building, machinery & equipment, improvements, working capital and debt consolidation
Eligible Borrower:	For profit businesses
Eligible Territory:	Businesses located in Merrimack, Hillsborough & Sullivan Counties



**BDC CAPITAL COLLABORATION:** CRDC has partnered with BDC Capital, a Massachusetts based private company that provides financing and investment capital to growing companies throughout New England. BDC Capital generally provides between \$500,000 and \$3.0 million through a variety of programs that include term loans, working capital lines of credit (asset based lending), mezzanine capital and SBA lending. The collaboration is designed to provide additional non-traditional financial resources, in some cases, at a higher level of financial participation than CRDC can offer to New Hampshire businesses.

**REAL ESTATE DEVELOPMENT:** CRDC works closely with cities, towns, private developers and businesses on strategic real estate development projects. Projects include building construction, redevelopment, and business park development. CRDC is flexible in the type of assistance provided including purchasing buildings for lease to growing businesses.

**ECONOMIC DEVELOPMENT CONSULTING:** The Capital Regional Development Council provides fee-based services that assist New Hampshire's cities and towns establish or strengthen programs that result in the creation/ retention of quality jobs and enhance the commercial/industrial property tax base.

Forms of Assistance Include:

Economic Development Strategic Planning	Grant Writing
Local Economic Development Committee Support	Feasibility & Site Analysis
Business Visitations & Business Retention Strategies	Tax Increment Financing (TIF) Plans
Business Recruitment and Marketing Plans	CDFA CDIP Tax Credit Project Applications
CDFA Community Development Block Grant Applications	

**GRANTS:** CRDC works closely with the New Hampshire Community Development Finance Authority, CDFA, to identify and prepare funding applications, and administer projects that are suitable for Community Development Block Grant (CDBG) and Community Development Investment Program (CDIP) financial assistance. These are competitive, project specific programs that provide loan funds to job creating development projects. When successful, CRDC secures a grant from the appropriate program, loans the funds to the project/company and capitalizes or recapitalizes a small business loan fund with the loan repayment. Additionally, CDBG can finance municipal infrastructure in support of business investment.

**NEW MARKET TAX CREDITS:** CRDC has partnered with Coastal Enterprises, Inc. (CEI) of Portland, Maine to package New Market Tax Credit (NMTC) projects. The NMTC program was established by the US Treasury to attract capital to historically underserved projects and communities. It provides an incentive to debt and equity investors in the form of a 39 percent federal income tax credit over a seven year period for investing capital into qualified projects in eligible targeted areas. CRDC has been selected by CEI as its sole New Hampshire partner to identify and structure suitable projects.

Stephen Heavener, Executive Director at 603/369-6000, [sheavener@crdc-nh.com](mailto:sheavener@crdc-nh.com)

Liz Sweeney, Senior Loan Officer at 603/369-6146, [esweeney@crdc-nh.com](mailto:esweeney@crdc-nh.com)

Jennifer Boulanger, Loan Officer, 603/369-6147, [jboulanger@crdc-nh.com](mailto:jboulanger@crdc-nh.com)