TOURISM PROJECTS

CRITERIA

Tourism projects follow the same requirements and criteria as all other Development Fund funding applications. Tourism projects must be focused on attracting out-of-state visitors and meet a 100 point scale based on these criteria:

- Location
- Marketing
- Hospitality
- Length of stay
- Attractability
- Uniqueness
- Overall impression

MARKETING PLAN

Funding applications for tourism projects must include a marketing plan that identifies the following:

- Primary markets
- Secondary markets
- Marketing resources that will be used
- Affiliations with other tourism partners
- Seasonality

For more information, visit
NDDevelopmentFund.com

FINANCING

COLLATERAL

Loans must be secured by a first or second security interest on fixed assets, equipment, inventory or other reasonable sources of available collateral.

OTHER CRITERIA

- Refinancing of debt is not eligible.
- Financing cannot be more than 50% of a project's capitalization needs.

APPLICATION PROCESS

- To determine whether or not your project is eligible, contact your local financial institution, economic development office or the NDDF staff. An early meeting between investors, entrepreneurs, community developers and other appropriate team players is recommended.
- After submitting sufficient information to determine the merits of your request, the NDDF staff requires a 15-20 day lead time to conduct due diligence.
- After board review, applicants receive written notice of approval or denial. Once you accept the commitment letter and provide necessary documents, closing takes place. This process usually takes 15-30 days.

North Dakota
DEPARTMENT OF COMMERCE
North Dakota Development Fund

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GROWING BUSINESSES

NORTH DAKOTA DEVELOPMENT FUND

The North Dakota Development Fund (NDDF) provides flexible gap financing for new or expanding primary sector businesses in North Dakota. Funds are available through direct loans, participation loans, subordinated debt and equity investments. Funds may be used for real property, equipment and working capital.

RURAL REVOLVING LOAN FUND

The NDDF also administers the Regional Rural Revolving Loan Fund, which provides financing for primary sector businesses located in a community of less than 8,000 in population or located more than five miles outside of city limits.

PRIMARY SECTOR

Primary sector includes individuals and businesses which, through the employment of knowledge or labor, add value to a product, process, or service that results in the creation of new wealth. Primary sector includes tourism and specific types of investor-owned agriculture, and is typically businesses such as manufacturers, food processors or export service companies. Investor-owned agriculture includes livestock feeding or milking operations, or other value-added agriculture located apart from an individual farm operation that is professionally managed and has employees.

For more information, visit
NDDevelopmentFund.com

NDDF Loan Programs

	North Dakota Development Fund	Revolving Rural Loan Fund	Rural Incentive Growth Program	Small Business Technology Program	Childcare Loan Program	New Venture Capital Program	Entrepreneur Loan Program	Entrepreneur Center Loan Program
BORROWER	Any primary sector business	Any primary sector business	Cities with populations of less than 2,500	Any start-up primary sector business in technology field	Any licensed childcare center	Any primary sector business	Any business	Any approved Entrepreneurial Center
FUNDING LIMIT	Maximum of $300,000 and based on job requirement	Maximum of $300,000 and based on job requirement	Maximum of $75,000	Maximum of $50,000	Maximum of $100,000	Maximum of $300,000	Maximum of $20,000	Maximum of $60,000 per year with an aggregate maximum of $300,000
INTEREST RATE	Lower than market rate - subject to risk of project	Lower than market rate - subject to risk of project	Lower than market rate - subject to risk of project	Lower than market rate - subject to risk of project	2.5% - subject to risk of project	Lower than market rate - subject to risk of project	Lower than market rate - subject to risk of project	Lower than market rate - subject to risk of project
TERM/USES	Working capital 1-5 years, equipment 5-7 years, real estate 10-15 years	Working capital 1-5 years, equipment 5-7 years, real estate 10-15 years	Working capital 1-5 years, equipment 5-7 years, real estate 10-15 years	Proof of concept 1-5 years, working capital 1-5 years, equipment 5-7 years, real estate 10-15 years	Working capital 1-5 years, equipment 5-7 years, real estate 10-15 years	Working capital 1-5 years, equipment 5-7 years, real estate 10-15 years	Working capital 1-5 years, equipment 5-7 years, real estate 10-15 years	Working capital 1-5 years, equipment 5-7 years, real estate 10-15 years
MINIMUM EQUITY REQUIREMENTS	15%	15%	15%	15%	15%	15%	15%	15%
CORPORATE/PERSONAL GUARANTEES	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
QUALIFICATIONS	A North Dakota business	A North Dakota business	A North Dakota business that provides a community an essential service with ND Dept. of Commerce Commissioner approval	A North Dakota Business	Licensed North Dakota childcare provider	A North Dakota business	A North Dakota business that uses services of a certified Entrepreneurial Center	Certified by the ND Dept. of Commerce
COST AND FEES	1% of original loan or equity balance	1% of original loan or equity balance	1% of original loan or equity balance	1% of original loan or equity balance	Negotiable	1% of original loan or equity balance	Negotiable	Negotiable
MISCELLANEOUS	For businesses located in cities with a population of 8,000 or more Loan amount based on job creation of $20,000 per FTE created Equity funding available	For businesses located in cities with a population of less than 8,000 or more than 5 miles outside city limits Loan amount based on job creation of $30,000 per FTE created Equity funding available	The loan is made to the city which in turn loans to the business Does not have a job requirement	For every $1 of state funds $2 of certified North Dakota angel funds is required Recipient may not receive more than one investment Equity funding available	Does not have a job requirement	Does not have a job requirement Equity funding available	For every $4 of state funds $1 of non-state matching funds is required Does not have a job requirement	For every $1 of state funds $1 of non-state matching funds is required Does not have a job requirement

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