



Lewis & Clark

DEVELOPMENT GROUP

Who We Are

- **Lewis and Clark Regional Development Council (RDC)**
- **Lewis & Clark Certified Development Company (CDC)**
- **CommunityWorks ND (CWND)**
- **Lewis & Clark Property Management (LCPM)**



Our Purpose

***Expanding affordable housing
and advancing economic and
community development
across North Dakota***





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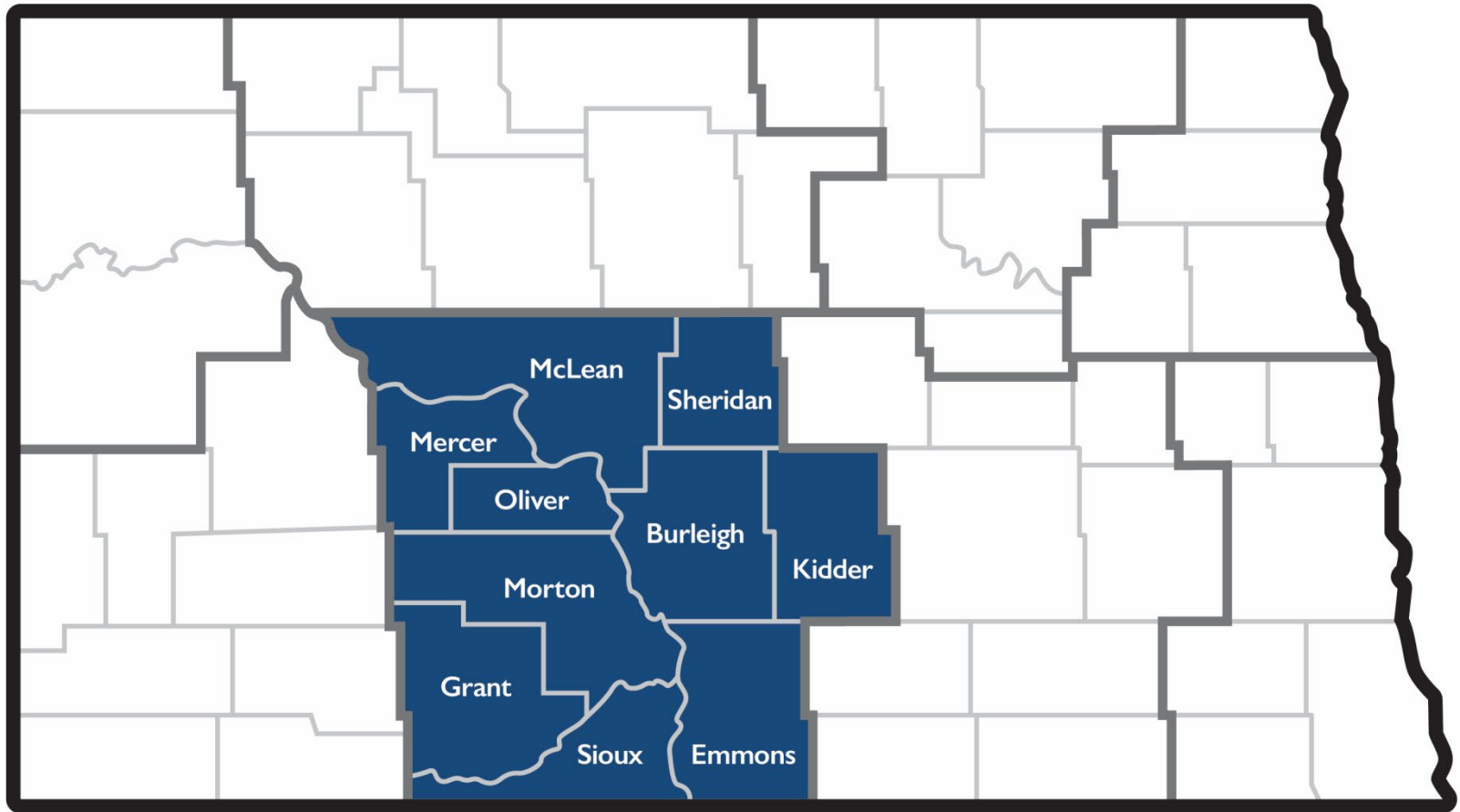
Our Programs

Lewis & Clark RDC

- **Board of Directors:**
 - 35 members
 - Mostly local elected officials
 - Members represent regional business, agricultural, and tribal interests
- **Non-profit:** Quasi-governmental non-profit corporation
- **Services:** Delivers a variety of economic and community development programs and services
- **Impact:**
 - Over the years, more than \$163 million in grants and loans
 - Leveraging hundreds of projects with over \$461M in total investments
 - Creating 6,035 of North Dakota jobs



Lewis & Clark RDC Region



Regional Programs

- **Eligible Applicants:** Project must be located in Lewis & Clark RDC's designated area, for-profit businesses, not-for-profit businesses, and cooperatives
- **Eligible Uses:** Real estate, equipment, inventory, permanent working capital, Flex PACE Local Community Match
- **Credit and Other Criteria:**
 - Document ability to service the debt (Lead Lender's Credit Display)
 - Have satisfactory credit history
 - Offer acceptable collateral
 - Show jobs will be created or saved
- **Rates, Terms, and Fees:**
 - Rates are on a project-by-project basis and generally at market rate
 - Terms vary based on the useful life of the collateral
 - Borrowers are generally required to pay an origination fee, all hard costs
 - Loan proceeds are generally limited to no more than 50% of the proposed project cost
- **Contact:** Matt Burthold
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Regional Programs

Approximate Funds Available:

- \$380,579.49 RLF/RCAP (DEF)
- \$84,636.88 IRP
- \$262,662.71 IRPII
- \$289,267.23 IRPMandan
- \$346,410 IRPMandanII
- \$41,932.50 CRLF
- \$1,405,488.84 Total Local Funds Available

Data as of 10/31/2025



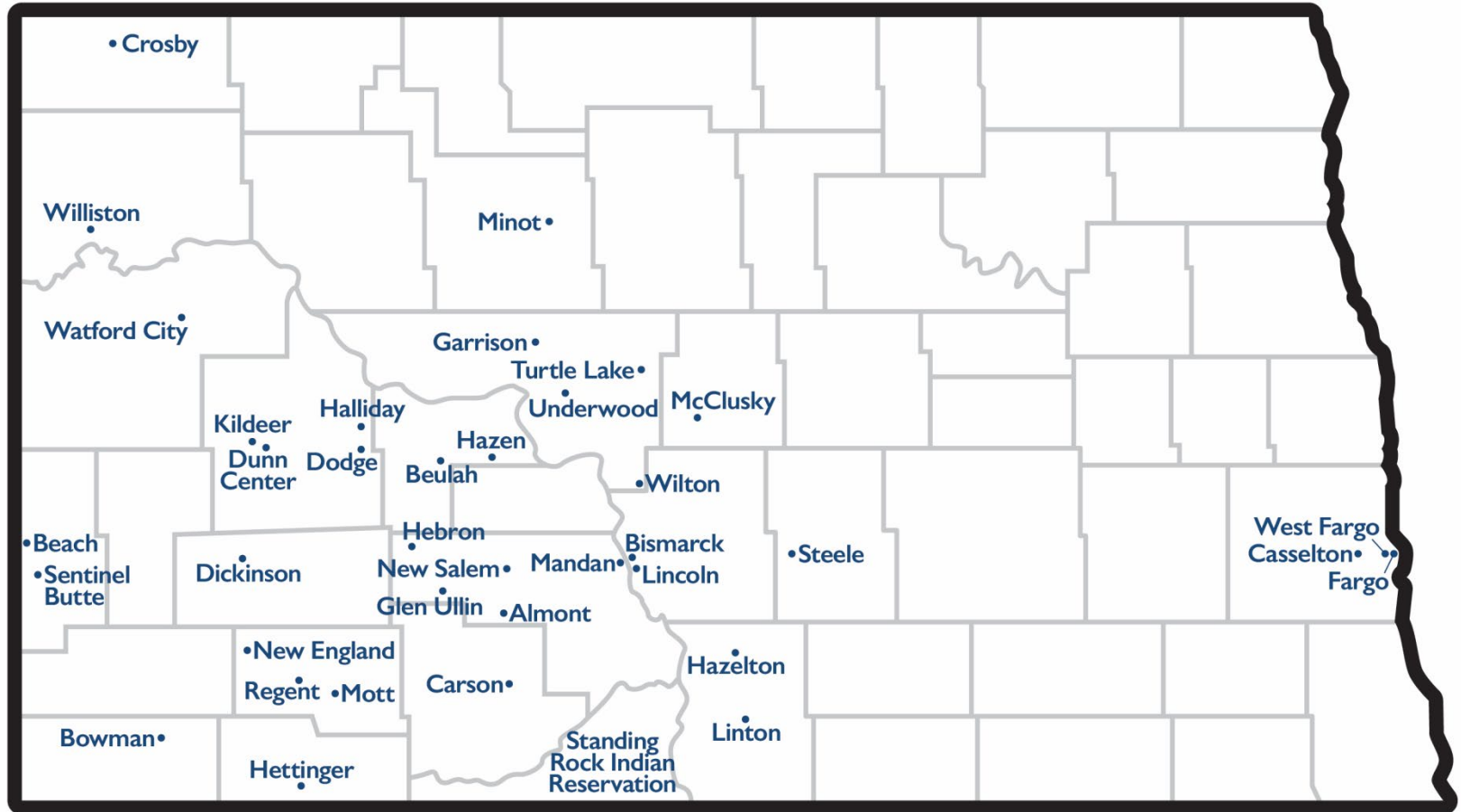
N.D. Opportunity Fund

- Revolving Loan Fund available to businesses in the 38-community consortium.
- Since inception, NDOF funded \$39.8M loans in over \$360M in projects.
- Current NDOF Portfolio:
 - \$7.9M in outstanding loans receivable
 - \$0.4 million in committed funds
 - \$1.8M available funds

Data as of 10/31/2025



N.D. Opportunity Fund



N.D. Opportunity Fund

- **Businesses must:**
 - Show ability to service the debt and conduct business
 - Show a commitment to the project
 - Have satisfactory credit history and satisfactory loan payment history
 - Offer acceptable collateral
- **Eligible Uses:** Construction, equipment, working capital, real estate, interim SBA 504 loans, Flex PACE Local Match
- **Ineligible Uses:** Passive real estate, any payment of taxes, reimbursement of equity injection, purchase of any business ownership interest
- **Rates, Terms, Limits, and Fees:**
 - All loans must be secured by collateral
 - Rates range from 4% to market rate and terms vary by asset
 - Loans cannot exceed \$375K and must not exceed more than 50% of the proposed project costs
 - 1.0% Origination Fee; 0.50% if Interim SBA504 with LCCDC



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Meat and Poultry Intermediary Lending Program (MPILP)

- A USDA Revolving Loan Fund for Meat Processor businesses. Complete applications are reviewed by Capital Fund Board.
- Applicants must be located within the State of North Dakota via Legal Description. Revolved funds may be used by businesses anywhere in the food supply chain excluding farming/livestock and restaurant/grocer.
- The funds may be used to purchase and develop land, buildings, or infrastructure for public or private including expansion or modernization. Proceeds may be used for purchasing existing meat processor business, equipment, working capital, startup cost, and more.

Meat and Poultry Intermediary Lending Program (MPILP)

- Loan terms will be determined based on secured collateral. Real Estate may be allowed a maximum term of 30 years. The loan fees and hard cost of the loan include, but not limited to the following: Origination, UCC Search, UCC Filing, Title Search, Mortgage Filing, Credit Reports, and Professional fees.
- Each applicant will be required to contribute a minimum of 10% towards the financing of the project. Balance sheet equity could be used if existing business is looking to expand.
- LCDG is here to partner with the Lenders as much as possible on MPILP projects, but if it is determined that it's in the best interest of the borrower, the MPILP has the ability to finance the project in its entirety.

Meat and Poultry Intermediary Lending Program (MPILP)

- Environmental Assignment must be completed, which requires the physical address of Project, Legal Description of Project, Scope of the Project.
 - Existing/proposed square footage, construction plan and timeline, utility plans, etc. This is a minimum 30-day process as the all the agencies that must be notified and are allowed 30 days to reply. This is a requirement of the USDA. Also, the USDA requires a Phase I Environmental Report.
- Currently, MPILP has over \$1.8Million in revolved funds available at below market rate.
- LCDG is currently working on obtaining more MPILP funds that would be available to Meat Processors, via NAICS Code. These funds will be offered at very favorable rates depending on loan request type.

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**Financing
with SBA 504**

Lewis & Clark CDC



- **Charge:** Administer and facilitate SBA 504 loan program throughout North Dakota
- **Services:**
 - Provide up to \$5M (\$5.5M for manufacturers) to growing small businesses with long-term and fixed-rate financing for major fixed assets such as land and buildings, FF&E
 - Typically finance up to 40% of eligible project costs
 - Fixed rate financing for the entire loan repayment period
 - November's 25-year rate is 5.86%
 - Repayment terms of 10, 20 or 25 years



Lewis & Clark CDC



- **Recent Activities for North Dakota Communities:**

**Belfield
Dickinson
Garrison
Burlington
Center**

**Williston
Devils Lake
Jamestown
West Fargo
Wishek**

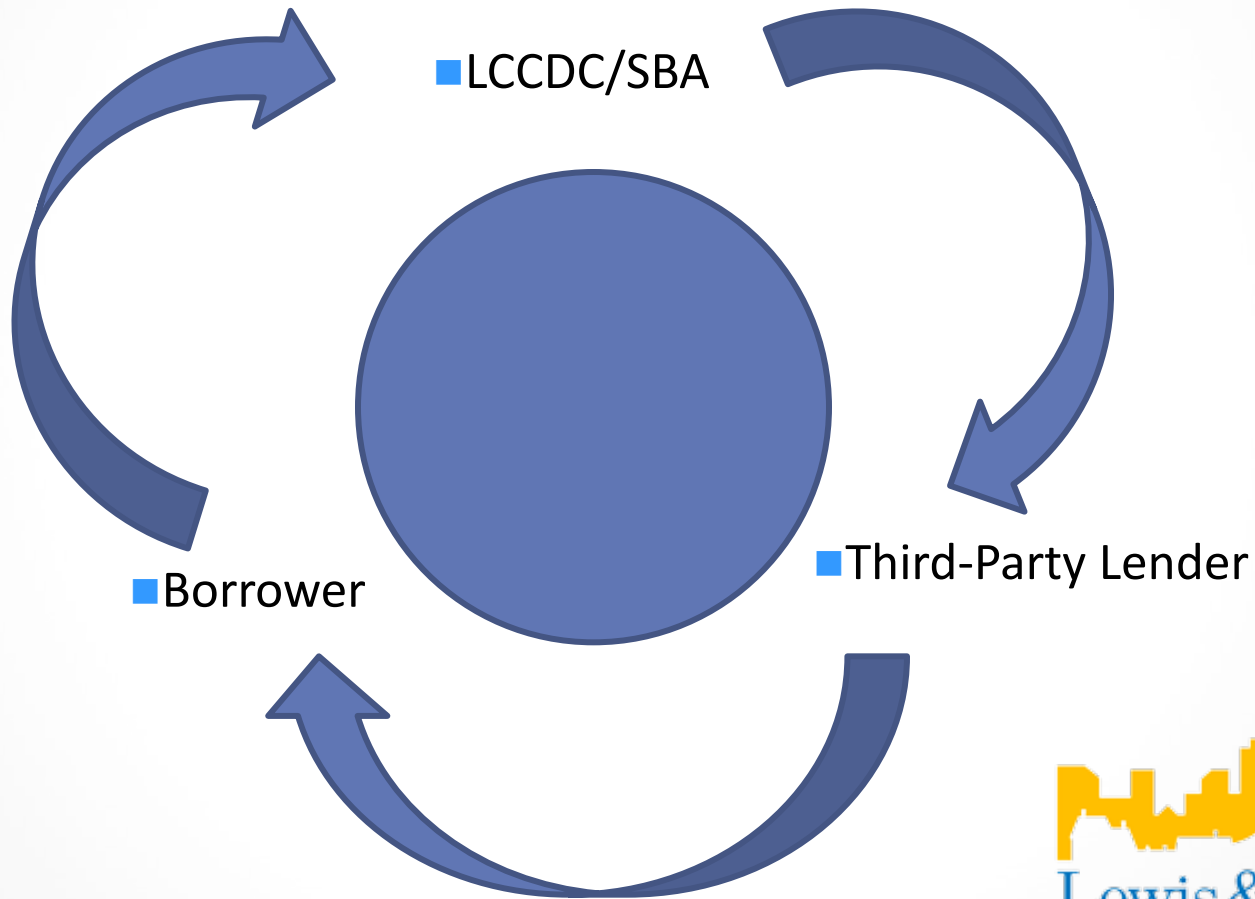
**Bismarck
Mandan
Crosby
Mott
Kulm**

- **All Loans are underwritten and serviced locally out of our office by a staff with more than 20 years of SBA504 experience. And more than 60 years of lending experience.**



U.S. Small Business Administration

Partnership



Partnerships

- **SBA 504 – Combination of Three Sources:**
 - Bank provides up to 50% of total project in 1st Lien position
 - LCCDC provides up to 40% taking a Subordinate Lien Position
 - Borrower Injection may be as little as 10%



General Eligibility



- U.S. Citizen
- Statement of Personal History (SBA Form 912)
- SBA-Government Loan History Must Reflect No Prior Loss to the Government. Note: IRS Obligations are Not Considered Federal Debt
- For-Profit Entity and Designated a Small Business
- Project Must Demonstrate Economic Impact of One Job for Every \$95,000 (\$140,000 manufacturing) or Public Policy

504 Exceptions to Equity

- Start-Up Business (< 2 Years) —Additional 5% contribution
- Special-Purpose Building* —Additional 5% contribution
- Start-Up and Special-Purpose* —Additional 10% contribution

*Start-Up and Special-Purpose Projects Require TPL to be 50% of total project. Increase in Borrower Contribution Reduces 504 Loan



New Business <2 Years Old

New Business < 2 years old

TPL	50%	\$500,000
SBA	35%	\$350,000
Equity	15%	\$150,000
Total	100%	\$1,000,000

New Business < 2 years old +
Appraisal Shortfall \$25,000

TPL	50%	\$500,000
SBA	32.5%	\$325,000
Equity	17.5%	\$175,000
Total	100%	\$1,000,000



New Business <2 Years Old + Special Use Property

New Business + Special Use

New Business + Special Use Appraisal Shortfall \$25,000

TPL	50%	\$500,000
SBA	30%	\$300,000
Equity	20%	\$200,000
Total	100%	\$1,000,000

TPL	50%	\$500,000
SBA	27.5%	\$275,000
Equity	22.5%	\$225,000
Total	100%	\$1,000,000



Borrower's Contribution

Sources of the Borrower's Contribution:

- **Cash:** Must Be Available at Time of Application.
- **Equity:** Equity in Eligible Fixed Asset (Real Estate) Serving as Collateral for the Loan.
 - Note: An Independent Appraisal of Fair Market Value Must Be Provided With the Application Documenting the "As-Is" Equity Existence.



Special-Purpose Properties

- Car Wash
- Hotel
- Nursing Home
- Hospital & Other Health-Related
- Oil & Lube w/Pit and In-Ground Lift

(See SOP 50 10 for Full Listing.)

Ineligible Businesses

- Non-Profit Organizations
- Investment Companies
- Gambling Facilities
- Lending Institutions
- Marijuana Businesses
- Speculative Businesses (Shopping Center Developer, Rental Properties, Research and Development)

Exception: Eligible Passive Company (EPC)

- **EPC**—The Primary Borrower for the SBA Loan. The Purpose of the Loan is to Acquire and Own the Property. (Real Estate Holding Company)
- **Operating Company (OC)**—Must Lease 100% of the Assets from the EPC and Either Co-Borrows or Guarantees the Loan. SBA looks to the Business Operations to Repay the Loan.

EPC Lease Requirements

- The OC (Operating Company) must occupy at least 51% of property when purchasing an existing property.
- The OC must occupy 60% of New Construction properties and must intend to occupy 80% of the space in first 3 years. OC may lease 20% of space permanently to 3rd party tenant.



Eligible Uses of 504 Proceeds

- Purchase/Renovate/Expand Existing Building(s)
- Purchase Land/Construct New Building(s)
- Leasehold Improvements
- Business Acquisition
- Purchase Machinery and Equipment
- Fees for Professional, Architectural, Appraisal fees, Etc.
- Repay Interim Financing Costs, TPL Fees
- SBA 504 Program Refinance Without Expansion
- SBA 504 Program Refinance With Expansion



Use of Proceeds:

Change in Ownership

- The change must promote sound business development or preserve business existence.
- The change must result in 100% ownership.
- Ownership change must be an Arms-Length transaction.
- “Blue Sky” is ineligible.



Ineligible Uses of 504 Proceeds



- The use of SBA 7(a) on TPL portion of 504 Loan
- Rolling Stock, Working Capital, or Inventory
- Franchise Fees, Organizational Costs
- Build-Out of Leased Space

SBA 504 Prepayment Premium

- The 20 & 25-year 504 loan carries a 10-year prepayment penalty. Example below.
- The 10-year 504 loan carries a 5-year prepayment penalty.
- **Example:**
 - **Year 1:** 100% of Bond Rate x Principal Balance, Example, \$1mm Loan at 2.9% Would Be \$29,000
 - **Year 2:** 90% of Bond Rate x Principal Balance, Example, 2.9% x 90% of Balance

Maturity

504	Term
Machinery and Equipment	10 Years
Real Estate	20-25 Years
Both M&E and (majority) RE	20-25 Years



Fees

504

0.5% Third-Party Lender Fee on TPL Loan Amount Only

2.91% Fee (Financed)

\$2,500 Closing Hard Cost Included in 2.91% (Financed)

Ongoing Fee: 1.045% (Included in the Effective Interest Rate)

VetLoan Advantage Program



Eligibility Requirements

- Small Business Owner who is a Veteran or Active-Duty Military with a minimum ownership of 20% in an operating company
- Small Business Applicant is a spouse of a Veteran or Active-Duty Military

Program Benefits

- Rebate up to \$1,000 for eligible professional fees
 - Appraisal fee, environmental report fee, etc.
- Processing Fee Discounts
 - Fees reduced from 1.5% to 1.0% for gross debentures under \$1.5M
 - Fees reduced from 1.5% to 1.25% for gross debentures above \$1.5M



LCDG Financing Example

- A business requesting \$1,000,000 to purchase building with renovations.
 - Lending Policy Limit of 70% of the value of the project.
 - Requiring borrower to have \$300,000 in cash for equity injection.
- Borrower wants to utilize BND's Flex PACE Interest Buydown program
- Borrower is requesting \$400,000*** in working capital.

TPL	50%	\$500,000*
SBA	40%	\$400,000**
Equity	10%	\$100,000
Total	100%	\$1,000,000

- L&C CDC
 - Subordinated 2nd for \$400,000
- NDOF
 - *Local Community Match to utilize BND Flex PACE Buydown
 - **Interim Note of \$400,000 until SBA Funds
 - ***\$200,000 permanent working capital note to assist with WC needs

Why Us?!

- LCDG is a one-stop economic development finance toolbox!
 - We unify our program resources to best benefit our lenders and borrowers.
 - By supporting our programs, it creates lasting sustainability in our overall organization. We are an economic development finance ecosystem.
 - RDC and CDC alliance!
- LCDG will prioritize ensuring projects Close and Fund following Approval.
- One Application for Multiple Program Benefit to Lender and Borrower.
- Our overall mission always ties back to being one of eight North Dakota Regional Councils. We offer support and build strength in our ND Economy and Communities.

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