



Incentives

Swift County Revolving Loan Funds (RLF)

Category: Local Financing, Local Incentives

The Swift County and Swift County RDA Revolving Loan Funds are designed to provide gap financing for businesses and industry starting up or expanding within Swift County. The Swift County RLF is used typically for loan requests over \$25,000 and the Swift County RDA RLF is used for loan requests for less than \$25,000. Eligibility

Businesses must be located, or be willing to relocate, within Swift County. Manufacturing, Retail and Service businesses are eligible.

Requirements

- Funds can be used for land & building purchase, building construction, renovation and/or expansion, machinery & equipment, working capital and inventory.
- Personal guarantee(s) and personal assets may be attached as security/collateral.
- Equity desired is 5 to 30% of project
- Immediate repayment of the outstanding balance is required if the business relocates outside Swift County

Rates/Terms

- Typically rate will match or be lower than primary lender's rate and rate is based on Wall Street Prime at the time the loan is made.
- Loan terms up to 15 years are available; a balloon after five years typically applies to amortizations over five years.
- Loan amounts are generally limited to \$125,000; variances are considered for pass-through situations (e.g. DEED MN Investment Fund Grant).
- Applicants creating a significant number of jobs or paying higher wages may receive preferential loan terms.
- The RDA will typically subordinate to other financing sources when needed.

Contacts

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Downloads

 [Application](#)

Tax Abatement

Category: Local Incentives, Local Financing

Contacts

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About Tax Abatement

With Tax Abatement, the County rebates its portion of property taxes back to the property owner who then uses it to help offset development and/or redevelopment costs. The availability of tax abatement is limited – in any given year, for all economic development projects taking place, the County can abate an amount equaling no more than \$200,000 per year. The Swift County Board of Commissioners must approve all tax abatements. Eligibility

Tax abatements can be provided for any type of property.

Requirements

The project must provide one or more of the following public benefits: it must increase or preserve tax base, result in job creation, redevelop blighted areas, and/or provide services not currently available to the residents of Swift County.

Rates/Terms

Taxes can be abated for up to 10 years.

Tax Increment Financing (TIF)

Category: Local Financing, Local Incentives

Contacts

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About TIF

The Swift County Rural Development Authority is willing to consider the employment of Tax Increment Financing (TIF) for eligible projects. In a nutshell, the difference between a property's original property taxes and the property taxes due on a property after it has been improved (called the "tax increment") can be captured and used to help finance the project. In all cases the proposed project must pass what is called the "but-for test," meaning that unless Tax Increment Financing is utilized, the project will not be economically feasible. In other words: if the project can be done without TIF, then it is ineligible for this assistance. For economic development purposes, two types of Tax Increment Financing districts are available: Economic Development TIF districts for new developments and Redevelopment TIF districts to help with the costs of renovating or replacing substandard buildings. The Swift County Board of Commissioners, following a public hearing on the proposed project, must approve all TIF Districts. All TIF districts in Swift County will be set up on a "pay-as-you-go" basis – meaning that tax increment will flow back to the developer in semi-annual payments. If the project requires "up-front" financing, a loan may be secured from a private lender, with the projected tax increment being pledged to service the loan.

Different rules apply to each type of TIF district (see below):

ECONOMIC DEVELOPMENT TIF DISTRICT

A 9-year district that can provide funds for land acquisition, infrastructure (street, water & sewer, parking, etc.), grading & excavating and / or site improvements. Primarily for industrial-type projects.

Eligibility

- Industrial, warehousing, research & development and call centers are eligible.

Requirements

- The TIF district must promote new employment, tax base or retain business in the state.

Rates/Terms

- Districts can provide tax increment for up to 9 years.

REDEVELOPMENT TIF DISTRICT

A district that can go up to 25 years and will provide funds for the removal of blighting conditions on a lot (sub-standard buildings, site clean-up, etc.).

Eligibility

- Proposed district must contain existing "blighted" development
- At least 70% of the area must be occupied by buildings or other improvements.
- At least 50% of the buildings themselves must be substandard, based upon an internal inspection.
- A building is considered substandard if it would cost at least 15% of a new building to bring the existing building up to current building code requirements.
- As long as the above requirements are met, any type of project (commercial, retail, industrial) is eligible.

Requirements

- At least 90% of the tax increment generated must be used to correct the blighting conditions.

Rates/Terms

- Redevelopment TIF district can provide tax increment for up to 25 years.

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