

Welcome to the City of Pierz

The City of Pierz and its Economic Development Authority (EDA) are proud to offer varying interest loans to current and new businesses located or expanding to Pierz! It is the goal and desire of the Pierz City Council to provide assistance to our growing business community to support business retention and expansion. We realize the importance of development to the City of Pierz and that is it in the best interest of the health, safety, prosperity, and general welfare of all residents in Pierz.

We welcome you to explore the opportunities that Pierz has to offer and to inquire about the assistance program made available through the Pierz Economic Development Authority.



“We need to be proactive, making sure we keep Main Street alive and viable.”

Mayor Toby Egan

City of Pierz Economic Development Authority

Our Mission is to offer encouragement and financial support of economic development and redevelopment in the City of Pierz that is vital to the orderly development of the City of Pierz, and in the best interests of the health, safety, prosperity, and general welfare of its citizens.

Contact us at **320-468-6471**

or visit www.pierzmn.org for more information.

City of Pierz
101 Main Street S
Pierz, MN 56364
320-468-6471



**City of Pierz Economic
Development
Authority**

*Opening Doors
For Businesses*

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The Purpose of the Loan Program is to Support Business Retention, Expansion of Employment Opportunities, goods and/or services.

Loan Guidelines

ELIGIBLE APPLICANTS: includes credit worthy building owners and/or tenants of commercial or industrial buildings in Pierz or future businesses in Pierz. Ineligible applicants include loans made for political or religious purposes.

LEVERAGE: All applicants must provide dollars from other sources as their main source of funding. City loan dollars shall be considered “gap financing” leverage money and shall be used for no more than 20% of the main source of funding. Main funding must be proven before loan funds from City are secured.

LOAN AMOUNT: Maximum of 10% of the value of the project, not to exceed the available funds as determined by the EDA

Looking For a Place to Call Home?

Invest in the City of Pierz, a community centrally located in Minnesota, with State Highways 25 and 27 traveling directly through the City. Experience a community with high amounts of local and tourist traffic and residents that fully support local businesses.

General Program Guidelines

ELIGIBLE USES >>>

Loan dollars may be used for acquisition and development of real property and real property rehabilitation (expansion or improvement). Loan dollars may not be used for working capital or equipment/material purchases.

EMPLOYMENT >>>

The average wage of jobs created or retained with the loan dollars shall meet or exceed at least \$8.50 per hour, not including benefits. At least one job must be created for every \$10,000 loaned and retained for the life of the loan.

CRITERIA FOR LOAN CONSIDERATION >>>

The City and EDA shall consider the following as part of the loan review:

- Public Purpose to be served by the project
- Compatibility with City’s development plans
- Retention and creation of jobs
- Impact on City Services
- Type of Business
- Type of Facility to be built
- Potential adverse affects to existing businesses in the City of Pierz
- Leverage dollars provided
- Collateral involved

LOAN TERMS >>>

The general term is not to exceed five (5) with an interest rate to be determined by market conditions or other financial indicators. Interest rate is a minimum of 60% of the Wall Street Journal prime lending rate.

COLLATERAL >>>

Collateral is a requirement and items to be used as collateral may include: liens on real property either personally or professionally, machinery and or equipment liens, or personal and/or corporate guarantees.

The City of Pierz City Council and EDA reserve the right to restrict the use of the loan fund and approve loans on a case by case basis only.



City of Pierz Disclosures >>>

It is the policy of the City to use sound practical credit philosophy and standards in providing loans with the understanding that a certain calculated level of risk may apply and is acceptable. Additionally, the primary lending institution will be relied upon as a financial expert to aid the City in the decision making process. A waiver of loan criteria may be approved upon recommendation by the EDA and approval by the Pierz City Council.

WE ARE WITH YOU EVERY STEP OF THE WAY >>>

To make **APPLICATION** for the City of Pierz EDA Loan Program, please visit our website at www.pierzmn.org or visit City Hall for an application. Please do not submit an application until after a primary lender/funding source has been secured. City/EDA staff will review the application and forward completed applications/requests that meet all above requirements, to the EDA. The EDA will review applications and requests on the 2nd or 4th Monday of every month. More information regarding the application and approval process can be obtained by calling Pierz City Hall and speaking with the City Administrator.