

Purpose

Facilitate the funding of an expansion project that would be unlikely to occur without the Grow Missouri Loan in order to create or retain full-time jobs for targeted businesses.

Key Benefits

Principal and interest payments may be deferred for up to three years (four years for minority business enterprises (MBE) and woman business enterprises (WBE) to aid in obtaining approval for the other project financing. After the initial deferral period, payments may be interest-only for up to three additional years. The maximum term of the loan is eight years.

The collateral may be subordinated to the primary lender.

An approved applicant will have 120 days after DED's approval of the loan application to secure commitments of the other financing for the expansion project; therefore, there is no need to have the entire project financing secured when applying.

Interest rates are two percent fixed rate per annum. (MBE/WBE is zero percent rate.)

Eligible Applicants

Generally, for-profit "primary" companies (that mostly sell/compete outside the local market area) are eligible.

Applicants must demonstrate a reasonable ability to create at least one new or retained job for every \$75,000 of Grow Missouri Loan funding within five years of approval. Such new or retained jobs must have average wages that are at least 80 percent of the county average wage, or 70 percent within Enhanced Enterprise Zones or MBE/WBEs.

The applicant must offer to pay at least 50 percent health insurance for all Missouri employees.

Restrictions

The Grow Missouri funds and the other "leveraging sources of funds" (private loans and equity)

to be used for the project may not be used for refinancing existing debt or replacing existing equity. There is no prohibition on the use of "non-leveraging sources" (direct public sector funding) for refinancing.

None of the "leveraging sources of funds" can have been spent prior to the DED's approval of an application.

The expansion project does not involve relocating the project facility from another community in Missouri, or if so, the existing community has endorsed the relocation to DED. Also, this project does not, or will not, cause the reduction of employment at a related facility located in Missouri.

The qualified company (including affiliates) must have less than 500 full-time employees (full-time equivalent basis) at all locations, inside or outside Missouri, at the time the application is submitted.

Funding Limits

The Grow Missouri Loan cannot exceed: (a) 10 percent of the total "leveraging sources of funds" (private loans and equity); (b) \$3 million per qualified company; or (c) \$75,000 per new and/or retained job, whichever of these would result in the lowest amount.

Applications for the available funding of \$10 million will be received at any time until the funding is exhausted.

Reporting Requirements

A qualified company approved for a Grow Missouri Loan must provide annual reports to DED. DED will provide additional information to the qualified company regarding the necessary reporting after the loan is approved.