

St. Louis Park Economic Development Authority Advance Program guidelines

Program overview

The Advance program is a financial assistance program to help with the establishment or expansion of small commercial businesses in St. Louis Park. Under the program, qualified small businesses may receive forgivable loans up to \$10,000 to assist with hard costs related to opening a new commercial location, expanding into a larger space, or acquiring a commercial property. The program also provides down payment assistance to businesses acquiring their first commercial property.

The Advance program's purpose is to accelerate the development and growth of small commercial enterprises, as well as fill vacant storefronts within St. Louis Park. The program's objectives are to help advance prospective entrepreneurs' business aspirations, improve the odds of businesses successfully opening or expanding in St. Louis Park, activate challenging commercial properties, help redevelop and improve such properties, create new jobs by helping small businesses grow, and provide an opportunity for wealth building while simultaneously diversifying and strengthening the city's economic fabric.

The Advance program is an initiative of the St. Louis Park Economic Development Authority (EDA). **The EDA encourages all eligible St. Louis Park small businesses to apply for assistance under the program, especially those owned or managed by women, Persons of Color or Indigenous, and veteran-owned businesses.**

A total of \$200,000 has been allocated to this program. Loans will be provided until program funding is exhausted.

Funding criteria

- Maximum loan amount: \$10,000.
- Loan funds must be matched one-to-one.
 - Example: To be eligible for the maximum loan of \$10,000, the applicant must provide evidence of having paid at least \$20,000 in expenses for eligible program uses.
- Loans will be 0% interest over a one-year term.
- Assistance is available in the form of a forgivable loan.
- Disbursement of funds would be tied to specific eligible uses of funds, specific agreed upon outcomes and other terms outlined in a loan agreement.
- Projects must be completed by Dec. 31, 2024.

Interest rate and loan term

Loans to eligible businesses will be provided at 0% interest over a one-year term.

Loan forgiveness

Loans to eligible businesses will be forgiven provided that they remain in their new location in the city for an entire year and provide a report to the loan program administrator after one year describing how loan funds were utilized, along with required supporting documentation (see reporting fund usage).

Eligible recipients

New or existing St. Louis Park small businesses meeting the requirements of this program that lease a new, vacant commercial space, lease additional commercial space, or acquire a commercial property for the first time in St. Louis Park.

For those acquiring a commercial property, applicants must certify that the funds will be used for the business' first-ever commercial property acquisition.

Established business

Businesses must have one of the following:

- Articles of incorporation for corporations, S Corps and C Corps
- Articles of organization for LLCs
- Sole proprietorship formation
- Fictitious name statement or DBA registration
- Employer Identification Number (EIN) certificate
- City, state or federal license to do business
- Relevant professional license

Businesses must be in good standing with the Minnesota Secretary of State. Businesses must also have a business bank account.

Located in St. Louis Park

Businesses must have a physical business address within St. Louis Park. Applicants must provide a copy of a fully executed lease or purchase agreement clearly indicating the subject premises are located within the city.

Business owners must certify that the business has not or will not vacate a commercial space of similar size in St. Louis Park to become eligible to claim this loan. The new leased space should be larger than the previously leased space. Exceptions will be considered on a case-by-case basis under proven extenuating circumstances.

Employ between 1 – 20 employees

Businesses must employ no more than one to 20 full-time equivalent employees (FTE). Sole proprietors are eligible to apply.

\$1 million or less in annual gross revenue

Businesses must have no more than \$1 million in annual gross revenue in the prior year.

Be in good standing with the city

Businesses must:

- Be a conforming or legally nonconforming use under the current zoning regulations of the city.
- Must comply with all state and local laws and regulations pertaining to licensing, building codes, zoning, environmental and labor requirements.
- The applicant must not have delinquent taxes, bills, fines or other charges due to the city.
- The applicant must be in good standing with rent or mortgage payments as applicable.

Ineligible businesses

Assistance can't be provided to the following businesses:

- Those that do not have a physical business address within the City of St. Louis Park
- Those that are renewing an existing lease, subleasing a space or will be vacating an existing commercial space to move to another of similar size
- Firearms sellers, merchants, retailers or wholesalers; ammunition sales; gun clubs; or shooting ranges
- Sexually oriented businesses (strip clubs, escort services, adult bookstores and businesses whose principal business is the sale or rental of pornography)
- Tobacco stores, smoke shops, cigarette and cigar retailers and wholesalers, vapor shops, as well as smoking lounges/clubs and cannabis-related businesses not authorized by state statute
- Lending businesses, payday lenders, title lenders
- Check cashers, bail bonds or pawn shops
- Home-based businesses (unless migrating to a new physical commercial address)
- Those that are part of a national or regional chain unless the business is an independently owned and operated franchise
- Warehouses or dead storage
- Those engaged in any illegal activity under federal, state or local law

Eligible uses

Eligible uses of the loan funds include the following activities:

- Building/leasehold improvements
- Commercial building alteration, renovation or expansion construction costs
- Lighting, window and door improvements
- Roofing, plumbing, electrical and sprinkler system repair or replacement
- HVAC system repair or replacement
- Water heater/softener repair or replacement
- Exterior facade improvements including disabled-accessible improvements
- Building identification/signage (must be permitted)
- First-time commercial property acquisition (down payment)

Ineligible uses

- Any work started prior to execution of loan agreement
- Operating expenses (such as utilities, payroll, rent insurance, inventory, supplies, licensing, legal and financial consulting fees, subscriptions, etc.)
- Any work on a building being repaired on a speculative basis where the property owner is not, or does not plan to be, a primary occupant and/or no tenant has been secured
- Activities that place extraordinary demands on city services
- Activities that are inconsistent with St. Louis Park Vision 3.0, including those considered to create environmental concerns in the opinion of the local, state or federal governments due to the type of operation or processes involved in the business operation.
- Activities that continue and/or expand nonconforming uses
- Property taxes
- Business owner's/manager's personal uses or expenses
- Any activity deemed illegal by federal, state or local law or ordinance

Right to deny

The economic development authority retains the right to deny any application for grant funding.

Loan agreement

After an applicant has been determined eligible to receive funds, the applicant will enter into a loan agreement with the economic development authority (EDA) and deliver a promissory note to the EDA. Loan funds will not be disbursed until a loan agreement and promissory note have been executed by all required parties.

Disbursement and use of funds

Loan funds will be distributed within approximately two weeks after a fully executed loan agreement has been received and the applicant has submitted all required documentation. Any required building and construction permits must be obtained prior to performing work. All loan funds must be used within six months of the loan agreement being fully executed.

Reporting fund usage

Eligible businesses receiving loan funds must commit to using the funds for eligible program expenses and must agree to document and report specific uses of the funds. Accordingly, all loan recipients are required to submit a brief report to the economic development authority after a year of receiving loan funds, specifying how the loan funds were used and supporting evidence in the form of a copy of fully executed lease or purchase agreement, paid invoices, statements, bills or similar documentation.

Application process

1. **Review program guidelines** – Prior to applying, review the program guidelines to determine if your business is eligible.
2. **Meet with program advisor** – After you review the guidelines, schedule a meeting with the program administrator, Greg Hunt, to discuss the project.
3. **Complete application** – Applications are available at: www.stlouisparkmn.gov/business-financing. Completed applications should be typed for clarity purposes.

Application requirements will include:

- Basic details about the business
- Basic financial, employment and annual gross revenue information
- Description of loan request
- Supporting documentation and application attachments

Submit completed application and required documents by email or mail.

- **Email:** send to Greg Hunt at ghunt@stlouisparkmn.gov
- **Mail:** mail to:
St. Louis Park EDA
Attn: Greg Hunt
5005 Minnetonka Blvd.
St. Louis Park, MN 55416

Note: Mailed hard copy applications may take longer to process.

Upon submission of application, applicants will receive an email confirming receipt of application.

The application will be reviewed for eligibility upon receipt. If additional information or documentation is necessary, economic development authority staff will contact the applicant.

A total of \$200,000 is proposed to be allocated to this program. Loans will be provided until program funding is exhausted.

If you have questions or need assistance completing the loan application, contact the program administrator:

Greg Hunt
952.924.2197
ghunt@stlouisparkmn.gov

SAMPLE loan report

St. Louis Park Advance forgivable loan program report form

As a condition for receiving loan funding, all recipients of St. Louis Park Advance Program are required to submit a brief report to the St. Louis Park Economic Development Authority after one year of receiving loan funds, specifying how the entirety of the loan funds were utilized and provide supporting evidence in the form of a copy of a fully executed lease or purchase agreement, paid invoices, statements, bills or similar documentation.

Business name: _____

Business street address: _____

City: _____ State: _____ ZIP code: _____

Name or person completing form: _____

Job title of person completing form: _____

What was the total amount of the loan your business received? \$ _____

Please specify how loan funds were utilized. Include expenses and amounts up to total amount of the loan. Please attach copies of invoices for expenses reimbursed with loan proceeds.

Please describe benefits received from the awarded funds. For example, did the funds allow your business to open a bricks and mortar location, did the business expand, or did the business acquire its first commercial property?

Report forms and required documentation should be submitted by mail or email to:

St. Louis Park EDA
Attn: Greg Hunt
5005 Minnetonka Blvd.
St. Louis Park, MN 55416 or

Emailed to:

- Greg Hunt: ghunt@stlouisparkmn.gov