

**RED WING PORT AUTHORITY**  
**SMALL BUSINESS EMERGENCY GRANT/LOAN PROGRAM**

**(Approved 4/01/20)**

**Description:**

Per Minnesota Governor's order 20-15, the Red Wing Port Authority can expand the use of its existing industrial revolving loan fund to assist retail and service businesses for 90 days, ending June 21, 2020. On April 1<sup>st</sup>, the Red Wing Port Authority approved the structure of a local business financing program, the Small Business Emergency Grant/Loan Program. This program has the following essential components:

- Up to \$15,000 total assistance to be used for working capital needs.
- 50% is automatically forgiven (as a grant), and 50% is a loan.
- Loan terms: 0% interest rate, 5-year loan pay-back period, first 6 months no payment.
- Eligible business has 30 or fewer employees (full-time equivalent).
- Business has been in operation at least one year prior to the application.
- First-come, first-serve process; no loan application or processing fees to the applicant.

**Eligibility:**

In order to be eligible for a Small Business Emergency Grant/Loan Program, eligible businesses are defined as follows:

1. Retail Business. Establishments engaged in selling goods or merchandise to the general public for personal or household consumption, and rendering services incidental to the sale of such goods. Examples include the sale of clothing, food, furniture, hardware, drugs and automobiles.
2. Service Business. Establishments engaged in providing services to persons, things and businesses, and selling goods or merchandise incidental to such services. Examples include banking, cleaning, landscaping, daycare, restaurants, fitness centers, auto repair, lodging and construction.
3. Manufacturing Business. Establishments that include manufacturing, warehousing, distribution and technology-related industry (those currently eligible in the Minnesota Investment Fund program).

The following businesses are eligible based on Minnesota Governor executive orders that precipitated the emergency declaration as noted in Executive Orders 20-04 and 20-08:

- Restaurants, food courts, cafes, coffeehouses, and other places of public accommodation offering food or beverage for on-premises consumption, excluding institutional or in-

house food cafeterias that serve residents, employees, and clients of businesses, child care facilities, hospitals, and long-term care facilities

- Bars, taverns, brew pubs, breweries, microbreweries, distilleries, wineries, tastings rooms, clubs, and other places of public accommodation offering alcoholic beverages for on-premises consumption.
- Hookah bars, cigar bars, and vaping lounges offering their products for on-premises consumption.
- Theaters, cinemas, indoor and outdoor performance venues, and museums.
- Gymnasiums, fitness centers, recreation centers, indoor sports exercise facilities, exercise studios, and spas tanning establishments, body art establishments, tattoo parlors, piercing parlors, businesses offering massage therapy or similar body work, spas, salons, cosmetology salons, esthetician salons, advanced practice esthetician salons, eyelash salons and barber shops. This includes, but is not limited to, all salons and shops licensed by the Minnesota Board of Cosmetologist Examiners and the Minnesota Board of Barber Examiners.
- Amusement parks, arcades, bingo halls, bowling alleys, indoor climbing facilities, skating rinks, trampoline parks, and other similar recreational or entertainment facilities.

#### **Loans cannot be provided to businesses that:**

- Derive income from passive investments without operation ties to operating businesses.
- Generate any part of its income from gambling or adult-oriented activities.
- Have no current or historical financial statements.
- Are organized or structured as a non-profit.

#### **Loan program requirements and terms:**

- Qualifying business may be either retail, service or manufacturing (see Eligibility, pg. 1).
- Qualifying business must be located within City of Red Wing municipal limits, must have been in business for at least one year prior to the application, and must have no more than 30 full-time equivalent (FTE) employees.
- Total financial assistance up to \$15,000, based on the firm's economic injury and the financial need as identified in the application.
- 50% will be automatically and fully forgiven (grant), and 50% will be a term loan.
- Loan will be interest free (0%).
- Loan will be paid back monthly over five (5) years, beginning in the 7<sup>th</sup> month.
- Loan's first payment will be deferred for the first six (6) months.
- Eligible use of funds is working capital, such as inventory, employee payroll, rent, etc.
- Collateral and/or Personal Guaranty shall be provided for at least 20% of the total combined grant/loan amount.
- First-come, first-serve process; no loan application or processing fees to the applicant.
- Loans must be approved by the Port Authority on or before June 21, 2020, or as may be further extended by state or legislative action.