



CITY OF SAINT PAUL HOUSING AND REDEVELOPMENT AUTHORITY

READY FOR RAIL

LOWERTOWN BUSINESS MITIGATION BRIDGE LOAN FUND, A PROGRAM WITHIN THE CENTRAL CORRIDOR READY FOR RAIL SMALL BUSINESS LOAN PROGRAM

0% INTEREST BUSINESS LOAN:

Interest-free deferred loans will be available for qualified small businesses on the Central Corridor LRT Line. The funds provide a modest “safety net” for businesses that have prepared for the construction phase and still show significant loss of gross sales.

Depending on the availability of resources, some portion of individual loans may be forgiven. Loan amounts will vary, depending on need. Single or cumulative loan amounts will not exceed \$10,000 per business.

WHO QUALIFIES?

- Independent, for-profit business with fewer than 5 locations and up to \$2 million in annual gross sales whose business focuses on retail services. Professional service providers will be considered. Non profit organizations do not qualify for this loan.
- Located on the Central Corridor line or on first block of cross street where the business can demonstrate significant barrier access due to construction.
- At current Central Corridor location for one year or more.
- Can show taxes, rent/mortgage, utility and employee payments were current at the start of construction downtown.
- Must meet with Downtown’s Small Business Consultant to review and access “Ready for Rail” training and support services.

READY FOR RAIL TRAINING:

Prepare your business now, before and during construction. Workshops and meetings will be offered to help you:

- Know details of construction plans and how to maintain access to your business.
- Get the most benefit from your financial record keeping and reports.
- Select free training or services that help you manage your business.
- Set a goal and a plan for saving money before and during construction.
- After the training, complete a one-page Construction Preparation financial plan that can be used to establish the financial impact of construction on your business.

WHEN TO APPLY:

Loan applications may be submitted 60 days or more after construction has started in your immediate area. Here is a link to the Ready for Rail website, with access to LRT construction schedules and additional resources: <http://www.readyforrail.net>

LOAN DOCUMENTATION:

The Ready for Rail training will help you understand and prepare documents you will need for your loan application. You must:

- Show you were current on taxes, rent/mortgage, utility, and employee payments at the beginning of the LRT line construction in your area.
- Present at least three years of financial records (or as long as you have been in business, if less than three years) and monthly financials demonstrating the period of loss to show your inability to cover your basic business expenses related to construction.
- Certify that the loan will be used for basic business expenses including taxes, rent/mortgage, utility or personnel payments.
- See the attached application for more details.

LOAN FEATURES AND TERMS:

- 0% interest.
- Recourse loan secured by Promissory Note, Personal Guaranty and/or Lien on Business or Property.
- Loan principal shall be repaid in equal monthly payments beginning 18 months after the loan is closed. Minimum monthly payment will be \$100. The maximum loan term will be five years, including the 18 month deferral period.
- Should the loan terms and conditions of the larger Central Corridor Ready for Rail Small Business Loan Program include a grant portion, these loans may be eligible, in which case, loans may be modified to reflect this change.
- Loan balance payable in full on sale of the business or relocation from Central Corridor.

HOW TO APPLY:

- Contact Natalia Pretelt, your Downtown Small Business Consultant, to express your interest in the loan fund. Natalia can be reached at 612-789-7337 x 10 or npretelt@mccd.org. Natalia will ask the City's Economic Development Manager to follow up with you about beginning the application process. You will be assigned a City Project Manager who will work with you during the application process.
- Schedule a meeting with Natalia to review and access "Ready for Rail" training and support services.
- Begin gathering the information requested in the attached application and meet with the City's assigned Project Manager.

For further questions regarding the

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Contact: Ellen Muller, City of Saint Paul Department of Planning and Economic Development, 651-266-6605. ellen.muller@ci.stpaul.mn.us