

## CLOQUET EDA SMALL BUSINESS ASSISTANCE LOAN (COVID-19 FUND)

The purpose of this fund is to prevent permanent closure of City of Cloquet for-profit businesses during and after the COVID19 pandemic and restore affected businesses back to financial health as quickly as possible.

### **Eligibility:**

- For-profit locally owned business located within the municipal city limits of Cloquet and located within commercial, office or industrial property. Applicants must provide proof of address of owned business and/or lease.
- Business affected by the COVID-19 virus (all businesses; not only those included in the executive orders, however priority will be targeted to those included in EO 20-04 and 20-08). Applicants must demonstrate they have applied for federal and state leverage programs such as SBA programs EIDL Loan/Grant or PPP (federal) and state (DEED) resources in order to leverage this local program.
- Loan fund use is for working capital and inventory and cannot be used for business owner's/manager's personal uses or expenses. Applicants must demonstrate the ability to collateralize this loan. Applicants must provide proof of need including but is not limited to the previous year's annual gross revenue, average monthly gross revenue prior to COVID-19
- Applicants must demonstrate they are current on financial obligations as of March 1, 2020 (which includes property taxes and city utilities), be a conforming or legally conforming use under the current zoning ordinance of the city and not be in violation of the city's zoning code.
- Applicants must be an existing business at least 6 months prior to March 1, 2020 and preferably have filed 2019 taxes.

### **Loan Size:**

- Priority Target: For-profit Small Businesses with 1 - 30 FTE employees (sole proprietor located within commercial, office, or industrial building is eligible) prior to the issuance of the State of MN Emergency EO 20-04 and make \$2 million or less in annual gross revenue. Priority will be given to locally owned and operated businesses noted in EO 20-04 and 20-08.
- The City will evaluate businesses with over 30 employees and other needs outside the scope of EO 20-04 and 20-08 on a case by case basis.

### **Terms:**

- Up to \$20,000 working capital/inventory loan, no principal or interest for the first 6-months.
- 5-year term
- 2% interest rate

### **Required Submittal Documents to the Entrepreneur Fund:**

Apply at <http://info.entrepreneurfund.org/cloquetbusinessassistanceloan> OR  
<https://www.entrepreneurfund.org/>

- Business Tax Returns and Personal Financial Statement
- Narrative Document that includes:
  - What changes the business has made to stay viable during the pandemic
  - Plans to get through the pandemic - work plan & simple cash flow forecast
  - What your business looks like post-pandemic. Define your plans for a new normal



ACCEPTING APPLICATIONS STARTING 5-20-20