



## **RETAIL STARTUP INCENTIVE PROGRAM GUIDELINES**

In an effort to add to the retail mix in downtown Spring Grove, the Spring Grove Economic Development Authority (EDA) is offering forgivable loans through a new Retail Startup Incentive Program (RSIP) to incentivize new or expanding retail businesses in downtown Spring Grove. The RSIP is seeking applications for those looking to fill available commercial space with new and exciting retail offerings. The EDA will provide up to \$2,000 in forgivable loan funds for eligible business startup expenses.

### **Goals of the Retail Startup Incentive Program:**

- Recruit businesses that will enhance the business diversity in downtown Spring Grove
- Provide businesses a head start during the first year of operation
- Strengthen the local economy by attracting unique and specialty businesses
- Transform empty business spaces into more attractive and beneficial locations
- Build a “buzz” and promote Spring Grove as a great place to start a business
- Display the community’s commitment to downtown Spring Grove

### **Eligible Businesses**

- Businesses must be located within the downtown business district of Spring Grove
- Businesses must be retail in nature and have a commitment to being open to the public at least three (3) days per week
- Businesses must be new (as of May 10, 2023). Existing businesses are only eligible if they plan on investing in a significant expansion (such as increased space or a new retail business concept)
- Applicants must be current on all City loans and utility payments

### **Eligible Uses of Funds**

- Business startup expenses including purchasing inventory, shelving, equipment, and other items for merchandising and display
- Marketing costs such as design and branding work, website development, advertisements on social media, newspaper, radio, television, and other outlets
- Building improvements and renovations, including signage

### **Terms and Conditions**

- This is a reimbursement program and will be considered a forgivable loan. Approved applicants must present invoices or receipts to City Hall for reimbursement of 50% of eligible startup costs up to \$2,000. The minimum amount of assistance per application is \$500.

- Businesses must be open within one year (12 calendar months) from the date of award.
- Loans will be forgiven over a period of 24 months as long as the business remains in operation. If a business were to close before the 24-month period, the entire amount will convert to a loan repayable to the EDA. Loans will be amortized over 12 months at 2% interest from the initial date of disbursement.
- The Economic Development Authority of Spring Grove reserves the right of ultimate review. The EDA may, at its discretion, approve projects that deviate from these guidelines if the proposed project is deemed within the general intent of these guidelines and in the best interest of the community.

### **Submission Components**

Applicants will be required to submit an official program application. Please include the following information (in brief) in the application:

- What types of merchandise will be sold in your store and what makes it unique?
- Define and describe the market for this retail business.
- How will your retail business enhance Spring Grove and the community as a whole?
- What resources and assets do you have and what resources would be needed to develop this concept (personal financing, equipment, etc.)?
- What are your qualifications to develop/expand this business?
- Are there any similar businesses around already? If so, how is yours different?
- Any other information that may really “sell” the project to the board.
- Do you already have a location secured for your business? Please share lease/purchase details.
- What is the anticipated timeline for opening/expanding your business?

### **How to Apply**

To apply, secure an official application from the Spring Grove EDA website at <http://www.springgrovemn.com/economicdevelopment> or by contacting EDA Coordinator Rebecca Charles to request an application at [Rebecca.Charles@cedausa.com](mailto:Rebecca.Charles@cedausa.com). Applications are available on a rolling basis and are reviewed monthly at the meeting of the Spring Grove Economic Development Authority on the Second Tuesday of each month at 6:30 PM at the Spring Grove Communications Building in downtown Spring Grove.

All submissions can be submitted via mail, email or be dropped off at the City Clerk’s office:

Spring Grove EDA

ATTN: Rebecca Charles

PO Box 218

Spring Grove, MN 55974

[Rebecca.Charles@cedausa.com](mailto:Rebecca.Charles@cedausa.com) (Please put “Retail Incentive” in subject line)

Questions regarding the program and/or application process should be directed to EDA Coordinator, Rebecca Charles at [Rebecca.Charles@cedausa.com](mailto:Rebecca.Charles@cedausa.com)