



TOWER ECONOMIC DEVELOPMENT AUTHORITY

City of Tower, P.O. Box 576, Tower, MN 55790

TOWER ECONOMIC DEVELOPMENT AUTHORITY TACONITE AREA COMMUNITY RELIEF PROGRAM GUIDELINES

The Tower Economic Development Authority is establishing a relief program, with funding from the Department of Iron Range Resources and Rehabilitation, to provide financial and technical assistance to businesses in the community that have experienced negative impacts from the COVID-19 pandemic. Loan repayment funds will become part of a revolving loan fund for future use as determined by the TEDA board of directors.

Geographic area of the Program

To be eligible your business must be located within the corporate limits of the City of Tower.

Program Requirements

The intent of this program is to participate in the financing of eligible project costs by supplementing private investment. The Community Relief loans must be matched with at least one dollar of private investment for every three dollars of funding through this program. The interest rate on a loan shall be determined by TEDA when the loan is approved and will be determined, in part, by the overall economic impact of the project, current prime lending rate, and relative risk.

Eligible Uses

Participants in the program may request assistance for a wide range of purposes, including:

- 1) Cash flow needs.
- 2) Debt consolidation.
- 3) Building renovations.
- 4) New commercial building construction.
- 5) Acquisition of business-related equipment.
- 6) Acquisition of supplies or inventory.
- 7) Business expansion.
- 8) Land and building acquisition.
- 9) Design and engineering.

Ineligible Uses

- 1) Salaries, benefits, or other forms of compensation for project/business owners.

Review Criteria

1. Loan request cannot exceed 75-percent of the total eligible capital requirements of the project.
2. Adequate collateral, if applicable.

3. Management capability
4. Credit worthiness of applicant
5. Marketing plan or business plan demonstrating ability to repay
6. Leverage of other funding sources
7. Job creation/retention
8. Economic impact on area
9. Innovative technology
10. Availability of funds

Application Process

1. Read and thoroughly understand the program guidelines
2. Prepare the application
3. Submit application to:

Tower Economic Development Authority
PO Box 576
Tower Minnesota 55790

4. A designated sub-committee of the TEDA board will confidentially review all applications and make a recommendation to the full TEDA Board at their regularly scheduled meeting.
5. The TEDA Board will review, and approve or reject, the application and will forward its findings and recommendations to the city council at its next regularly scheduled council meeting.
6. Execute agreement between Bank, TEDA, and Applicant.
7. At any point in the application process, the application may be sent back for further information.
8. Selection of prospective applicants will be made on a continuing basis on a first-come, first-served basis as long as funds are available.

Terms

Shall be determined on a case-by-case basis

Rights In Default

In the event the applicant breaches the repayment agreement and is in default, all rights to inventory, equipment, designs, machinery, buildings, land, etc. sufficient to recover the loan funds in full shall be immediately transferred to the City.

Disbursements

1. Disbursement of funds can be made to applicant upon proof of payment of approved expenses OR can be paid directly to an approved vendor based on approved invoices.
2. Total disbursements cannot exceed the approved loan amount.