



FARIBAULT MAIN STREET 2021 DOWNTOWN MICRO GRANT

The Faribault Area Chamber of Commerce in partnership with the Faribault Economic Development Authority manages the Downtown Micro Grant program.

A. Eligibility: Must 18 years of age or older and interested in starting, relocating, or significantly expanding a business, in the Main Street District of Faribault by September of 2021.

Any type of commercial business is eligible, provided that it fits within existing Downtown Zoning requirements. Certain types of business can earn additional point based on current downtown needs. Businesses must demonstrate at least a 50% cash match or total project costs.

Our goal is to support innovative ideas or compelling business models that hold the prospect of making significant contributions to Faribault's economic base.

Ineligible Businesses: nonprofits, gambling organizations, lending or investments, land and property held primarily for sale or investment, business operating for 10 or more years.

Ineligible Projects: Management fees, financing or legal costs and fees, franchise fees, debt consolidation, moving costs, general operating dollars.

Please refer to the Business Plan Evaluation Form for additional details.

Award: Accepted applicants will receive between \$500 to \$5000. Business may apply more than once. However, priority funding will be given to applicants who have not received more than 2 awards in a 5 year period. Businesses that retain similar ownership and similar business model but have changed names will not be considered a separate business.

B. Application Process: the business review process will be comprised of two rounds with an optional 3rd round.

1. Round 1: Preliminary business idea. - Due May 14, 2021

Applicant will submit a preliminary business idea to the reviewing committee.

Applicants must submit the following:

1. Micro Grant entry form

2. A single 8-1/2" by 11" page containing:

- Name of proposed business
- 1 paragraph description of the proposed business
- Summary, not exceeding 1 page, explaining the perceived market opportunity, how the business will take advantage of that opportunity, and how the business will fit into the existing mix of downtown businesses. Describe type of service, or merchandise, owner qualifications. Existing businesses should explain their current business model and identify how these dollars would allow them to enhance or grow.
- 1-2 sentences of how the Micro Grant funds would be used if awarded (examples: signage, point of sale systems, website/ e-commerce build up, etc)

2. Round 2 : Detailed Business Plan – Due June 15, 2021

All Applicants will be offered a mentor/coach and free business plan counseling from the SBDC office at the Chamber.

Applicants will submit a detailed business plan to the reviewing committee, not to exceed 30 pages, and to include the followings sections:

- a) Executive summary
- b) Business Description
- c) Timeline
- d) Competition/Market Analysis
- e) Marketing Plan
- f) Management Plan – challenges, opportunities, strategies.
- g) Financial Plan- including financial projections for 12+ months, and Profit and Loss Balance Sheet for previous 12 months (If available)
- h) Resume(s) of Owner(s) + two professional references

- i) Downtown Needs – describe how your business will complement/enhance the existing businesses downtown.
- j) COVID-19 -readiness tactics to meet COVID-19 Guidelines and strategic changes
- k) Written estimates for products and services outlined in the Application

Please refer to the Business Plan scoring Sheet for Additional details to submit a detailed business plan.

Awards will be made based on a set of pre-determined criteria.

If judges determine that additional information is needed, or there is an abundance of applications, there is an optional Round 3 with oral presentation.

3. Round 3: Oral presentation (Optional Round) – on or about July 15, 2021

- This round is optional, and need will be determined by Faribault Main Street.

Finalists will make a 15 minutes presentation of their business plan before the judge's panel and respond to questions.

Micro Grant recipients will be determined based on all 3 rounds.

C. Judging

1. A panel of judges will evaluate each business idea, business plan and oral presentation based upon set of criteria listed on the Business Plan Scoring Sheet.
2. The Judges reserve the right to accept or reject any and/or all business plans at their sole discretion.
3. Participants retain rights to their business plan at all times.
4. All decisions by judges are final.
5. Program sponsors reserve a right to modify the timeline at their sole discretion.
6. Program sponsors reserve a right to modify the scoresheet at their sole discretion.
7. All submissions will remain confidential. If a Micro Grant recipient is determined, a public announcement will be made naming the recipient, business name and description of that business.

D. Judges Panel

Judges panel will be comprised of mix of local professionals in business, banking and sponsors.

E. How to apply

To apply, please contact Faribault Chamber of Commerce.

507.334.4381 or kelly@faribaultmn.org

F. Submissions:

All submission to be submitted via mail or e-mail to:

Attn: Kelly Nygaard

Faribault Main Street Downtown Business Challenge

Faribault Chamber of Commerce

530 Wilson Ave

Faribault, MN 22021

kelly@faribaultmn.org

Applicant required to verify receipt of entry

G.) Contact Fulfillment

A signed personal guarantee will be required to ensure that funds are spent as outlined in the application. Once a business has been approved for a grant, the business will execute a grant agreement with the Faribault EDA. Payment will then be made directly to the business. If funds are not going to be spent according to the approved application, and comply with the stated timeline, the beneficiary must notify Main Street and EDA staff for re-approval of the project. If the grant is not spent according to the approved application, a personal guarantee and claw back policy will be in effect. The business owner will be personally responsible for repayment of the grant.

Within 12 months of receiving a grant (or as soon as funds are expended), the business will report to Faribault Main Street/ Faribault EDA on how it used the funds. Projects must be completed within a year of receiving micro-grant funding. This report will include: 1. Photos of the project (these could be used in Main Street/ EDA marketing materials) 2. A written report of

how the business used the funds, the impact of the funds on the business, and a testimonial statement that Faribault Main Street/ the EDA may use in marketing materials.

Faribault Business Plan Evaluation Form

Business Name: _____

Applicant Name: _____

Disqualifications Criteria:

- Business plan is more than 30 pages.
- Plan was not submitted with applications.
- Proposed business location is outside of the Main Street District.

Evaluation Criteria		
Round 1		
Name of proposed business		
Description		
Summary		
Total for Round 1		
Round 2		
Executive summary – clear and concise, 1 page max		
Business description: Describes business idea completely and accurately Lists space requirements for business Lists potential Downtown locations with justifications that realistically fits business needs Lists appropriate business hours and staffing Business complements existing mix		
Timeline		
Market Analysis Demonstrates clear knowledge of target demographics, market trends, competition Identifies potential competition and demonstrates differences and advantages over competition		
Marketing Plan Clearly identifies proposed target market Market is of sufficient size to support business Includes Advertising campaign		

Has a promotional strategy to create awareness	
Management Plan Outlines managerial roles & responsibilities Lists credible resources for legal, accounting, banking, marketing, and other business services which applicant has not expertise in	

Financial Plan Explains how grant money will be used Includes pro-forma income projections for next three years Shows break-even point Accurately assesses expenses Shows cash-flow Demonstrates sufficient financial resources for startup/ continued operation Financial Projections for 12+ months Profit/Loss Balance Sheet for previous 12 months (If available)	
Resumes(s) of Owner(s) Demonstrates sufficient knowledge and experience to run the business Includes references	
Downtown Needs Explanation of how the new business will benefit the Downton area and fit with existing downtown businesses	
Total for Round 2	
COVID-19	
Readiness tactics to meet COVID-19 Guidelines (if applicable)	
Round 3 (Optional)	
presentation	
Q&A	
Total Round 3	
Total	

