



City of Hopkins Business Retention Pilot Program

Purpose

The City of Hopkins is offering a forgivable loan program for businesses that are displaced by redevelopment. The purpose of the program is to encourage Hopkins businesses to stay in Hopkins by providing reimbursement of up to \$3,000 for capital costs at the businesses new commercial space. This is a pilot program to gauge the effectiveness of the reimbursement. The funds will be made available beginning September 8, 2021 and end on December 31, 2022. The program budget is limited to \$24,000 and will be disbursed to qualifying applicants on a first come first served basis.

Eligible Applicants

To be eligible to receive a forgivable loan through the program, applicants must meet all of the following criteria:

- Demonstrate that its business is being displaced due to a redevelopment project that has been approved by the City and that the business has received less than a 120 day notice to vacate;
- The current and new location for the business are within the City of Hopkins and have a physical address that is a brick and mortar facility for commercial use;
- The current location is within one-quarter mile radius of a light rail station;
- Be a business or non-profit entity that has been in operation one year prior to applying to the program;
- Be a legal entity registered and in good standing with the Minnesota Secretary of State or a sole-proprietorship operating under the owner's name and not required to register with the Minnesota Secretary of State
- Be in compliance with city ordinances, codes, licensing and must not have any delinquent taxes, bills, or other charges due to the City;
- The location and use of the new commercial space must be in compliance with 2020 MN State Building Code and the Hopkins Zoning Code, including being a conforming use.
- Owner of multiple business may only receive one loan; and
- Businesses may only receive one loan for the duration of the program or any similar program.

Ineligible Applicants

The Retention Incentive Loan is not available to businesses that:

- Do not have a physical commercial address located within the City of Hopkins.
- Derive income from passive investments without operation ties to operating businesses
- Generate income from adult-oriented activities.
- Are owned or operated by elected City Officials

Eligible Improvements

All costs must result in permanent building improvements

- Exterior/interior painting or re-siding
- Restoration of exterior/interior finishes and materials
- ADA Improvements
- Masonry repairs and tuck pointing
- Repair, replacement of installment of windows and doors
- Window and cornice flashing and repair
- Canopy or awning installation or repairs
- Installation or repair of exterior signage
- Removal of barriers to access inside or outside the building for people with disabilities
- Exterior/interior lighting
- Interior window displays
- Window, wall and hanging signage advertising the business name and identity
- Installation of walls, doors, outlets, cabinets or shelving
- Installation of new carpet or flooring
- Building permit fees

Ineligible Improvements

- Improvements in progress or completed prior to preliminary approval
- Improvement paid for by the landlord or through a tenant improvement allowance
- Routine maintenance
- Billboards
- Roofing
- Mechanical and HVAC systems
- Pylon, temporary, or roof signs
- Lease payments

Loan Guidelines

1. **Amount:** A business may apply for a one-time forgivable loan not to exceed \$3,000. Each approved business's maximum loan amount shall be limited to their identified eligible expenses.
2. **Interest Rate:** All loans shall have an interest rate of 0.0%.
3. **Term:** All loan awards must be utilized within six months of the date of the loan agreement.
4. **Forgiveness:** The loan will be forgiven and the loan agreement terminated by the City one year after the date of the loan agreement if the business is still operating in the commercial space that was improved using the retention loan proceeds.
5. **Termination:** Hopkins retains the right to terminate any agreement for funds and demand repayment of the loan if a loan recipient is found to be in violation of any conditions set forth in the eligibility guidelines or loan agreement.
6. **Right to Deny:** Hopkins retains the right to deny any application for funding.
7. **Funding Availability:** The program has limited funds available. Loans will be dispersed on a first come first served basis until the loan funds are exhausted.
8. **Indemnification:** All loan recipients shall be required to indemnify the City of Hopkins and any officers on their behalf.

Loan Process

There is no fee to apply for the Hopkins Retention Incentive Program.

Applications for the program are required to be submitted online at the City of Hopkins website. A completed online application with all question answered and itemized budget for use of the funds are required to apply. City staff will review the application to ensure eligibility.

Upon a successful loan application being awarded, the loan recipient shall enter into a loan agreement with the City of Hopkins. Funds shall be distributed on a reimbursement basis. The loan recipient will provide documentation of how the loan has been utilized and provide evidence in the form of paid invoices, statements, or similar documentation. The City will provide reimbursement within two weeks after receipt of acceptable documentation

After a one year of operations at the new site, the City of Hopkins will forgive the loan and terminate the loan agreement.