



Stewartville, MN Business Incubation Program Guidelines

Goal: To encourage the creation and support of new for-profit businesses that maintain and enhance a sustainable and diverse business climate within the City of Stewartville's business/commercial districts. Further, this program seeks to provide business owners with education and tools to increase opportunities for long-term success while filling currently vacant commercial properties in the community.

For the purposes of this program, a new business may include a business that had been previously operating out of a residence.

Funding & Timeline: \$30,000 has been set aside for the funding of this program.

The program will run until funds are depleted or until cancellation by the EDA—whichever occurs first.

Assistance: Business owners may receive rent assistance to locate new businesses into vacant properties within the City. Rent assistance will be provided at decreasing amounts for a total period of 18 months in accordance with the following schedule:

1. Months 1-6: 50% subsidy or \$830/month maximum (whichever is less)
2. Months 7-12: 33% subsidy or \$560/month maximum (whichever is less)
3. Months 13-18: 17% subsidy or \$275/month maximum (whichever is less)

Business owners admitted to the program will also receive educational assistance in the form of 90 minute classes on each of the core competencies outlined below:

1. *Business Planning and Financial Projections (Prerequisite for this program)*
2. Market Research
3. Pricing and Inventory
4. Marketing Strategies
5. Customer Service and Business Etiquette
6. Online Marketing—Websites and Social Media
7. Basic Bookkeeping
8. Legal Considerations for Small Businesses (incl. liability, insurance, taxes, incorporation, etc.)

Business owners admitted to the program will be provided assistance with incurred issues or questions in the following ways:

1. Quarterly meetings (with open financials) with the EDA's Economic Development staff and the City's Finance Director. Additional meetings may be scheduled as necessary and/or desired.
2. Access to Small Business Development Center consultation and resources.
3. Online forum/group for open questions and discussion with other program participants and successful local businesses.

Property owners within the City will receive assistance with promotion of available rental spaces.

Payment of rent subsidies will occur upon receipt of proof of rental payment starting in the business' first month of operation. Payment may only be made directly to the business owner applicant accepted to this program by the EDA.

Property owners and businesses owners must be eligible and compliant with all city regulations and obligations to receive monetary assistance benefits delineated above.

In order to receive assistance indicated through this program, lease/terms must be acceptable as determined by the EDA. Additionally, property must be zoned for business/commercial usage. Residentially zoned properties will not be considered.

Contingencies and Considerations:

To improve odds of long-term success, approved applicants are required to follow program conditions considered to be valuable by the EDA:

1. Business will open within 90 days of approval of application by the EDA.
2. Business owner will participate in ALL educational classes (outlined in assistance section of this document) provided through this program by the EDA.
3. Business owner will meet with the EDA's staff and the City's Finance Director on a quarterly basis at minimum. Financial information and documentation will be released and reported during these meetings. Additional meetings may be requested by the business owner or the EDA.
4. Business owner must agree to hours of operation that include at least five (5) days per week. If business is retail affiliated, the business may be required to operate until at least 8 p.m. one (1) evening/week.
5. Business owner will give a presentation after one (1) year of successful operation at a public EDA meeting to divulge challenges and plans for sustained success.

Application & Other Requirements:

The process for admission into this program includes the following steps:

1. Completion of the Business Planning and Financial Projections course. For schedule and registration, please contact City Hall.
2. Submission of a completed application including the following attachments:
 - a. Business plan (including 3 years of financial projections excluding requested program funding)
 - b. Financial statements
 - c. Lease agreement (including term and pricing)
 - d. Types and names of professional services being acquired (e.g. accountant, legal, etc.)
3. Staff review of application and attachments. Staff may require/request additional information or clarification.
4. EDA Finance Committee meeting with applicant to discern any concerns relevant to the sensitive information within the application.

5. EDA review of presented application at a public meeting of the EDA. Financial information will be kept private **when possible**. Applicants are strongly encouraged to attend this meeting.
6. Applicant will be notified by letter shortly after the meeting of the Board's decision to approve, deny, or delay voting on the application.
7. Business will open within 90 days of approval; rental subsidies will begin after the business has opened. The business owner may begin to take required educational classes (if offered) after approval has been acquired but prior to business hours of operation commencing.

Please note:

1. Maximum monetary assistance provided per business is \$9,990
2. Business owner must comply with all requirements outlined, or any subsidies received through the program must be immediately repaid to the EDA.
3. Business owner must be willing to release financials including information on sales, inventory, expenses, etc. upon EDA request.
4. Business must continue to operate within the City of Stewartville for three (3) consecutive years (including 18-month program) from opening. Businesses that willingly relocate outside of the City prior to the completion of three (3) years will be required to immediately repay 100% of subsidies received to the EDA. Businesses that go out of business prior to the completion of three (3) years may be required to repay all or a portion of received subsidies as determined appropriate by the EDA.
5. If the applicant is approved for the program, he/she implicitly agrees that the City may promote the company's usage of the program and include the company's information in relevant publicity materials/events/etc.

All applications will be reviewed on a first-come-first-serve basis. Approval may be affected by funding availability.

Applicants must submit one complete application to City Hall at least one (1) week prior to that month's EDA meeting for review (*the EDA usually meets the 3rd Tuesday of each month*). A complete application will also include all required attachments. **Incomplete applications will be neither accepted nor held.**

All property owners and applicants affiliated with the applications and ultimate receipt of subsidies must ensure that taxes, utility bills, code violations, and other business with the City of Stewartville are current, in compliance with all City regulations and obligations and in good standing on all properties owned within the City limits in order to apply and receive the rebate. Past history of delinquency on City matters will also be taken into consideration before program approval is given. This consideration applies to both applicants and property owners from whom they may rent.

This program will be carried out in accordance with the Stewartville Business Subsidy Policy and Minnesota Business Subsidy Law.

The EDA will review these program guidelines on an annual basis to ensure maximum effectiveness.

For More Information:

Questions regarding applications or this program should be directed to Joya Stetson at 507-533-4745 or joya.stetson@cedausa.com

The EDA 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.



Stewartville Economic Development Authority
Stewartville, MN Business Incubation Program

Applicant Information

Date of Submission: _____

Legal Business Name: _____

DBA (if applicable): _____

Mailing Address (where check will be mailed): _____

PO Box: _____

City/State/Zip: _____

Contact Name and Title: _____

Phone: _____ Email: _____

Rental Information

Proposed Location of
Business (address): _____

Landlord Name: _____

Lease Term: _____ year(s) _____ month(s) Lease Price/Month: \$ _____

Square Footage Rented/Used: _____

Business Details

Anticipated Opening Date: _____

Anticipated hours of operation (hours/days; days of week)

Monday _____ Tuesday _____

Wednesday _____ Thursday _____

Friday _____ Saturday _____

Sunday _____

Professional Services Being Acquired (please list firm you're working with if applicable):

Accounting: _____

Legal: _____

Marketing: _____

Other: _____

Brief Business Description:

How Many Jobs (including yourself) Will Your Business Be Creating Within 6 Months of Opening?: _____

Applicant Certification

We, the undersigned certify that the information submitted is true and accurate to the best of our knowledge, that we have read, understand, and that we will comply with the program guidelines. We confirm that if approved, the City may use the approved company's name and information in promotional/publicity materials, events, etc. We understand that this application will be reviewed based on the information provided herein and that the City of Stewartville reserves the right to approve, partially approve, or deny an application at the discretion of its appropriate Board(s).

Name/Title (Printed)

Name/Title (Printed)

Signature

Date

Signature

Date

*****Please note that all information in checklist must be included and provided to the City with this completed application.**

Please submit one application with supporting materials to City Hall, at least 1 week prior to the next EDA meeting for review. Incomplete applications will not be accepted. Applications will be reviewed on a first come-first serve basis.



Application Checklist:

_____ **Complete Application**

_____ **Business Planning and Financial Projections Course Completion Certificate**

_____ **Business Plan Including 3 Years of Financial Projections that Exclude Program Assistance Being Requested**

_____ **Financial Statements**

_____ **Lease Agreement**