



## FARIBAULT MAIN STREET 2023 DOWNTOWN MICRO GRANT

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

**A. Eligibility:** Must be 18 years of age or older and starting, relocating, improving, or expanding a business, in the Main Street District of Faribault by September of 2023.

Any type of commercial business is eligible, provided that it fits within existing Downtown Zoning requirements. Certain types of businesses can earn additional points 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 and/or enhancing the viability of the Downtown retail/service offerings.

**Ineligible Businesses:** nonprofits, gambling organizations, lending or investments, land and property held primarily for sale or investment.

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

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

**Award:** Accepted applicants will receive between \$500 to \$5000. Businesses 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 have a 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 3<sup>rd</sup> round.

1. Round 1: Preliminary business idea. - Due August 31, 2023

The 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 the 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 the type of service, merchandise, and 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 about 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 September 15, 2023

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 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 the 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) 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 an oral presentation.

### 3. Round 3: Oral presentation (Optional Round) – on or about September 30, 2023

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

Finalists will make a 15-minute 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 a 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 the right to modify the timeline at their sole discretion.
6. Program sponsors reserve the 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**

The judges panel will be compromised of a mix of local professionals in business, banking, and sponsors.

### **E. How to apply**

To apply, please contact the Faribault Chamber of Commerce.

507.334.4381 or [nort@faribaultmn.org](mailto:nort@faribaultmn.org)

### **F. Submissions:**

All submissions must be submitted via mail or e-mail to:

Attn: Nort Johnson

Faribault Main Street Downtown Business Challenge

Faribault Chamber of Commerce

530 Wilson Ave

Faribault, MN 22021

[nort@faribaultmn.org](mailto:nort@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 the 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   |  |  |  |
|---|--|--|--|
| <b>Round 1</b>  |  |  |  |
| Name of the proposed business   |  |  |  |
| Description   |  |  |  |
| Summary   |  |  |  |
| <b>Total for Round 1</b>  |  |  |  |
| <b>Round 2</b>  |  |  |  |
| Executive summary – clear and concise, 1-page max   |  |  |  |
| Business Description:<br>Describes business idea completely and accurately<br>Lists space requirements for business<br>Lists potential Downtown locations with justifications that realistically fit business needs<br>Lists appropriate business hours and staffing<br>Business complements the existing mix |  |  |  |
| Timeline  |  |  |  |
| Market Analysis<br>Demonstrates clear knowledge of target demographics, market trends, competition<br>Identifies potential competition and demonstrates differences and advantages over the competition   |  |  |  |
| Marketing Plan<br>Clearly identifies the proposed target market<br>The market is of sufficient size to support business<br>Includes Advertising campaign<br>Has a promotional strategy to create awareness  |  |  |  |
| Management Plan<br>Outlines managerial roles & responsibilities   |  |  |  |

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| Lists credible resources for legal, accounting, banking, marketing, and other business services in which applicant has no expertise in |  |
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|---|--|
| Financial Plan<br>Explains how the grant money will be used<br>Includes pro-forma income projections for the next three years<br>Shows break-even point<br>Accurately assesses expenses<br>Shows cash-flow<br>Demonstrates sufficient financial resources for startup/ continued operation<br>Financial Projections for 12+ months<br>Profit/Loss Balance Sheet for the previous 12 months (If available) |  |
| Resumes(s) of Owner(s)<br>Demonstrates sufficient knowledge and experience to run the business<br>Includes references   |  |
| Downtown Needs<br>Explanation of how the new business will benefit the Downton area and fit with existing downtown businesses   |  |
| <b>Total for Round 2</b>  |  |
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| <b>Round 3 (Optional)</b>   |  |
| presentation  |  |
| Q&A   |  |
| <b>Total Round 3</b>  |  |
| <b>Total</b>  |  |
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|   |  |