



FOR IMMEDIATE RELEASE
City of Duluth - Communications Office

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SUBJECT: New Financing Program Unveiled for Businesses in Lincoln Park, West Duluth and Spirit Valley

BY: Pakou Ly, Communications Office

New Financing Program Unveiled for Businesses in Lincoln Park/West Duluth/Spirit Valley

[Duluth, MN] – The City of Duluth and the Duluth 1200 Fund Board are offering a new loan program that will help spur the revitalization of older stock commercial buildings and create jobs in the Lincoln Park, West Duluth and Spirit Valley business districts. This program will help with commercial building acquisition or improvements in the form of a loan up to \$50,000 with opportunity to have up to one half of the balance forgiven, assuming program requirements are met.

"Over the past several years the Duluth 1200 Fund Board has been looking for opportunities to adapt its program to the growing and varying needs of our entrepreneurs. This new pilot loan program is a positive solution that enables broader participation and will help grow and stabilize two of our major business districts. We, the the 1200 Fund Board are pleased to be able to work with the City and economic development partners to offer this new loan program that will go a long ways to ensuring prosperity and sustainability in our community," said Betty George Sola, the Duluth 1200 Fund Board Chair.

The Advance West pilot program provides gap financing for commercial building acquisition and improvements. Maximum amount borrowed ranges between \$10,000 and \$20,000 per job created and may not exceed a maximum loan amount of \$50,000. Additional program requirements include:

- Pilot program is applicable only for commercial buildings in 55806 and 55807 zip codes and building must be owner occupied (not leased) by a small business committed to creating 2 or more jobs/FTE's within 2 years.
- Loans are intended to provide gap financing in partnership with commercial banks and/or alternative lenders. The 1200 Fund may take a subordinated position on the loan debt. Loan interest rates are market rate or lower.
- Up to \$7,500 loan forgiveness for each full time job created and maintained 2 years or more is possible for up to 50% of the loan amount (\$25,000). Manufacturing, wholesale, service, and retail (non-personal) businesses only may apply for loan program (no non-profits).

"Lincoln Park, West Duluth and Spirit Valley are areas undergoing incredible transformation and I am so pleased and grateful for the Duluth 1200 Fund Board who heard the challenges faced by our businesses and took it upon themselves to create this new program. This pilot program is not a hand out but rather demonstrates faith and encouragement of local economic growth which also creates employment opportunities. This is a smart program and I encourage businesses in Lincoln Park, West Duluth and Spirit Valley to contact the City's Business Development Office," said Mayor Emily Larson.

Interested businesses can contact Heather Rand, Director Business Development at hrand@duluthmn.gov or at (218) 730-5322. The program brochure is also available online at, <http://duluthmn.gov/business-development/>

About

The Duluth 1200 Fund Board of Directors are appointed by the Mayor but is otherwise a separate non-profit that is staffed by the City of Duluth's Director of Business & Workforce Development. The mission of the 1200 Fund is to create permanent, private sector jobs, expand the tax base and increase economic productivity in the city of Duluth.

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