



Kasson Economic Development Authority Construction Mitigation Loan Program

PURPOSE

To assist existing businesses with their immediate cash flow needs created by loss of traffic and revenues due to road construction projects in the City of Kasson.

ELIGIBILITY

- Businesses located on or adjacent to roads with construction projects
- Businesses must have been in operation at the beginning of the construction project

LOAN PACKAGE

- Maximum of \$2,000 per business
- 0% interest
- Funds released at \$1,000 per month for a period of up to two months
- Payment to start 30 days after loan application approval
- Deferred payment will start 12 months from the date of first disbursement
- Loans repaid at \$100 per month until loan is fully repaid

ELIGIBLE LOAN EXPENSES

- Rent/Lease/Mortgage payments
- Utility bill payments

LOAN REVIEW

The Loan Committee shall review all information that will provide decision-making assistance as to the viability of the business applicants. Generally, the following criteria will be used in reviewing loan applications to determine their credit worthiness:

- Equity or cash commitment
- Leverage of other funds
- Collateral coverage
- Job creation/retention
- Credit worthiness of applicant
- Economic impact

Upon final approval by the EDA, and City Council when required, the EDA will prepare a Promissory Note, Security Agreement, and Mortgage (if applicable) to be signed and recorded. All fees related to document preparation, legal fees and recording fees are the responsibility of the borrower.