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HRA BUSINESS ASSISTANCE FUND

PRESENTATION TO HRA BOARD MARCH 6, 2024



FROM HRA 101 SLIDE

HRA Roles and Authority – Business Development

- **Approve programs and funding for business development**
 - Encourage business retention, expansion, and attraction
 - Make direct investments to support new and expanding businesses and entrepreneurs
 - Increase the number of jobs in Saint Paul, and increase access to jobs and opportunity for residents
 - Partner with local and regional organizations focused on economic development





HRA Business Assistance Fund

- The HRA Board adopted formal written guidelines for the HRA Business Assistance Fund (BAF) program on February 9, 2022
- The HRA Board includes funding for the BAF program annually
- **The total currently available is \$531,200**



HRA Business Assistance Fund

- The following projects have been approved for funding since the guidelines were adopted:
 - **\$25,000** for LaNoire Bridal – new bridal shop on Fourth Street in Downtown
 - **\$50,000** for Pimento Wabasha – new restaurant on Wabasha Street in Downtown
 - **\$49,800** for Erta Ale Ethiopian – new restaurant on Prince Street in Lowertown
 - **\$70,000** for Sir Boxing – relocation and expansion of business on Arcade Street
 - **\$34,000** for the relocation of the Justus Ramsey structure on West 7th Street
 - **\$100,000** for the MN Museum of American Art for their Phase 2 Project

Two additional business loans were originated in 2023 with CDBG funds: \$65,000 for Life Juices on Lexington Pkwy and \$49,000 for Crasqui Restaurant on Wabasha



HRA Business Assistance Fund Guidelines

Specific Requirements:

- Eligible businesses only include for-profit businesses
- Assistance must be in the form of a loan, with flexible repayment terms
- Business is unable to access adequate financing from other sources
- A minimum of 10% of owner equity is required
- Project must meet defined public purpose, which includes job creation or community benefit through one of the following: grow tax base, renovate vacant space, invest in low-mod area, or investment to meet underserved or unserved community need

General targets:

- Loan size ranges from \$20,000 to \$150,000
- Total City/HRA assistance no less than 50% of the total cost of the project