

Storefront Loan FAQ's

What is the purpose of this loan program?

The primary purpose of the Storefront Loan Program is to encourage reinvestment in designated Duluth neighborhood centers. Reinvestment is defined in this loan program as the restoration of the historic atmosphere, overall visual improvement of building facades to strengthen neighborhoods, and enhancement of community viability within Spirit Valley and Downtown Duluth.

Is this a grant or a loan?

This is a loan program, with a 17-year term at 4% interest. The total loan value for request per application is \$100,000.00.

What is the Duluth 1200 Fund?

The 1200 Fund, Inc. is a private non-profit organization dedicated to economic development and job growth in the City of Duluth. The 1200 Fund was originally established in 1985s with a mission "to create 1,200 new jobs in Duluth."

Who can apply?

As a current first-year pilot project, eligible application locations can be within the Spirit Valley commercial district and within the City of Duluth's Downtown area.

How are the loans being selected?

All applications for the Storefront loan program will be reviewed by a dedicated panel chosen by the Duluth 1200 Fund for initial review. A predetermined scoring metric has been established to ensure a uniform and fair review process. With board approval, the applicant will utilize the City of Duluth Construction Services department to ensure that permit compliance is met. Once all permits for the project have been approved, a loan closing will be arranged between the Duluth 1200 Fund and the applicant.

How much will this cost me?

A \$1,500 closing cost will be due at the time of the loan closing with the Duluth 1200 Fund. All soft costs, including the fees for permit applications, are not applicable for financing under the storefront loan program. Applicants may utilize their 10% match in the form of services or renderings provided by a licensed architect for the project.

How much funding will be available?

Each applicant may request up to \$100,000 in funding. The Duluth 1200 Fund is dedicated up to \$300,000.00 for the 2025 Storefront Loan program.

THE MISSION OF THE DULUTH 1200 FUND IS TO FOSTER THE LONG-TERM VITALITY AND DIVERSITY OF DULUTH'S ECONOMY BY PROVIDING SUSTAINABLE AND RESPONSIVE GAP FINANCING AND FUNDING OPTIONS THAT EMPOWER LOCAL BUSINESSES TO STARTS, GROW, AND THRIVE.

What qualifies as the 10%, is that the owners match?

Soft costs related to the preparation of the improvements qualifies, this includes, permit fees, architect or consultant costs. The 10% is not included in the amount of funding being requested.

How do I obtain a Deed for my property?

Reach out to the St. Louis County recorder Wendy Levitt, at levittw@stlouiscountymn.gov or by phone at 218-726-2077. She can provide directions or access to certificate of title and deed documents. You can request a copy of certificate of title for \$3, just provide your legal description or a way for them to look up the property such as your Parcel ID number.

Will there be future rounds of funding?

Yes, the Duluth 1200 Fund has plans to pursue another funding round of an undisclosed amount annually until all funding is spent.

If I'm unable to attach all the required materials, will that disqualify my application?

This is a highly anticipated program; applicants are required to include all eligibility items in their application at the time of submission. If required information able to be uploaded contact planning@duluthMN.gov for assistance.

Inquiries for application assistance and additional questions should call the City's Planning and Economic Development Department at 218-730-5580 or email planning@DuluthMN.gov.