

Disaster Recovery Fund To Help Small Cedar Rapids Businesses

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Cedar Rapids business leaders have begun raising what they hope will be a \$15 million fund to assist many of the estimated 600 businesses damaged by the June 12-13 floods.

The Job and Small Business Recovery Fund will provide businesses with base grants up to \$15,000, with 50 percent of the amount to be in the form of a grant, and the remaining 50 percent in the form of a no-interest, three-year forgivable loan. Additional grants of up to \$5,000 may be awarded to businesses that reinvest in commercial areas affected by the flooding, and another \$5,000 can be awarded to applicants that own both businesses and properties in flood-affected areas, and sustained uninsured flood damage to each.

The fund was created by the Greater Cedar Rapids Community Foundation and the Cedar Rapids Area Chamber of Commerce. A total of \$1 million has been committed to the fund, with \$500,000 coming from Priority One, \$250,000 from the chamber, and \$250,000 from CRST chairman and CEO John Smith.

A total of \$1 million already raised is expected to be sufficient for approximately 75 grants. To meet the entire need, the fund will need at least \$15 million in contributions, Priority One board Chairman Jim Tinker said. "Our message is to give what you can to get people back to work in Cedar Rapids," Tinker said.

Cedar Rapids Area Chamber of Commerce board Chairman Ralph Russell said the group estimates that over 9,000 jobs have been disrupted by the flooding in Cedar Rapids. He said the fund aims to address some of the limitations in existing disaster assistance, which "becomes a series of chicken-and-egg situations that rarely arrive in time to provide real help." Russell said the grants will help businesses with payroll, leverage for new loans, cleanup and recovery, and reconstruction financing.

Chamber President Lee Clancey said the grant system will use the same criteria that the U.S. Small Business Administration uses in its loan criteria. Applicants also will be asked if they were in business in Cedar Rapids before the flood, if they sustained uninsured losses from the flood, if they are reinvesting in the same area in which they were located, and if they own property in the area that flooded.

Business owners may apply online after Friday. The chamber hopes to have an extremely rapid turnaround on loan decisions, possibly as little as 48 hours. Applications will be ranked by the local chapter of SCORE, a non-profit organization of volunteer business advisers, and presented to a chamber Administrative Oversight Team.

Donations to the fund will be tax deductible. They can be sent to: Business Recovery Fund, care of The Greater Cedar Rapids Community Foundation, 200 First St. SW, Cedar Rapids, IA 52402. The words "Business Recovery Fund" should be included in the check memo field.

Applications for grants will be available online after Friday on the following Web site: www.corridorrecovery.com