

Forgivable Loan Program for Remote Recreational Businesses



Minnesota's NW Angle. It is the northernmost point of the contiguous United States, famous for its world class fishing and unforgettable beauty. In order to drive to the Angle, one must travel about 40 miles through Canada, upon re-entering back into the U.S.

During the pandemic, Canada closed its border on March 21, 2020 – August 8, 2021 to non-essential travelers, cutting off visitors to this tourism dependent destination.

From August 9, 2021 – September 30, 2022, the border opened with serious barriers. Travelers had to be vaccinated, had to show proof of an expensive and not readily available molecular COVID test showing a negative result that was less than 72 hours old, and had to use Canada's new ArriveCan app on a smartphone which was cumbersome, confusing and not set up for travel to the NW Angle.

There was no place in the United States that was more difficult to reach and hit harder than Minnesota's NW Angle. This went on for over two years.

Small businesses up at the Angle were without visitors and experienced severe losses. Businesses had to keep everything ready to go as every 30 days they would be given the announcement from Canada on whether the border would open or not. That meant the costs of running a business to be ready were still in place with little to no revenue.

Damage has been done. Many visitors who used to come to the Angle found other places to vacation. Many have not come back and this will take years to rebuild.

The initial round of the forgivable loan program helped businesses to survive year one. Through loans, using up savings, and scratching together money intended for their kid's college and retirement, businesses have held on, many by the skin of their teeth.

Under the criteria of the program, \$2.9M of an allocated \$5.0M was utilized year one. The remaining \$2.1M was returned to the general fund. This money for year two is crucial for many of the businesses to eradicate simply a portion of the many losses experienced.

SF 2784 would allow NW Angle businesses the chance to catch up with the significant losses experienced during COVID, the border shut down and restrictive travel rules.

One NW Angle business owner was quoted, "Our resort suffered significant losses the second year of the pandemic of around 70%. Guide trips were cut by the same percentage. We have used up our savings just staying afloat. A second round of forgivable loans would be a big help allowing us to cut a portion of our losses anyways."

Another resort owner didn't mince words. "If you think a 6-week shutdown was bad, try a 132-week shutdown." Please support SF 2784. Thank you.