

ROBBINSDALE
ECONOMIC DEVELOPMENT AUTHORITY
Special Meeting AGENDA
Following the City Council Meeting which starts at 7:00 P.M.
TUESDAY, OCTOBER 20, 2020

1. MEETING CALLED TO ORDER
2. ROLL CALL: Selman, Murphy, Backen, Rogan, President Blonigan
3. New Business: Receipt of CARES funds from City of Robbinsdale,
Adoption of Small Business Grant Program
4. ADJOURNMENT



Marcia Glick, Executive Director



AGENDA ITEM #
October 20, 2020

New Business: Receipt of CARES funds from City of Robbinsdale, Adoption of Small Business Grant Program

BACKGROUND:

On September 1, 2020, the City of Robbinsdale adopted Resolution 7844 accepting the spending plan for Federal CARES Act Local Funding.

The CARES Act provides that payments from the Fund must be disbursed by November 15, 2020 and may only be used to cover costs related to the city of Robbinsdale that:

1. Are necessary expenditures incurred due to the public health emergency with respect to the COVID-19 pandemic;
2. Were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act); and
3. Were incurred during the period that begins on March 1, 2020 and ends on November 15, 2020.

One of the spending items approved by the City Council was allocating \$350,000 to an Emergency Small Business Assistance Program following the format established by Hennepin County.

Robbinsdale program guidelines were created (Attachment 1) and the application opportunity was promoted through city news and social media and shared by funding partners who had previously worked with businesses on other applications. By the October 12, 2020 deadline, 23 applications had been received, although it appears that some will not be eligible based on the guidelines (including one not located in the city.)

The City Attorney's office has been updating a draft agreement and brought to staff's attention that the current guidance is for cities with EDAs to administer the small business grant program through that platform.

ANALYSIS/CONCLUSION:

Based on attorney guidance, a special REDA meeting was called in order to accept the city small business grant assistance funds, establish the program and administer the program funds.

RECOMMENDATION

The REDA and City Attorney will be working with staff on a resolution (draft in Attachment 2) and attachments for action at this meeting.

Marcia Glick, Executive Director



City of Robbinsdale

Small Business Relief and Reopening Grants

Guidelines

The City of Robbinsdale announces the availability of up to \$350,000 in grants for small businesses. Applicant businesses that are located in the City of Robbinsdale that have experienced financial hardship and meet other requirements because of the COVID-19 pandemic may apply for a grant up to a total of \$15,000. Grants may be used for specific operating expenses and costs incurred to reopen safely and adapt business practices to ensure worker and customer safety during the pandemic.

Priority will be given to those businesses that have received \$5000 or less in COVID-19 related emergency relief funding from local, county or state sources.

Business Eligibility

Applications will be reviewed for compliance with eligibility standards and the total amount of funding received from other sources.

To qualify, a business must:

- Be a locally-owned, for-profit business with a permanent physical business establishment in the City of Robbinsdale financially impacted by the COVID-19 pandemic
- Employ at least 1 employee other than an owner and not more than 50 employees.
- Be registered and in good standing with the MN Secretary of State, if required.
- Be able to demonstrate financial hardship due to COVID-19 in one or both of the following ways.
 - The business was restricted from operating above 50% capacity by Governor's executive orders in effect on May 18, 2020 or
 - The business experienced at least a 10% loss of revenue as a result of the COVID-19 pandemic.
- Be current on property taxes as of 10/1/2020, if applicable.
- Have operated and generated revenue in Robbinsdale on or before January 15, 2020.

Ineligible Businesses

- Home based businesses and those without a permanent physical establishment
- Non-profit organizations
- Corporate chains, multi-state chains
- Businesses in default conditions prior to February 29, 2020
- Businesses that primarily derive income from passive investments.

Eligible Expenses

Expenses must be incurred March 15, 2020-September 30, 2020. Grant funds may NOT be used for the same expenses for which a business received any other source of federal funds including SBA Paycheck Protection Program (PPP), SBA Economic Injury Disaster Loan (EIDL) or EIDL Advance, State of Minnesota Department of Employment and Economic Development (DEED) Small Business Relief Grant, or any grant or forgivable loan from any source that used federal funds are ineligible for Robbinsdale Grant Funds.

Businesses may apply for a grant of up to \$15,000 (minimum grant amount \$2,500) based on a business' grant-eligible expenses including:

- Business operating expenses incurred since March 15 and not reimbursed by other grant or forgivable loan funds including:
 - Commercial rent or mortgage payments
 - Insurance premiums
 - Utility payments (other than City utilities)
 - Inventory costs
 - Paying other direct business-related bills.
- Costs incurred to purchase supplies, access technical assistance, certain types of equipment and other needs to safely reopen in accordance with public health guidance from Minnesota Department of Health and the Center for Disease Control and Prevention. Examples of eligible expenses include:
 - Construction costs, plus materials incurred for physical improvements or alterations, such as installation of special dividers, reconfiguration of spaces, construction to enable use of outdoor

space. Reimbursement for a construction contractor who has employees is limited to \$2000; limitation does not apply to materials.

- Materials and purchases required due to COVID-19, such as Plexiglas and other dividers, signage, hygiene stations, or outdoor furnishings to comply with social distancing and COVID-related regulations.
- HVAC improvements, air purification systems, or similar measures to prevent spread of the virus.
- Supplies for cleaning, safety, or screening, including purchase of Personal Protective Equipment (PPE). Reimbursement for supplies is limited to a three months' supply.
- Technological improvements to online platforms, points of sale, etc. including improvements to accommodate customers via appointment, or curbside pick-up due to COVID-19.
- Professional/technical services to prepare and implement Preparedness Plans and pivot business practices.
- Other costs that support business reopening with pre-approval from the program administrator.

Applications are to be submitted on line or emailed to mglick@ci.robbednsdale.mn.us. Please also use this email to submit any questions about the process.

Applications selected to move forward for further review and funding will be required to submit documentation of eligibility acceptable to the program administrator. Requested documents may include:

- 2019 tax return or equivalent documentation (MOST Recent – isn't this 2019?)
- Itemized budget for use of grant funds and itemized sources and uses of any COVID-19 related relief funding received.
- IRS form 941, W3 or other documentation of payroll employees.

Each approved business' maximum grant shall be limited to their documented eligible expenses. Businesses will be required to sign a grant agreement prior to receiving funding.

Recipients will be required to submit follow-up information to City of Robbinsdale including a final budget and documentation of how funds were applied, including paid invoices, statements or similar documentation.

Use of Data

Data is being requested from you to determine if your business is eligible for financial assistance from City of Robbinsdale federal CARES funds. Please take notice that any data received by City of Robbinsdale as the result of submitting this form will be classified as government data pursuant to Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13 (the "Act.") Under the Act, some or all of this data is classified as public data, including your business name, address, email address, phone number, and other information provided by you. Public data is available to anyone requesting it and consists of all data furnished via this Web form. You are not required to provide the requested information, but failure to do so may result in the City's inability to determine your business' eligibility for financial assistance. With the exception of sharing application data with county or state governmental entities for the purpose of considering the application for grant or forgivable loan funding, any data you provide during the application process that is classified as private or non-public will not be shared by City of Robbinsdale without your permission unless required by state or federal law. Example of the request is a federal audit required to be conducted of city use of funds for the program.

Non-compliance – You are responsible for meeting all of the terms of the grant agreement and subject to an audit by program administrators. If it is found that you are not in compliance, you will be required to return grant funds.

Questions – if you have any questions – email mglick@ci.robbednsdale.mn.us

Member _____ moved and Member _____ seconded a motion that the following resolution be read and adopted this 20th day of October, 2020.

ROBBINSDALE ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. 20-_____

A RESOLUTION ACCEPTING FEDERAL CARES ACT LOCAL FUNDING FROM THE CITY OF ROBBINSDALE AND ADOPTING SMALL BUSINESS GRANT PROGRAM

WHEREAS, the State has distributed to the City of Robbinsdale over \$1.1 million in CARES Fund to mitigate the costs and impact of the COVID-19 pandemic within the City; and

WHEREAS, the City designated \$350,000 for grants to support small, local businesses that have been adversely impacted by the pandemic following a plan created by Hennepin County; and

WHEREAS, the city's attorneys have recommended that the REDA should administer the small business grant program on behalf of the city;

NOW THEREFORE, be it resolved by the Robbinsdale Economic Development Authority that:

1. REDA accepts the \$350,000 allocation for small business relief and reopening grant program; and
2. REDA adopts the Small Business Grant Program as shown in Exhibit 1; and
3. REDA directs the Executive Director to administer the program in accordance with Federal Guidelines; and
4. Funds not expended by November 15, 2020 will be returned to the City of Robbinsdale.

The question was on the adoption of the resolution and upon a vote being taken thereon, the following voted in favor thereof:

And the following voted against the same:

WHEREUPON SAID RESOLUTION WAS DECLARED DULY PASSED AND ADOPTED THIS 20TH DAY OF OCTOBER, 2020.

William A. Blonigan, President

ATTEST:

Marcia Glick, Executive Director

Exhibit will be distributed at the meeting