

1. Call To Order/Roll Call

- A. Agenda

Documents:

[5-29-2020 SPECIAL.PDF](#)

2. Approve Minutes

3. Routine Business

- A. COVID 19 Business Relief Grant Program

Documents:

[2 - COVID19 RELIEF GRANT PROGRAM.PDF](#)

4. Public Hearings

5. Items For Discussion

6. Adjournment



Faribault Economic Development Authority  
**MEETING AGENDA**

**Minn. Stat. § 13D.021 – Meeting by Telephone or Other Electronic Means;  
Conditions - [Minn. Stat. § 13D.021](#)** provides that a meeting of a public body may be conducted via telephone or other electronic means if meeting in a public location is not practical or prudent because of a health pandemic or declared emergency

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**DATE:** Friday, May 29, 2020  
**TIME:** 7:30 AM  
**PLACE:** Zoom Video Meeting  
Dial-In Information: +1 312 626 6799  
Meeting ID: 823 3825 4796

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- 1. Call to Order/Roll Call/Agenda Approval**
  
- 2. Discuss COVID 19 Business Relief Grant Program**
  
- 3. Adjourn**

*Please contact the Community Development Department at 507-334-0100  
if you need special accommodations related to a disability to attend this meeting*



## Request for Action

**TO:** Economic Development Authority  
**FROM:** Deanna Kuennen, Community & Econ Dev Director  
**MEETING DATE:** May 29, 2020  
**SUBJECT:** COVID 19 Business Relief Grant Program

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### Background:

The world is living in unprecedented times. In less than four months, the State has gone from record low unemployment (<3-percent) to over 8-percent unemployment. Businesses of all types and sizes have been interrupted – some ordered to close, some voluntarily closing to help slow the spread of COVID 19 and to institute social distancing, and others modifying their production or how they do business. Now as Minnesota is shifting from “Stay Home Minnesota” to “Stay Safe Minnesota” – businesses are now faced with trying to conduct commerce but under new and restrictive rules.

There have been a number of federal and state financial aid programs introduced to help businesses. While these have made a difference for some, there are still gaps, especially as smaller businesses are faced with making one-time expenditures that will allow them to reopen, and hopefully survive the pandemic. Rice County launched a small grant program – receiving over 80 applications within a few days, with requests outweighing funding.

Staff is proposing that the EDA utilize a limited amount of Program Funds, and launch a small micro grant program. The proposed EDA Small Business COVID-19 Relief Grant program would:

- Assist businesses in surviving the current economic crisis
- Be used for eligible expenses incurred as a result of business interruption caused by required closures/voluntary closures to promote social distancing/and for assisting businesses to reopen under State Safe MN guidelines.

The maximum grant amount proposed is \$1500 – for businesses that:

- Have 50 or fewer employees
- Were in business for 6-months prior to March 20, 2020
- Are in compliance with relevant city ordinances and licensing requirements
- Are current on property taxes.

Non-profit and corporate chains would not be eligible, and payment of taxes, rent, mortgages, and utilities would not be eligible uses of the funds.

The grant application period would be open for approximately two (2) weeks, beginning on June 1<sup>st</sup>, so that the EDA could make the awards at their June meeting – again trying to be impactful as businesses are trying to reopen.

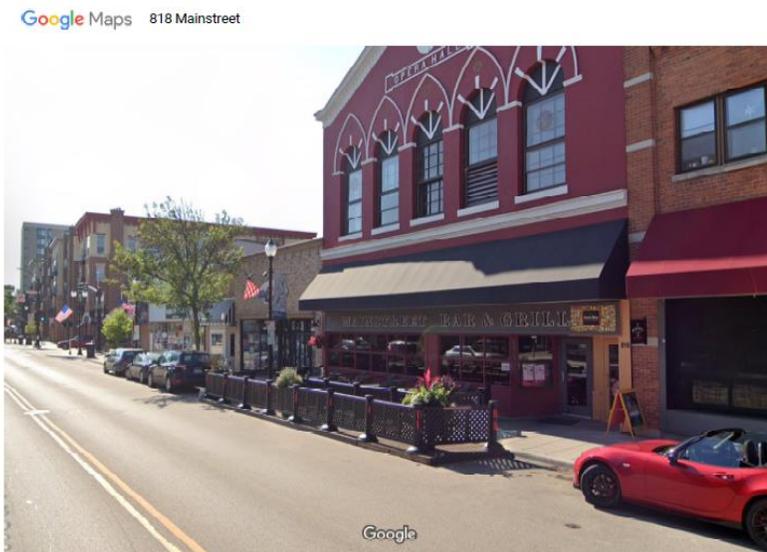
Staff has prepared draft grant guidelines, a draft application, and is working with appropriate City Staff to create an online fillable application so that businesses seeking funding could apply directly through the website. Staff is seeking direction from the EDA regarding the following:

1. Is the EDA agreeable to provide the grant program?

If yes:

2. Is \$50,000 an appropriate amount to dedicate to the program
3. Is the EDA comfortable with \$1500 grants – *please note, as discussed at the regular EDA meeting in May, the City is still awaiting information as to whether they will receive CARES ACT funding, and how much potentially can be made available for direct business assistance.*
4. Does the EDA want non-profits to be eligible
5. Are there additional/different criteria that the EDA would want included
6. Would expenses already encountered be eligible, or only new projects

In addition, as bars and restaurants are opening for Outdoor Seating starting on June 1 – Staff has been looking into the construction of platforms/parklets that could be used for seating or be used as the pedestrian way. Staff has been discussing commercial grade options that could be used to help businesses reopen under the restrictions today, but then be reused in the future to provide outdoor spaces. Examples:





To purchase the commercial grade platforms from a vendor, the estimated costs are \$8500 with a 10-12 week delivery. This would not help businesses this summer. Paul Peanasky, Park and Recreation Director – reached out to a few local contractors and for \$2260 with a 1-2 day turnaround the following could be provided:

- 8-foot x 16-foot green treated platform with 2x4 railings on three sides
- $\frac{3}{4}$ -inch plywood deck
- Vertical legs to level platform and span the gap from sidewalk to platform

The EDA could consider utilizing additional program dollars to fund the construction of five (5) platforms, donating the platforms to the City to be used for outdoor seating now and in future years.

**Requested Action:**

The EDA is asked to consider:

1. Approving a Faribault EDA Small Business COVID-19 Relief Grant
2. Approving Funding the construction of commercial grade platforms/parklets

**Attachments:**

- Proposed Faribault EDA Small Business COVID-19 Relief Grant Guidelines and Application
- Resolution 2020-10 Approving Faribault EDA Small Business COVID-19 Relief Grant Guidelines and Application



FARIBAULT ECONOMIC DEVELOPMENT AUTHORITY  
SMALL BUSINESS COVID-19 RELIEF GRANT

**PROGRAM DESCRIPTION**

The purpose of the Faribault EDA Small Business COVID-19 Relief Grant (C19 RG) is to provide immediate, limited financial support to small businesses in the community, adversely impacted by the COVID-19 pandemic. The goal is to assist businesses in surviving the current economic crisis. Grant funds must be used for eligible expenses incurred as a result of business interruption caused by required closures, voluntary closures to promote social distancing during the COVID-19 pandemic and for assisting small businesses in reopening under the Stay Safe Minnesota guidelines.

Grant Amounts	
The EDA will make <b>\$50,000</b> available for direct business assistance grants.	
Maximum Grant Award:	\$1,500

**ELIGIBILITY**

To be eligible, a business must be a locally owned and operated for-profit business located within the city limits of Faribault, Minnesota, with 50 or fewer employees, and be able to demonstrate the following:

- Business interruption caused by COVID-19 required closures due to executive orders or voluntary closure to promote social distancing;
- Business must have been in operation for 6-months prior to March 20, 2020;
- Applicant must be in compliance with relevant city ordinances and licensing requirements;
- Application must be current on property taxes (if applicable).

**INELIGIBILITY**

- Non-profit organizations
- Corporate chains, multi-state chains

**ELIGIBLE EXPENSES**

Eligible expenses include items allowing the business to adjust to business interruptions and/or maintain some level of operations during the COVID-19 crisis – such as upgrades on online sales platforms, in-store improvements allowing for social distancing and safety measures, purchases necessary to reopen businesses under the Stay Safe Minnesota guidelines.

**INELIGIBLE EXPENSES**

Loss of revenue, payment of taxes (including property taxes), rent/mortgage payments, and utility payments are not eligible.

**APPLICATION PROCESS**

Applications will be accepted June 1 – June 12, 2020 at 5PM

Applicants are asked to complete an application form – [available online](#).

- [Online Application](#)
- [Fillable Form](#)
  - Return Fillable Form to:
    - Email: [smarkman@ci.faribault.mn.us](mailto:smarkman@ci.faribault.mn.us)
    - Mail/Drop Off:  
City of Faribault  
Attn: Economic Development Coordinator  
208 1<sup>st</sup> Ave NW Faribault, MN 55021

Please contact the Community and Economic Development Department at 507.334.0100 with questions or if you are in need of assistance in completing the application.

All submitted application will be screened for eligibility by Staff.

- Ineligible applications will be contacted via email with information regarding why their application is ineligible.
- Eligible applications will be considered for funding at the June 18, 2020 EDA meeting.
- If applications exceed the funding available, the EDA will award based on a first-come first-serve basis from time-stamps on received/completed applications.
- Approved applicants will be notified by email immediately following the EDA meeting on June 18, 2020.

Upon notice of an approved application, applicants will be required to submit and sign a loan repayment agreement – with funds due and payable if the applicant does not use the funds as awarded.

- Submit receipts and proof of payment for eligible expenses incurred as a result of business interruption caused by required closures, voluntary closures to promote social distancing during the COVID-19 pandemic and for assisting small businesses in reopening under the Stay Safe Minnesota guidelines.
- Provide any additional documentation or information deemed necessary to determine eligibility, generate grant documents, disburse grant proceeds, or meet program reporting requirements.
- Failure to submit the require documentation within 30 days will result in forfeiture of the grant award.

**FARIBAULT ECONOMIC DEVELOPMENT AUTHORITY**  
**SMALL BUSINESS COVID-19 RELIEF GRANT**

Applications can be submitted via email to: [smarkman@ci.faribault.mn.us](mailto:smarkman@ci.faribault.mn.us)

Or by mail to: City of Faribault  
 Attn: Economic Development Coordinator  
 208 1<sup>st</sup> Avenue NW Faribault, MN 55021

**PROGRAM APPLICATION**

Applications must be submitted by the business owner(s). Please print clearly.

<b>Applicant Contact Information</b>		
Name(s) of Business/Business Owner:		
Name(s) of Property Owner: (if different than business owner)		
Telephone Number:		
Email Address:		
Business Mailing Address:		
City:	State:	Zip Code:

<b>Application Information</b>		
Preferred Contact for Any/All Grant Application Questions, Ineligibility Notification or Grant Award	Phone:	
	Email:	
Type of Business		
Number of Employees		
Date of Incorporation of Business		
Is Applicant a locally owned and operated for-profit business located within city limits?	NO	YES
Are all mortgage, real estate taxes, and insurance payments current? (if applicable)	NO	YES
Is Applicant in compliance with all relevant city ordinances and licensing requirements?	NO	YES
Is Applicant's business a corporate or multi-state chain?	NO	YES

<p>Have you received assistance from any other source (i.e., SBA, MN DEED, etc.)? If yes, please explain.</p>	<p>NO          YES: _____          _____</p>
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**Additional Information**  
*Attach additional pages or description as necessary.*

**Describe how your business has been impacted by the COVID-19 Pandemic.**

**Describe the purpose of the grant funds.**  
*Funds must be used for eligible expenses incurred as a result of business interruption caused by required closures, voluntary closures to promote social distancing during the COVID-19 pandemic and for assisting small businesses in reopening under the Stay Safe MN guidelines.*

**Requested Grant Amount:**  
*(Maximum \$1,500)*

\_\_\_\_\_

**Describe the impact the grant funds will have on your business.**  
*Business continuation, re-opening of business under Stay Safe Minnesota guidelines, etc.*

**DATA PRACTICES ACT**

The information that you supply in your application to the City of Faribault/Faribault EDA (“City”) will be used to assess you eligibility for financial assistance. The City will not be able to process your application without this information. The Minnesota Government Data Practices Act (Minnesota Statutes, Chapter 13) governs whether the information that you are providing to the City is public or private. If financial assistance is provided for the project, the information submitted in connection with your application will become public, except for those items protected under Minnesota Statutes, Section 13.59, Subdivision 3(b) or Section 13.591, Subdivision 2.

I have read the above statement and I agree to supply the information to the City with full knowledge of the matters contained in this notice. I certify that the information submitted in conjunction with the application is true and accurate.

\_\_\_\_\_  
Application Signature / Title Date

\_\_\_\_\_  
Co-Application Signature / Title Date

City Staff or other authorized representative of the City shall have the right to inspect the property to be improved at any time from the date of application upon giving notice to the owner and to occupants.

I/We certify that all statements on this application are true and correct to the best of my/our knowledge. I/We understand that any intentional misstatements will be grounds for disqualification.

I/We have read the City of Faribault’s Small Business COVID-19 Relief Grant Policy and will abide by the rules and regulations set forth in the policy adopted on May 29, 2020.

I/We authorize program representatives the right to access the property to be improved for the purposes of the deferred loan program and to take photographs of the structure before and after rehabilitation.

I/We understand that I/we are responsible for obtaining appropriate building permits and Certificate of Appropriateness.

I/We further understand that I/we will make the final selection of the improvements to be made with the loan funds and that the contract for improvements will be solely between me and the contractor(s). The administering agency will not be liable for the inadequate performance of the contractor(s).

\_\_\_\_\_  
Application Signature / Title Date

\_\_\_\_\_  
Co-Application Signature / Title Date

**ACKNOWLEDGEMENTS**

Please initial each to confirm that you have read and understand the program policy and guidelines.	
	I/We understand that awards are based on eligibility, availability, and completeness of application.
	I/We understand that an I/We can only receive one award per business/business owner during the length of this identified program.
	I/We understand that I/We have thirty (30) days from the date of the grant award to submit required documentation.
	I/We understand that the loan award funds will be dispersed upon closing of the loan.
	I/We are the owner of the business to receive grant dollars.
	I/We are current with mortgage, real estate taxes, and insurance payments, if applicable.
	I/We understand that if we have defaulted on a publically funded program or have been delinquent on loan payments for a publically funded program within the last 2 years, I/We are not eligible for this program.
	I/We understand that if the building is located within the HPC district – the project must receive approval by the Historic Preservation Commission <b>prior</b> to the start of work.
	I/We understand proper building permits and inspections of the project must be completed throughout the duration of the project.
	I/We understand will be required to sign loan documents upon award, including a Repayment Agreement.
	I/We understand that the dollars are provided as a grant, provided all guidelines are met.

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Application Signature / Title Date

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Co-Application Signature / Title Date

**Resolution 2020-10  
ESTABLISHING SMALL BUSINESS COVID-19  
RELIEF GRANT PROGRAM**

WHEREAS, the City Council adopted Community Vision 2040 in 2015 – a long term vision for the community; and

WHEREAS, Community Vision 2040 provides a framework to help ensure success of the community; and

WHEREAS, “thriving economic development” is one of the strategic priorities identified in the vision – with the specific goal of developing a comprehensive business incentive package to attract, retain, and grow quality businesses and industries; and

WHEREAS, as a means to provide immediate, limited financial support to small businesses in the community, adversely impacted by the COVID-19 pandemic the Economic Development Authority has earmarked \$50,000 from the approved 2020 Program Budget to be dedicated to a program focused on financial support of small commercial businesses; and

WHEREAS, the Economic Development Authority has reviewed the following Small Business COVID-19 Relief Grant Program set forth in Exhibit “A” and desires to adopt such policy.

NOW, THEREFORE, BE IT RESOLVED, by the Economic Development Authority for the City of Faribault, Minnesota that the recitals and exhibits set forth in this Resolution are incorporated into and made a part of this Resolution.

BE IT FURTHER RESOLVED, by the Economic Development Authority for the City of Faribault, Minnesota that the Economic Development Authority adopts the following Small Business COVID-19 Relief Grant Program Policy, as essentially set forth and attached in Exhibit “A”.

BE IT FINALLY RESOLVED, by the Economic Development Authority for the City of Faribault, Minnesota that the Community and Economic Development staff and consultants are hereby authorized and directed to take all additional steps and actions necessary or convenient in order to accomplish the intent of this Resolution.

**ADOPTED: May 29, 2020**

ATTEST:

\_\_\_\_\_  
Rodney Gramse, President

\_\_\_\_\_  
Dave Albers, Secretary

## Exhibit A



### FARIBAULT ECONOMIC DEVELOPMENT AUTHORITY SMALL BUSINESS COVID-19 RELIEF GRANT

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