



Request for Council Action

TO: Mayor and City Council
THROUGH: Tim Murray, City Administrator
FROM: Deanna Kuennen, Com and Econ Dev Director
MEETING DATE: August 12, 2020
SUBJECT: Resolution 2020-116 Approving Continuation of the Faribault Small Business Relief Fund Program

Background:

The City Council approved the Faribault Small Business Relief Fund (SBRF) Policy and Program Guidelines on July 14, 2020 – and dedicated \$500,000 of the City’s CARE Act allocation to the program. This program was recognized by the City Council as an essential tool to support small businesses so that they can remain open and viable, weathering this economic crisis.

During the application period, nearly 70 applications were received, of which 60 met the eligibility criteria reaching a total funding request of \$420,000. Staff also received calls after the application period closed from additional businesses seeking funding. These calls indicate that there are still businesses who have been negatively impacted by the pandemic, and could benefit from the SBRF.

Staff is recommending that the City Council consider continuing authorizing the SBRF, to allow additional eligible businesses to apply for the remaining \$80,000 that was originally allocated but not awarded. The program policy and guidelines would not change – meaning the terms and eligibility criteria would remain the same. The application would be reactivated on the website, and online applications would be accepted August 14 through 5:00pm on August 28, 2020. Each application will be time-stamped, and funding awards will be based on a first-come, first-served basis for applications that meet the funding criteria and are considered eligible. Staff will make funding recommendations to City Council at the September 8, 2020 meeting.

Recommendation:

Approve Resolution 2020-116 Approving Continuation of the Faribault Small Business Relief Fund Program, allocating the remaining \$80,000 to the program. If approved, Staff will work with business resources providers, economic development partners, and social media platforms to make businesses aware of the program and application period.

Attachments:

- Resolution 2020-116 Approving Continuation of the Faribault Small Business Relief Fund Program

CITY OF FARIBAULT

RESOLUTION #2020-116

APPROVING CONTINUATION OF THE FARIBAULT SMALL BUSINESS RELIEF FUND PROGRAM

WHEREAS, the City of Faribault understands that the COVID-19 pandemic has had an immediate and detrimental impact on small businesses; and

WHEREAS, the City of Faribault received \$1,799,427 in federal CARES Act funding; and

WHEREAS, the Treasury's Coronavirus Relief Fund Guidance and section 601(d) of the Social Security Act outline allowable uses of the CARES Act funding; and

WHEREAS, direct business assistance is an allowable use, to provide financial support to businesses experiencing financial hardship as a result of the COVID-19 pandemic, increasing capacity of small businesses to survive the current economic crisis and ultimately benefitting the community as a whole; and

WHEREAS, the City Council authorized the Faribault Small Business Relief Fund Policy and Program Guidelines, dedicating \$500,000 of its federal CARES Act funding, from Fund 298, to support small businesses that incurred losses due to business interruption caused by required or voluntary closures, or losses due to decreased customer demand as a result of the COVID-19 pandemic; and

WHEREAS, during the first application period, 60 eligible businesses were awarded funds, leaving \$80,000 in funding available.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Faribault, Minnesota approves the continuation of the Faribault Small Business Relief Fund Program with the same policy and program guidelines as originally authorized and established via Resolution 2020-105, with a new application period of August 14-August 28, 2020.

ALSO, BE IT RESOLVED that the City Council dedicates \$80,000 of its federal CARES Act Funding, from Fund 298, to the continuation of the Faribault Small Business Relief Fund Program.

BE IT FINALLY RESOLVED, by the City Council of the City of Faribault, Minnesota that the Mayor, City Administrator, staff and consultants are hereby authorized and directed to take any and all additional steps and actions necessary in order to accomplish the intent of this Resolution.

Date Adopted: August 12, 2020

Faribault City Council

Kevin F. Voracek, Mayor

ATTEST:

Timothy C. Murray, City Administrator