



Forest Lake
AS GOOD AS IT SOUNDS

COVID-19 EMERGENCY GRANT PROGRAM POLICY

Adopted City of Forest Lake EDA: September 14, 2020
Adopted by the City of Forest Lake City Council: September 14, 2020

City of Forest Lake Economic Development Authority

I. INTRODUCTION

Small businesses and non-profits are integral and vital to the economic and social fabric of the City of Forest Lake. Accordingly, the City of Forest Lake Economic Development Authority has determined to offer locally owned and operated businesses and non-profits, within the community, a grant opportunity to address working capital needs upon the declaration of a state of emergency by the State of Minnesota (State) and the City. The COVID-19 Emergency Grant Program is administered by the City of Forest Lake EDA.

II. PURPOSE AND AUTHORITY

- A. The purpose of this policy is to establish the City of Forest Lake EDA's position relating to the use of the COVID-19 Emergency Grant Program. This policy shall be used as a guide in the processing and review of applications requesting grant funds.
- B. The criteria are to be used in conjunction with other relevant policies of the City and/or City of Forest Lake EDA.
- C. The City of Forest Lake EDA reserves the right to approve or reject projects on a case-by-case basis, taking into consideration factors considered appropriate by the City, in addition to established policies, criteria, and potential benefits. Meeting the criteria does not guarantee a COVID-19 Emergency Grant Program application shall be approved. Approval or denial of an application is at the sole discretion of the City of Forest Lake EDA.

III. OBJECTIVES/GRANT AMOUNTS

The objective of the COVID-19 Emergency Grant Program is to deploy a pool of funds to support local small businesses and non-profits in order to ensure viability as they move past the COVID-19 pandemic and seek to re-open or return to pre-pandemic operations. This may be accomplished by some or all of the following means:

- A. Provide needed finances to small businesses and non-profits within the community which have been negatively affected financially as a direct result of the COVID-19 pandemic;
- B. Ensure the viability of City of Forest Lake businesses and non-profits moving past this crisis;
- C. Limiting the number of job losses as a direct result of the pandemic by assisting small businesses and non-profits in returning to their pre-pandemic employment levels;
- D. Limiting the number of small businesses and non-profits which would potentially permanently close due to COVID-19 pandemic impacts. Thereby also limiting the total number of potential vacancies in key commercial and industrial areas of the City.
- E. Grants will be awarded up the following amounts

- Up to Fifteen Thousand Dollars (\$15,000) for employer-based business
- Up to Seven Thousand Five Hundred Dollars (\$7,500) for self employed or non-employer home based business.
- Up to Fifteen Thousand Dollars (\$15,000) for non-profits

Priority funding will be given to for profit businesses (employer based and non-employer based) with remaining funds distributed amongst the non-profit applications on a first come first served basis.

IV. GENERAL CRITERIA

A. ELIGIBLE BUSINESS TYPES

Eligible small businesses that may apply for the COVID-19 Emergency Grant Program include businesses and non-profits which have been deemed non-essential by the State of Minnesota, those which have faced mandated closures per State of Minnesota orders, or those who have faced a financial impact due to the COVID-19 pandemic.

B. ELIGIBLE BUSINESS DETAILS

To be eligible to receive a COVID-19 Emergency Grant, a business or non-profit (see Section F for Non Profit Details) **must demonstrate that its operations have been directly and adversely, negatively, affected by the COVID-19 Health Pandemic and/or that it operates in a category named in Executive Orders 20- 04 and 20-08.** All applicants must meet the following criteria:

1. Have been “in business by January 1, 2020” (City of Forest Lake EDA shall have authority to determine “been in business”);
2. Be considered an eligible business type, as defined in IV. B of this policy;
3. For employer-based businesses, having at least one (1) but no more than 50 FTE (full-time equivalent) employees at the location address. Special consideration may be given to businesses which utilize independent contractors and sole proprietors within their business;
4. The business must have a physical address within the City of Forest Lake. Proof of address shall be required when applying;
5. The small business must be a legal entity registered with the Minnesota Secretary of State, and be in good standing;
6. Business must have earned under \$5 million in annual revenue
7. Any applicant must not have delinquent taxes, bills, or charges due to the City from February 1, 2020 or prior.

C. INELIGIBLE BUSINESS TYPES

Certain types of businesses are ineligible for grant funding including:

- Corporate chains, multi-state chains – local franchisee owners are eligible to apply
- Businesses in default prior to February 29, 2020.
- For Profit Businesses that derive income from gambling (*Non-Profits who receive charitable gambling revenues will be eligible for the grant, however, reductions in gambling revenue due to COVID-19 cannot be used to demonstrate an impact due to COVID-19*).
- Businesses that primarily sell pawned merchandise or guns
- Businesses that derive income from passive investments; real estate transactions, property rentals or property management; billboards; or lobbying

D. ELIGIBLE EXPENDITURES

The COVID-19 Emergency Grant Program is intended for those businesses that have been directly and adversely affected by the COVID-19 Health Pandemic. The COVID-19 Emergency Grant Program may be used for working capital purposes defined as:

1. Operating Expenses (rent payments, mortgage payments, utilities). – *excluding property tax payments or municipal utility bills (i.e. sewer/water)*;
2. Paying fixed debts;
3. Payroll costs;
4. Accounts payable;
5. Inventory costs;
6. Paying other direct business-related bills.
7. Reopening Expenses (purchase of PPE, facility cleaning, redesign of workspace to meet social distancing requirements)
8. Technology capital expenses/marketing tools/assistance

E. INELIGIBLE ACTIVITIES

The COVID-19 Emergency Grant Program may not be used for the following activities:

1. Agriculture (crop or livestock production, etc.);
2. Purchasing of machinery or vehicles;
3. Moving expenses (moving expenses would be allowed for Employer based businesses downsizing location due to COVID-19);
4. Land acquisition for speculation;
5. Property taxes;

6. Expenses that have already been reimbursed through another grant program (i.e. Washington County CARES Act Grant, PPP, MnDEED grant programs)

F. ELIGIBLE NON-PROFIT

To be eligible to receive a COVID-19 Emergency Grant, a non-profit must demonstrate that its operations have been directly and adversely, negatively, affected by the COVID-19 Health Pandemic and/or that it operates in a category named in Executive Orders 20- 04 and 20-08.

All Non-Profit applicants must meet the following criteria:

1. Have been “in business by January 1, 2020” (City of Forest Lake EDA shall have authority to determine “been in business”);
2. Be registered as either a 501(c3), 501 (c6), or 501 (c19) organization;
3. Have no more than 50 FTE (full-time equivalent) employees at the location address. Special consideration may be given to businesses and non-profits which utilize independent contractors and sole proprietors within their business;
4. The non-profit must have a physical address within the City of Forest Lake. Proof of address shall be required when applying;
5. The non-profit must be registered with the Minnesota Secretary of State, and be in good standing;
6. Any applicant must not have delinquent taxes, bills, or charges due to the City from February 1, 2020 or prior.

G. ELIGIBLE EXPENDITURES – Non-Profit

The COVID-19 Emergency Grant Program is intended for those businesses that have been directly and adversely affected by the COVID-19 Health Pandemic. The COVID-19 Emergency Grant Program may be used for working capital purposes defined as:

1. Reopening expenses (purchase of PPE/cleaning equipment, facility cleaning, facility redesign costs to meet social distancing requirements.)
2. Paying fixed debts
3. Payroll costs;
4. Accounts payable;
5. Paying other direct business-related bills.

H. REQUIRED DOCUMENTS (For Profit and Non-Profit)

Application requirements include:

1. Basic details about the business;
2. Basic employment and annual gross revenue information;
3. Information on current operations including whether the business is currently closed or is providing reduced services;
4. Narrative descriptions and estimated calculations of the negative impacts on the business due to COVID-19;
5. Articles of Incorporation, or proof of business existence; (i.e. status from Secretary of state)
6. Information on the intended use of the grant funds.
7. Proof of need – applicants shall be required to provide proof of financial need. This can include average gross revenues prior to COVID-19 and post COVID-19 impact, Year over Year Income statements.
8. Proof of expense – applicant shall provide proof of eligible expenses requested to be paid with grant funds. All expenses must be paid by November 10, 2020.

I. CONFLICT OF INTEREST

An officer of the City will not have a personal financial interest or personally benefit financially from the business to be assisted. Minn. Stat. 471.87 and 471.88 provide guidance on conflict of interest.

J. GOVERNMENT DATA PRACTICES

“Grant Administrators and the City of Forest Lake will abide by Minnesota Statutes §13.48 on award data which provides that, “Financial data on business entities submitted to a government entity for the purpose of presenting awards to business entities for achievements in business development or performance are private data on individuals or nonpublic data.” Other data containing information which would give an advantage to competitors may be also labeled trade secret.”

V. PROGRAM GUIDELINES

A. GRANT AMOUNTS

A total of \$300,000 has been allocated to the COVID-19 Emergency Grant Program. Individual grant amounts for this program are:

- Up to Fifteen Thousand Dollars (\$15,000) for employer-based business
- Up to Seven Thousand Five Hundred Dollars (\$7,500) for self-employed or non-employer home based business.
- Up to Fifteen Thousand Dollars (\$15,000) for non-profits

B. PROOF OF NEED

- All applicants shall be required to provide proof of financial need for grant funds prior to approval. This includes but is not limited to the previous year's annual gross revenue, average monthly gross revenue prior to COVID-19, and projected monthly gross revenue for the next two months.

C. PROOF OF EXPENSES

- Applicant shall provide proof of eligible expenses requested to be paid with grant funds (see eligible expenses in IV. D and IV.G).

D. DISBURSEMENT OF FUNDS:

- Funds shall be distributed after October 26 and only after a fully executed grant agreement has been received.

E. TERMINATION:

- The City of Forest Lake EDA retains the right to terminate any agreement under the COVID- 19 Emergency Grant Program if a grant recipient is found to be in violation of any conditions set forth in the grant guidelines or grant agreement.

F. RIGHT TO DENY:

- The City of Forest Lake EDA retains the right to deny any application for grant funding.

G. GRANT AGREEMENT:

- Upon a successful grant application being awarded funds, the grant recipient shall enter into a Grant Agreement with the City of Forest Lake EDA. Funds will not be distributed for any grant award until a grant agreement has been executed by all required parties.

H. REPORTING:

- As a condition for receiving grant funding, all grant recipients are required to submit a brief report to the City of Forest Lake EDA within 60-days after an executed grant agreement, specifying how the entirety of the grant funds were utilized and providing evidence in the form of paid invoices, statements, or similar documentation.

I. FUNDING AVAILABILITY:

- The COVID-19 Emergency Grant Program has a limited amount of funds available. Priority funding will be given to for profit businesses (employer based and non-employer based) with remaining funds distributed amongst the non-profit applications on a first come first served basis.

J. INDEMNIFICATION:

- All grant recipients shall be required to indemnify the City, the City of Forest Lake EDA, and any officers acting on their behalf.

VI. APPLICATION PROCESS

The application period for funding from the COVID-19 Emergency Grant Program will be open on September 16 and will close at 4:30 pm on September 30, 2020. Applications will be required to be submitted to the City of Forest Lake using the online form found at the following [link below\(contact information is listed below\)](#).

Upon submission of an application, City of Forest Lake staff will review the application to ensure complete information is provided. If additional information is needed, Staff will request the needed information.

City of Forest Lake Economic Development
Authority Attn: Daniel Udem
1408 Lake Street South
Forest Lake, MN 55025
Dan.udem@ci.forest-lake.mn.us
651-209-9727

VII. APPLICATION TIMELINE

Deadline	4:30 pm on September 30, 2020
Staff Review	October 1 to October 9, 2020
Approval	City of Forest Lake EDA Meeting October 12, 2020