



Memorandum

To: Mayor Nelson and Members of the City Council

From: Daniel R. Buchholtz, MMC, Administrator, Clerk/Treasurer

Date: July 30, 2020

Subject: Business Relief Grant Program

Attached to this memorandum is a proposed outline of a business relief grant program to be funded by Coronavirus Relief Fund (CRF) dollars.

The program would permit the City to issue grants not to exceed \$10,000 to Spring Lake Park businesses impacted by COVID-19. The program has established eligibility criteria which requires the applicant business to be locally owned and operated with a physical establishment in the City. The City would define locally owned and operated would be defined as being owned by someone in the 11-County metropolitan area (Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright Counties)

The grant funds can be used for the following purposes, in accordance with the Federal CARES Act:

- Commercial lease or mortgage payments
- Accounts payable if the AP is a COVID-19 related expense incurred since March 1, 2020
- Payroll (with the exception of those covered by PPP or pandemic unemployment insurance)
- Reopening costs or safety improvement costs
- Operating utilities or fees for those facilities interrupted or forced to shut down after March 1, 2020.

The payment of property taxes or government utilities/fees are ineligible as they would be deemed to be revenue replacement.

The City received approximately \$480,000 in CRF funds from the State of Minnesota. Staff is recommending allocating \$100,000 to the Business Relief Grant Program.

If the City Council is supportive of such a program, staff would recommend approval of the grant program guidelines and authorize staff to proceed with the development of an application program and to work with a consultant to review the applications (some businesses may be hesitant to provide their financials directly to the City). Successful applicants will be required to sign a grant agreement and provide the City with a report on the use of funds.

If you have any questions, please don't hesitate to contact me at 763-784-6491.

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