



Memorandum

To: Mayor Nelson and Members of the City Council
From: Daniel R. Buchholtz, MMC, Administrator, Clerk/Treasurer
Date: September 17, 2020
Subject: Coronavirus Relief Fund Business Grants

The City of Spring Lake Park received \$482,931 in Coronavirus Relief Funds (CRF) from the State of Minnesota as a pass-through from the Federal Government.

The CARES Act requires that payments from the CRF can only be used to cover expenses that:

1. Are necessary expenditures incurred dur to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. Were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. Were incurred during the period that begins on March 1, 2020 and ends on November 15, 2020.

Additional guidance from the Department of Treasury states that CRF funds can be used to provide grants to small businesses to reimburse the costs of business interruption caused by required closures.

To this end, the City Council, at its August 3, 2020 meeting, authorized the use of up to \$100,000 in CRF funds for a small business grant program with the maximum grant award per recipient being \$10,000. Information on the grant program was posted on the City's website and was distributed to businesses with assistance from Anoka County Regional Economic Development. The City received 9 applications for assistance.

Staff has reviewed the applications and is recommending awarding grants to each of the applicants. The ninth application is being further reviewed for compliance with Department of Treasury guidelines. Staff will have further information on this application at the October 5, 2020 meeting.

Staff is recommending the following grant awards:

Hair by Hughes and Crew	\$10,000
Lincoln Pawn & Jewelry	\$10,000
RS Properties (dba The Sunset Grill)	\$10,000
Salon Images	\$10,000
Montes of Spring Lake Park (dba Montes Bar & Café)	\$10,000

Torg Brewery	\$10,000
Kraus Hartig VFW Holding Company Inc (dba Kraus Hartig VFW)	\$10,000
Anderson's Residential Heating & AC	\$10,000
Cotten's Inc (dba Cottens' NAPA)	<u>\$10,000</u>
	\$90,000

The COVID-19 pandemic has had a significant impact on our business community. From these 9 applicants, estimated monthly gross revenue losses due to the pandemic were \$286,900.

Grant awards are conditioned upon the applicants signing a grant agreement with the City (see attached) submitting a completed W-9 form and submitting a business relief grant reporting form within 60 days of the date of the executed grant agreement.

Staff also recommends closing the application window for local grant program.

If you have any questions regarding the City's Business Relief Grant Program, please don't hesitate to contact me at 763-784-6491.