

AGENDA
ECONOMIC DEVELOPMENT AUTHORITY
FEBRUARY 16, 2021

1. CALL TO ORDER

2. CONSENT ITEMS

A. Minutes – January 19, 2021

Motion by _____ seconded by _____ to approve, table or deny the Consent Items as presented.

3. REGULAR ITEMS

A. Structured Assistance Valuing Enterprises (SAVE) Grant Program EDA Resolution No. 28

Motion by _____ seconded by _____ to approve, table or deny approving EDA Resolution No. 28 authorizing the creation of and funding for the Structured Assistance Valuing Enterprises Grant Program.

4. ADJOURNMENT

Motion by _____ seconded by _____ to adjourn.

Meeting adjourned at _____.

AGENDA ITEM

Maple Grove Economic Development Authority

DRAFT Meeting Minutes

January 19, 2021

DRAFT

(Delete this when final edits are complete)

Call to Order

Pursuant to call and notice thereof, an Economic Development Authority Meeting of the Maple Grove City Council was held at 7:30 p.m. on January 19, 2021 at the Maple Grove Government Center/Public Safety Facility, Hennepin County, Minnesota and online via WebEx.

Members present were President Mark Steffenson, Vice President Karen Jaeger, Secretary Heidi Nelson, Treasurer Judy Hanson, and Commissioners Phil Leith and Kristy Barnett. Absent was none. Present also were Joe Hogeboom, Community and Economic Development Director; Peter Vickerman, Planning Manager; Economic Development Manager, Brett Angell; Ken Ashfeld, Director of Public Works/City Engineer; and Justin Templin, City Attorney.

President Steffenson called the meeting to order at 8:30 p.m.

**Approval of
January 4,
2021 Minutes**

Motion by Treasurer Hanson, seconded by Commissioner Barnett, to approve the January 4, 2021 Economic Development Authority meeting minutes. Upon call of the motion by President Steffenson, there were five ayes and no nays. Motion carried.

**MiniSota Play
Café SAC
Credit Policy
Request**

Economic Development Manager Angell discussed the city's new SAC credit policy and commented on the change that was approved on January 4, 2021. He reported after this credit policy was approved, the MiniSota Play Café applied for four SAC credits. Staff commented further on the amenities that would be offered at the MiniSota Play Café and recommended approval of the request.

Commissioner Leith questioned when MiniSota Play Café

would be opening in Maple Grove. Economic Development Manager Angell reported the café should be open by the end of January.

Motion by Treasurer Hanson, seconded by Commissioner Barnett, to approve a request by MiniSota Play Café for assistance through the SAC credit policy. Upon call of the motion by President Steffenson, there were five ayes and no nays. Motion carried.

Adjournment

Motion by Treasurer Hanson, seconded by Commissioner Barnett, to adjourn to the City Council meeting. Upon call of the motion by President Steffenson, there were five ayes and no nays. Motion carried.

The meeting was adjourned at 8:34 p.m. by President Steffenson.

Respectfully submitted,

Heidi Nelson
EDA Secretary

REQUEST FOR EDA ACTION

February 16, 2021

DATE

EDA 3A

AGENDA ITEM

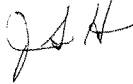
ORIGINATING DEPT.

AGENDA ITEM

CITY ADMINISTRATOR

APPROVAL

Community and Economic
Development



Structured Assistance Valuing
Enterprises (SAVE) Grant Program
EDA Resolution No. 28



PREVIOUS ACTIONS:

None by the EDA

RECOMMENDED COUNCIL ACTION:

Motion to approve EDA Resolution No. 28 authorizing the creation of and funding for the Structured Assistance Valuing Enterprises (SAVE) Grant Program.

COMMENTS:

In 2020, the EDA approved the creation of two forgivable loan program in response to the COVID-19 pandemic. The COVID-19 Emergency Loan Fund was created in May 2020 for businesses which faced mandated full or partial closures with funds to assist in business related expenses as it related to re-opening of the business. The COVID-19 Recovery Loan Fund was created in July 2020 to provide funds to advance the financial stability and recovery of businesses that were negatively impacted by the pandemic. The programs provided a combined total of over \$720,000 in forgivable loans to 61 businesses. All recipients of this program received full forgiveness of their loans prior to the end of 2020. Funding for these programs came directly from the City's CARES Act distribution.

The Structured Assistance Valuing Enterprises Grant program ("SAVE Grant") is designed to provide additional assistance to businesses within Maple Grove that continue to see negative financial impacts as a direct result of the pandemic. The SAVE Grant program would be structured to provide eligible businesses with grants of up to \$7,500 to assist with standard business expenses. The program is designed as a grant, as compared to a forgivable loan, to streamline the application process and to ensure businesses which apply receive funds in a timely manner.

The proposed SAVE Grant program policies include the following provisions to determine eligibility and guide the usage of funds:

- **Grant Awards:** businesses which did not previously receive assistance through the COVID ELF or RLF programs shall be eligible for up to \$7,500. Businesses which did receive assistance through one of those programs shall be eligible for up to \$5,000.
- **Eligible Expenditures:** eligible uses of funds through the SAVE Grant program includes standard businesses expenses such as payroll, accounts payable, rent/mortgage, utilities, etc. Grantees shall be required to provide proof of what the funds were used for.
- **Eligible Businesses:** in order to be eligible to receive funding through the SAVE Grant program, a business must have a demonstrated negative financial impact as a result of the COVID-19 pandemic by either year-over-year revenue decrease or projected revenue loss.

- Employment Levels: to be eligible for funding, a business must have a minimum of one employee and no more than 75 full-time equivalent (FTE) employees.
- Selection Process: due to the anticipated high demand for this program, applications for funding will accepted for a one-week period. After the application period closes, a random lottery selection will occur to select eligible businesses. Should funding remain after the lottery selection, applications will be accepted and processed on a first-come, first-served basis until funding is exhausted.

Upon approval of the program and allocation of funds, the application for a business to apply for funding would become active on February 22nd at 10:00 A.M. All applications would be required to be submitted via an online application form. Once an application is received, Economic Development staff will review the application for completeness and eligibility. Once deemed complete, the application will be pooled for the lottery process.

The entire process for the SAVE Grant program will be conducted internally by City of Maple Grove staff. Due to the program being grants as compared to loans, an underwriting process utilizing outside sources is not being proposed. With the program being internally driven, all of the funds for the program will go directly to businesses.

The total amount of funds requested for this program is \$350,000. It is anticipated that all of this funding will be utilized. This funding amount will allow for a total of approximately 50 to 70 grants.

ATTACHMENTS:

Attachment A: EDA Resolution No. 28

Exhibit A: Structured Assistance Valuing Enterprises Policies

RESOLUTION NO. 28

**ECONOMIC DEVELOPMENT AUTHORITY IN AND FOR
THE CITY OF MAPLE GROVE**

**A RESOLUTION AUTHORIZING THE CREATION OF AND FUNDING FOR THE
STRUCTURED ASSISTANCE VALUING ENTERPRISES GRANT PROGRAM**

WHEREAS, the Economic Development Authority previously created the COVID-19 Emergency Loan and Recovery Loan programs to provide financial assistance to businesses and advance the recovery of businesses due to impacts of the COVID-19 pandemic;

WHEREAS, the Economic Development Authority seeks to use a portion of that funding to create the Structured Assistance Valuing Enterprises Grant program (“SAVE Grant”); and

WHEREAS, the objective of the SAVE Grant is to deploy a local pool of funds to support local small businesses in the City of Maple Grove in order to help to ensure the viability of those businesses prior to a vaccination being widely available and at a time when businesses resources are not readily available from other sources; and

WHEREAS, the goals of the SAVE Grant may be accomplished by some or all of the following means:

- (a) providing needed financial assistance to small businesses within the community negatively affected financially as a direct result of the COVID-19 pandemic;
- (b) ensuring the ongoing viability of Maple Grove businesses beyond this crisis;
- (c) limiting the number of job losses resulting from the pandemic by assisting businesses’ return to their pre-pandemic employment levels;
- (d) limiting the number of businesses which would potentially permanently close due to COVID-19 pandemic impacts, and thereby limiting the total number of potential vacancies in key commercial and industrial areas of the City; and

WHEREAS, the SAVE Grant intends to offer grants in amounts up to \$7,500 to eligible Maple Grove businesses which have not received prior funding through the COVID ELF or RLF programs, and grants of up to \$5,000 to eligible businesses which have previously received funding through the COVID ELF or RLF programs;

NOW THEREFORE, IT IS RESOLVED by the Board of Commissioners of the EDA, based on the above recitals, information provided by City staff, and information received at the meeting, as follows:

1. The EDA hereby creates the SAVE Grant program and adopts the STRUCTURED ASSISTANCE VALUING ENTERPRISES POLICY attached hereto as Exhibit A;
2. The EDA hereby receives \$100,000 of funding to be used for the SAVE Grant program from the City’s Revolving Loan Fund to be distributed according to that program’s policies and procedures.

3. The EDA hereby authorizes the transfer of \$250,000 from the EDA's COVID Business Loan Program to the EDA's SAVE Grant Program.
4. The EDA authorizes the City's Economic Development Manager to enter into and execute Grant Agreements on behalf of the EDA for the SAVE Grant program.

Motion to approve the foregoing findings, conclusions, and decisions was made by _____ and seconded by _____, upon a vote being duly taken thereon, the following voted in favor thereof:

and the following were against:

and the following were absent:

whereupon, the resolution was declared duly passed and adopted this 16th day of February, 2021.

STATE OF MINNESOTA)
COUNTY OF HENNEPIN) ss.
CITY OF MAPLE GROVE)

I, the undersigned, being the duly qualified Secretary of the Economic Development Authority in and for the City of Maple Grove, a public body corporate and politic and a political subdivision of the State of Minnesota, hereby certify that the above Resolution No. 28 is a true and correct copy of the Resolution as adopted by the EDA Board on the 16th day of February, 2021.

Secretary



STRUCTURED ASSISTANCE VALUING ENTERPRISES (SAVE) GRANT PROGRAM

Adopted:

Economic Development Authority of Maple Grove
Economic Development Department
12800 Arbor Lakes Parkway
Maple Grove, MN 55369
763-494-6003

Table of Contents

- I. Introduction
- II. Purpose And Authority
- III. Objectives
- IV. General Criteria
- V. Financing Criteria
- VI. Application Process

I. INTRODUCTION

The Economic Development Authority of Maple Grove's Structured Assistance Valuing Enterprises Grant Program ("SAVE Grant") was created as a means to assist businesses within the City of Maple Grove which have faced a continued negative impact by the COVID-19 pandemic and further promote business viability until a vaccination is more widely available and distributed. The SAVE Grant program offers grants to eligible businesses with a physical location in the Maple Grove. The SAVE Grant program is administered by Community and Economic Development staff and the Economic Development Authority of Maple Grove.

II. PURPOSE AND AUTHORITY

- A. The purpose of this policy is to establish the EDA's position relating to the use of the SAVE 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 EDA.
- C. The EDA reserves the right to approve or reject applications on a case-by-case basis, taking into consideration factors considered appropriate by the City, in addition to established policies, criteria, and potential benefits. Approval or denial of an application is at the sole discretion of the EDA or authorized City of Maple Grove personnel.

III. OBJECTIVES

The objective of the SAVE Grant is to deploy a local pool of funds to support local small businesses in order to ensure the viability of the businesses and as a means to offer financial assistance as other funding sources, whether federal or otherwise, is not as readily available for businesses. This may be accomplished by some or all of the following means:

- A. Provide needed finances to small businesses within the community which have been negatively affected financially as a direct result of the COVID-19 pandemic;
- B. Ensure the viability of Maple Grove businesses moving past this crisis;
- C. Limiting the number of job losses as a direct result of the pandemic by assisting businesses return to their pre-pandemic employment levels;
- D. Limiting the number of businesses 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.

IV. GENERAL CRITERIA

A. ELIGIBLE EXPENDITURES

Funds received through the SAVE Grant program may be used for regular expenses and working capital purposes defined as:

1. Paying fixed debts;
2. Payroll costs;
3. Accounts payable;
4. Utility payments;
5. Inventory costs;
6. Purchasing of personal protective equipment (PPE);
7. Paying other direct business-related bills.

B. ELIGIBLE BUSINESS DETAILS:

To qualify for the SAVE Grant program, eligible businesses must meet all of the following criteria:

1. Be considered an eligible business type, as defined in IV.C of this policy;
2. Have a minimum of one (1) employee;
3. Have no more than 75 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 non-residential address within the City of Maple Grove. Proof of address shall be required when applying;
5. All business applicants must be an allowed use through zoning of the property or be a legally non-conforming use;
6. Be a legal entity registered with the Minnesota Secretary of State, and be in good standing;
7. Any applicant must not have delinquent taxes, bills or charges due to the City from February 2020 or prior.

C. ELIGIBLE BUSINESS TYPES:

Eligible businesses which may apply for the SAVE Grant program include for-profit businesses which have faced a negative financial impact as a direct result of the COVID-19 pandemic. Businesses are required to provide proof of a negative financial impact through year-over-year revenue decrease or projected revenue loss as a direct result of the pandemic at a minimum of 30%.

D. PREVIOUSLY FUNDED BUSINESSES

Businesses which previously received funding through the Maple Grove EDA's COVID-19 Emergency Loan Fund or COVID-19 Recovery Loan Fund in 2020 are eligible to apply for additional funds as described in section V.F of this policy.

E. INELIGIBLE ACTIVITIES

The SAVE Grant program may not be used for the following activities:

1. Agriculture (crop or livestock production, etc.);
2. Gambling-related activities;
3. Purchasing of fixed machinery or vehicles;
4. Moving expenses;
5. Land acquisition for speculation;

F. REVIEW CRITERIA

Assistance must be evaluated on the existence of the following conditions:

1. Demonstrated financial need;
2. Number of jobs retained at the location;
3. Financial ability to continue business operations;
4. Timeliness of funds being needed.

G. REQUIRED DOCUMENTS

The following documents are required at that time of application. Additional documents may be requested by the EDA, if deemed necessary to completely review and application.

1. Most recent year's tax return;
2. Payroll Report(s) or Proof of Employment Levels
3. Three-month itemized expense report;
4. Articles of Incorporation;
5. Proof of Address;
6. Profit and Loss Statement;
7. Debt Schedule

H. EDA RIGHTS

The EDA reserves and retains the right to deny any grant application for funding. All grantees shall be required to indemnify the City of Maple Grove, the Economic Development Authority of Maple Grove, and any officers acting on their behalf.

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

Information contained in the application for assistance will become a matter of public record with the exception of those items protected under Minn. Stat. 13.591.

V. FINANCING CRITERIA

A. GRANT SIZE

Businesses which have not previously received funding are eligible for a grant award of up to \$7,500. Businesses which have previously received funding, as defined in section IV.D of this policy, are eligible for an award of up to \$5,000.

E. PROOF OF FUND USAGE

Grantees shall be required to provide proof of usage of funds received through the BEAR Grant program. This may include receipt(s), mortgage/rent statements, payroll report, or other proof as approved by the EDA or authorized representative.

F. FEES

There shall not be an application fee to apply for a BEAR Grant for any applicant business.

VI. APPLICATION PROCESS

All applications for funding from the SAVE Grant program will be accepted during a one-week application window. Applications will be required to be submitted online at the City of Maple Grove website. Upon completion of the application window, City of Maple Grove staff will review applications to ensure complete information is provided and determine if a business is eligible. Following all applications being processed, all eligible applications will be randomly numbered and selected through a lottery process. Should additional funding be available following the first lottery round, applications will be accepted again and processed and awarded on a first-come, first-served basis.