

**CITY OF EDINA**  
**SMALL BUSINESS EMERGENCY ASSISTANCE PROGRAM**  
**PROGRAM OVERVIEW**

**August 13, 2020**

**PURPOSE AND OVERVIEW**

- 1) The Small Business Emergency Assistance Program was created to provide direct financial assistance to businesses located in the City of Edina that have been negatively impacted by the COVID-19 pandemic. The second round of the program provides grants to businesses with a physical operating presence in the City. The program was created with input from the local business community including the Edina Chamber of Commerce, 50th & France Business Association and the MCCD Open to Business program. The second round is modified to more easily conform with the CARES Act.
- 2) The first round of the program was initiated in April 2020 and administered through the Edina Housing and Redevelopment Authority. The second round is administered through the City of Edina using federal funds provided by the CARES Act.
- 3) The intent of this program is to enable and sustain a strong local economy. To that end, this program strives to reduce commercial vacancy rates, retain and create employment opportunities, encourage business investment and ensure that residents have access to desired goods and services. This program also is intended to blight in the city's business districts. This program intends to provide short-term emergency financial assistance so that small businesses can remain viable during and after this pandemic.
- 4) The Edina City Council has authorized that this program be funded with \$400,000 from monies sourced from the federal CARES Act. The total amount of funding may be increased upon authorization of the City Council.
- 5) This program terminates on December 31, 2020, unless extended by the Edina City Council. This program may close prior to this date, if all monies are exhausted.
- 6) The City has established criteria to guide its decisions on whether or not to enter into a Grant Agreement with applicants. The criteria are more fully described below.

## **ELIGIBLE BUSINESSES**

- 1) Physical operating location in City of Edina
  - a. A post office box or similar occupancy is not eligible
  - b. A home-based business is not eligible;
- 2) More than 1.0 full time employee (including the owner) but not more than 50 full-time equivalent employees in the Edina location
  - a. Measured on January 1, 2020
  - b. Self-employed people and independent contractors are not eligible for this program;
- 3) Maximum annual revenue of \$1,500,000 for the Edina location;
- 4) Ability to demonstrate legitimacy of business (valid Secretary of State active business listing, state certification, operating license, etc);
- 5) In active operation prior to January 1, 2020 or with valid lease as of January 1, 2020 with planned operations beginning in 2020;
- 6) All applicants must be an allowed use in the applicable zoning district; or be a legally non-conforming use; and
- 7) All types of businesses are eligible to apply including businesses which have been deemed non-essential by the State of Minnesota or those which have faced mandated closures per State of Minnesota emergency orders related to the COVID-19 pandemic.

## **INELIGIBLE BUSINESSES**

- 1) Corporate owned national or regional chains (but locally owned franchises are eligible)
- 2) Municipal owned businesses
- 3) Businesses owned by current City of Edina elected officials
- 4) Not for profit entities, except for entities actively engaged in promoting local businesses at the discretion of the City of Edina
- 5) Businesses with delinquent tax bills or other fees due to the City of Edina prior to February 29, 2020

- 6) Businesses in default conditions prior to February 29, 2020
- 7) Businesses that derive income from adult entertainment; passive investments; business-to-business transactions; real estate transactions; property rentals or property management; or lobbying
- 8) Businesses that have already received an Emergency Assistance Loan from the City of Edina

## **FORM OF ASSISTANCE AND USE OF FUNDS**

- 1) Direct grants to selected small businesses for expenses incurred
  - a. \$10,000 maximum per business
  - b. No application or processing fees
  - c. Reimbursement for eligible expenses incurred by the business
- 2) All grants must be issued by November 15, 2020. Any grants unused by that time will be terminated.
- 3) Eligible expenses include working capital purposes and operational expenses incurred during the COVID-19 pandemic.
  - a. Reimbursable expenses include: commercial rent or mortgage payments, payroll, cleaning and related business services, utility payments, replacement of spoiled or stale inventory, purchase and installation of personal protective equipment for staff or customers, and other direct business-related expenses incurred to maintain the viability of the business under the economic conditions related to the COVID-19 pandemic.
  - b. Expenses that have been reimbursed by a different loan or grant program are NOT eligible for reimbursement a second time. For example, if May rent was reimbursed from a different government program, the same months rent cannot be reimbursed again. A different months rent, can be reimbursed.
  - c. All expenses must have been incurred between March 17, 2020 and October 31, 2020.
- 4) The funds are NOT allowed to be used for agriculture (such as crop or livestock production); capital investment such as machinery, equipment or vehicles; moving expenses; or property acquisition.

## **APPLICATION PROCESS**

- 1) Program announced in advance
  - a. No later than Friday August 13, 2020
  - b. Promote via: press release, City online resources, Chamber of Commerce, Rotary Clubs, Business Association and large commercial landlords
- 2) Application window open for limited time period
  - a. Open Wed August 19<sup>th</sup> (8 am)
  - b. Close Sunday August 30<sup>th</sup> (12 midnight CST)
- 3) Online applications only
- 4) Simple application process
  - a. Business name and dba name
  - b. Business address
  - c. Business owner(s) name
  - d. Business contact info (name, phone, email)
  - e. WBE – yes/no
  - f. MBE – yes/no
  - g. VBE – yes/no
  - h. Brief description of business
  - i. NAICS Code of business (optional)
  - j. Year business started in Edina
  - k. Number of Full Time Equivalent employees
  - l. Annual Revenue (most recent year available)
  - m. Confirmation of negative impact due to COVID-19 pandemic – yes/no
  - n. Confirmation of active/good standing of business – yes/no
  - o. Confirmation of delinquent payments to City – yes/no
  - p. Intention to remain operational in the City of Edina – yes/no

## **SELECTION PROCESS**

- 1) Applications received from the Edina Chamber of Commerce and the 50<sup>th</sup> & France Business Association shall automatically be awarded a grant. These business entities represent and serve dozens of local businesses. While these entities are allowed to forego the competitive selection process, they must each satisfy all other terms and conditions of the program.

- 2) Upon the conclusion of the application period, each complete application will be assigned a number (in sequential order)
- 3) Tickets will be printed with the same series of numbers
- 4) Numbers will be selected randomly until the number of selected applications exhausts the available funds.
  - a. Selection anticipated on Tuesday September 1, 2020
  - b. Owners or employees of businesses who have applied will not select numbers.
  - c. The selection process will be witnessed by at least two people and may be recorded or conducted “live” on social media (at the discretion of the City)
- 5) Numbers not selected during the initial drawing will be retained for about 4 weeks. In the event that any of the selected applications are unable to be confirmed or use the full amount of the grant, a replacement number will be selected so that available funds are used in their entirety.

## **CONFIRMATION AND AWARD PROCESS**

- 1) Selected businesses will be invited to submit additional information to confirm their employee count, annual revenue, financial need and their intent to continue business operations in the City of Edina. The additional information shall include:
  - a. Documentation that year-over-year revenues or projected revenue for new businesses have declined significantly due to the COVID-19 pandemic. Documentation of declining revenue and increased expenses due to the COVID-19 pandemic can also be considered evidence of financial hardship.
  - b. Documentation of most-recent IRS tax return to confirm annual revenue (2019 preferred)
  - c. Documentation of employment as of January 1, 2020. Acceptable documentation includes: period reporting from a third-party payroll processor, applicant’s Federal Form 941 or other State or Federal payroll related filing.
  - d. Documentation of property ownership or valid lease at the Edina business location

- 2) City staff will review the information for accuracy and completeness. A third-party may be retained to assist the City in review of the applications if necessary due to work load.
- 3) After selection and confirmation of business status, a Grant Agreement will be prepared by the City for execution.
- 4) If a selected applicant is unable to confirm full eligibility under the terms of this program within 10 business days of request from staff, that applicant will be declared ineligible. Another application will be randomly selected to replace the ineligible applicant.
- 5) The City reserves and retains the right to cancel this program prior to execution of grant agreements. The City also reserves the right to modify the criteria and guidelines as needed to best address the impact of the COVID-19 pandemic and the requirements of the CARES Act. The City also retains the right to deny any application for funding. Receipt of an application is no guarantee of funding.
- 6) Minnesota Data Practices: Information submitted by the applicant, will become a matter of public record with the exception of those items protected under Minn. Stat. 13.591.

## **PAYMENT AND REPORTING**

- 1) The grant will be issued, upon receipt of paid invoices and receipts to confirm the business incurred and paid eligible expenses.
- 2) No mandatory reporting is required for this grant. Staff intends to follow up with each business in Fall 2021 to get a status update, but that follow-up is optional and not a requirement of the grant agreement.

###