



Watertown Economic Development Authority

Ken Grotbo
Cory Mittness
Roxanne Wilmes
Deborah Everson
Lindsay Guetzkow

1. Roll Call
2. Adopt Agenda
3. New Business
- 3.A. Approve July 7, 2020 EDA Meeting Minutes

Documents:

[7-7-2020 EDA MINUTES.PDF](#)

- 3.B. Approve July 16, 2020 EDA Meeting Minutes

Documents:

[7-16-20 EDA MINUTES.PDF](#)

- 3.C. EDA Coronavirus Relief Fund Grant Programs

Documents:

[RFA - 8-4-2020 CRF GRANT PROGRAMS.PDF](#)

4. Updates
5. Adjourn

309 Lewis Avenue South; P.O. Box 279, Watertown, MN 55388



Watertown Economic Development Authority

Ken Grotbo
Cory Mitteness
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Lindsay Guetzkow

7/7/2020 - Minutes

1. Roll Call

The meeting was called to order at 8:35 a.m. by President Grotbo. Commissioners in attendance: Ken Grotbo, Roxanne Wilmes, Deborah Everson, and Lindsay Guetzkow. Staff in attendance: Shane Fineran, Executive Director. Guests: Michael Walters.

2. Adopt Agenda

Motion by Everson, seconded by Wilmes to adopt the agenda as presented. All present voted aye. Motion adopted 4-0.

3. New Business

3.A. Approve April 28, 2020 EDA Meeting Minutes

Motion by Guetzkow, seconded by Everson to adopt the April 28, 2020 EDA meeting minutes. All presented voted aye. Motion carried 4-0.

3.B. Coronavirus Relief Funds Grant Programs

Executive Director presented an update on the stats of the Coronavirus Relief Funds disbursed from the state. Also known as CARES Act funding, approximately \$365,000 will be made available to the city to aid in meeting the needs and expenses related to the COVID-19 pandemic. Fineran presented three program ideas that would utilize up to \$250,000 of these funds to provide assistance to small businesses.

Relief Grant: This program would provide up to \$5,000 in grant funds to eligible businesses to use for mitigation strategies or supplies related to operations in their business in reaction to the COVID-19 pandemic or revenue loss related to mandated closures.

The Pandemic Business Relief program: This is an updated version of the program that was implemented in March by the EDA that provided assistance in utility billing for local businesses. This program would provide utility assistance upon application to eligible businesses and/or assistance in licensing fees collected by the city, such as retail on-sale alcohol.

Technology Infrastructure Grant: This program would provide up to \$5,000 in grant funds to a business that made technology investments in website, e-commerce, mobile applications, HRIS systems, accounting systems, etc. that enhanced a businesses online presence, efficiencies, and or sales capabilities.

The members discussed program parameters and eligibility criteria as well as policy and application language and provided direction to staff on edits desired in the program and administration detail. Staff will make the updated changes and bring back to the EDA for formal adoption at a future meeting date.

4. Updates

5. Adjourn

Motion to adjourn made by Everson, seconded by Wilmes at 9:52. All present voted aye. Motion carried 4-0.

309 Lewis Avenue South; P.O. Box 279, Watertown, MN 55388

DRAFT



Watertown Economic Development Authority

Ken Grotbo
Cory Mitteness
Roxanne Wilmes
Deborah Everson
Lindsay Guetzkow

7/16/2020 - Minutes

1. Roll Call

The meeting was called to order by President Grotbo at 8:35 a.m. Authority members present: Ken Grotbo, Roxanne Wilmes, Lindsay Guetzkow. Staff Present: Shane Fineran, Executive Director.

2. Adopt Agenda

Motion by Wilmes, seconded by Guetzkow to adopt the agenda as presented. All present voted aye. Motion carried 3-0.

3. New Business

3.A. Coronavirus Relief Funds Programs

Executive Director Fineran reviewed the three business assistance programs to be considered for adoption by the EDA and the edits made per EDA direction at the meeting on July 7, 2020. The Authority members discussed removing some of the specific business eligible noted in the Relief Grant program. Staff discussed some potential policy considerations as it related to eligibility if a business has received other disbursements from federal and state sources as well as potential programming from the Carver County CDA. The EDA directed staff to discuss with some local businesses the preference on timing, compatibility with CDA programs, and to provide some time to do additional research on state and federal guidance on eligibility.

Motion by Wilmes, seconded by Guetzkow to table the approval of the programs until additional information could be considered. All present voted aye. Motion carried 3-0.

4. Updates

5. Adjourn

Motion by Guetzkow, seconded by Wilmes to adjourn the meeting at 9:30 a.m. All present voted aye. Motion carried 3-0.

309 Lewis Avenue South; P.O. Box 279, Watertown, MN 55388

Watertown Economic Development Authority

August 4, 2020

Agenda Item: Coronavirus Relief Fund Distribution Programs**Request for Action: Adopt Resolution #2020-05EDA, Approving CRF Disbursement Programs****Department: Shane Fineran, City Administrator****Background:**

The Minnesota Department of Revenue has published a distribution and certification of aid process of the state's share of federal Coronavirus Relief Fund (CRF) dollars that will be available for local governments to use for local preparation and mitigation efforts related to the COVID-19 pandemic. The city's share will be \$350,564.

Based on Treasury Department [guidance](#) and subsequent publication of [Frequently Asked Questions](#) can utilize these funds for "necessary expenditures incurred due to the public health emergency" and for which "were not accounted for in the budget most recently approved". Funds may not be used to fill shortfalls in revenue such as fees, property tax collection, or forgone utility billing collections. Funds must be committed by November of 2020 and spent by December 30th.

At the July 7th EDA meeting, the Authority reviewed draft program policies and application materials. It was discussed by the EDA that the expenditures related to the Pandemic Business Rebate program, funded in March with EDA dollars, was not desired to be reimbursed with CRF dollars at this time. Initial funding to be made available based on program policies is to be \$250,000, spread amongst three different programs. Comments and direction have been incorporated into the program policies and documents as provided by the EDA.

At the July 16th EDA meeting, the Authority discussed policy questions related to eligibility for local grant disbursements if a business had received funds through other COVID related programs at the state, federal, or county level. No further clarity has been determined around this as a matter of law, and so it would be a decision of local policy whether to disburse funds to a business who has received assistance through other sources. The Carver County CDA has stated that as a matter of policy, they would consider a business in eligible for their Small Business Emergency Assistance program grant of \$10,000 if they received a grant from a city program utilizing Coronavirus Relief Funds.

Additionally, staff meet with a group of businesses convened by the Watertown Chamber of Commerce to gather feedback around timing, eligibility questions, etc. It was the consensus of the group that maintaining eligibility for a higher grant award potentially through the Carver County CDA program would be more impactful than a smaller grant award sooner through the local EDA.

Some potential options include:

1. Partner with the CDA in providing \$150,000 identified for the CRG program, in which local funds will be directed to local businesses who may not receive an award through the CDA program. In this scenario if a business applies for the CDA program and are not awarded to the \$10,000 through the CDA program lottery, the EDA funds would be directed and targeted to local businesses on a secondary disbursement of \$5,000. This would provide a single source of application and administration of these funds. The CDA would notify selected applicants by September 18th. In discussion with CDA staff we could apply our own program parameters for the secondary disbursement or just mirror those of the CDA program.
2. Approve and implement the programs as presented, with the timing of disbursement of the CRG program disbursements to occur after the CDA program determinations are made, reducing the conflict with their eligibility requirements. The PBR and TIIG program could be implemented sooner as discussions with CDA staff

they would support a local applicant accessing these programs without creating eligibility issues for their program.

Watertown EDA CRF Program Synopsis

Business Coronavirus Relief Grant

Eligible grant activities would be used by businesses for costs directly related to activities needed to adapt business operations and or meet extraordinary costs related to COVID-19, including revenue loss due to social distancing, mandated closures, etc. Draft language would make \$5,000 per applicant and initial proposed funding would be \$150,000, funding up to 30 grants. Applications would be taken during a defined time frame, and if requests exceed available funding, a random lottery draw would determine recipients.

Pandemic Business Rebate Program (PBR)

This program is like that considered by the EDA in March and eventually implemented to provide utility billing grants to all eligible businesses in Watertown. The program language has been updated to require rebates to be issued only upon application and would make up to 3 months of utility billing rebates available. In addition, a rebate provision has been added to provide a rebate grant for businesses holding an on-sale liquor license (i.e. bars and restaurants). The rebate grant would be a pro-rated amount of 3 months to be applied to their 2020/2021 license issuance. For example, a retail on-sale liquor license is \$5,000 per year, so applicants would be eligible for \$1,250 in grant rebate under the program. \$50,000 is proposed to be the initial funding amount and would likely need less based on the self-selection of businesses applying for the rebate grant.

Technology Infrastructure Investment Grant (TIIG)

This grant program is the same as what was considered by the EDA in March but never implemented. This would provide up to \$5,000 in grant funds to support development or enhancement of technology infrastructure such as a website, e-commerce capability, development or enhancement of point of sale and/or human resource information system, or accounting systems. \$50,000 is proposed to be the initial funding amount and could fund up to 10 grants initially.

Funding Source:

Coronavirus Relief Funds

Attachments:

Business Coronavirus Relief Grant Policy & Application
Pandemic Business Rebate Grant Policy & Application
Technology Infrastructure Investment Policy
Carver County CDA Small Business Emergency Relief Grant

WATERTOWN ECONOMIC DEVELOPMENT AUTHORITY BUSINESS CORONAVIRUS RELIEF GRANT

PURPOSE:

The City has determined that the encouragement and the financial support of economic development and redevelopment in the City is vital to the orderly development and financing of the City and in the best interests of the health, safety, prosperity and general welfare of the citizens of the City. The City Council established its Economic Development Authority to address economic development and redevelopment issues facing the community. In 2020, the critical economic development issue is the impacts of the Coronavirus on the local economy.

In March 2020, the World Health Organization declared the worldwide outbreak of COVID-19 coronavirus to be a pandemic (the "Pandemic" or "COVID-19" or "virus"). The Governor of Minnesota has issued a series of executive orders to help limit the spread of COVID-19, including declaring a peacetime public emergency, directing the closure of all schools, and ordering the closure of bars, restaurants and other places of public accommodation (the "Executive Orders"). The U.S. Center for Disease Control and Prevention (the "CDC") has issued a series of directives to limit personal interaction to slow the spread of COVID-19. These actions have had significant adverse effects on local businesses, including closure, significant reduction in revenues, and loss of employees. The continuation of these events will have devastating short- term and long-term effects on the well-being of the community.

After evaluating alternative means of assistance to help local businesses adapt business practices to protect the health of customers and employees and thereby establishing the means for successful operation, the City has determined that this assistance conforms with federal law, Department of Treasury guidance, and state law governing business subsidies and advances the general health, safety and welfare of the community as a whole.

PROGRAM DESCRIPTION

Qualifying City of Watertown businesses eligible to receive a grant in an amount not to exceed \$5,000 to pay for changes in business practices for customer and employee safety due to COVID-19. The total amount of grant funds available is \$150,000.

ELIGIBLE ACTIVITIES

The grant may only be used for costs directly related to activities needed to adapt the business to operations related to COVID-19. Eligible activities include:

- Building improvements, equipment and furnishings
- Personal protective equipment
- Sanitizing supplies
- Signage
- Employee training
- Printing
- Advertising
- Supplies needed to restart operations
- Other extraordinary costs directly related to COVID-19 – such as loss in revenue due to social distancing, mandated closures, etc.

Grant funds may be used to reimburse for expenditures made for eligible activities after March 1, 2020 and prior to the receipt of the grant if used for approved costs and can be documented.

Grant funds may be used to pay for regular business expense including payroll, rent, or to supplement lost revenue due to closures and or reduced operations to support social distancing. The grant cannot be used to pay taxes or utilities due to the City (see Pandemic Business Rebate program for utility or license fee assistance). The grant application must include a description of the plan for operating under the restrictions of COVID-19, the proposed use of grant funds and the relationship to COVID-19.

Documentation of expenses requested for reimbursement must accompany the application if already incurred. In submitting the application, the business will commit to using the grant funds only for these approved uses. Grant funds awarded shall not be used to pay expenses that have been paid for with other state or federal sources.

The City Council or City EDA will make the final determination of eligibility and the amount of the requested grant to approve.

ELIGIBLE BUSINESSES

Businesses that meet the following criteria are eligible to submit grant applications:

1. The business must be in operation at the current location within the City at the time of application and have been operating since at least January 1, 2020.
2. Eligible businesses must be within the city limits of Watertown and in commercial or industrial zoned districts or allowed by conditional use permit as defined by the City's approved Land Use Map.
3. The business must be registered with the Minnesota Secretary of State unless it is a sole proprietorship or partnership that is not required to file with the Secretary of State's Office to do business in Minnesota.
3. The business cannot be delinquent on any fees or charges with the City.
5. The grant application must be signed by the business owner.

INELIGIBLE BUSINESSES

1. Non-profit or religious organizations.
2. Corporate or multi-state chains. Franchisees are considered eligible businesses.
3. Businesses in default conditions prior to March 1, 2020.
4. Businesses that primarily derive income from any of the following: passive investment, real estate transactions, property rentals/property management.

APPLICATION

Applications will be accepting during a two-week period beginning July 29, 2020 and ending August 12, 2020. If applications exceed the funding available, the grant administrator will select loan recipients using a lottery system. Failure to submit required documentation will result in ineligibility for the grant award.

AGREEMENT AND REPORTING

Upon acceptance of the application and notice of award of grant funds, the business will enter into a gran agreement with the Watertown Economic Development Authority prior to the disbursement of funds.

Grant recipients must agree to complete and submit a Grant Report Form provided by the City. The report will include documentation of activities paid for with grant funds and a description of how these activates affected operations and the response to COVID-19.

TAX IMPLICATIONS

- 1) Amount Requested (cannot exceed \$5,000): _____
- 2) Has your business been in operation since January 1, 2020? _____
- 3) When did you open your business? Date: _____
- 4) Do you own other businesses in the City of Watertown? If so, please list.
- 5) Did your business revenue between March 1, 2020 and May 31, 2020 decline by 10% or more as a result of COVID-19 compared to the same period in 2019?
- Yes
- No

Applicant should submit documentation that best demonstrates the impact and is deemed acceptable to the fund administrator. Examples of acceptable documentation include Sales Tax Reports, Period Statements from 3rd party Sales Platforms, Merchant Services Statements, and Point of Sale or Register Reports.

- 6) What was your total business revenue for the following ranges of dates?

Total revenue: March 1 to May 31 in 2019: _____

Total revenue: March 1 to May 31 in 2020: _____

- 7) Did your business take any of these measures as a result of COVID-19? Select all that apply.
- Reduced hours for staff on payroll
- Permitted staff to volunteer to take unpaid leave (rather than layoffs, furloughs, etc.)
- Staff reassignments (e.g. by role, by business location, etc.)
- Staff furloughs
- Staff layoffs
- Other, please describe: _____

- 8) How many people were employed on March 1, and how many are currently employed (on date of application), at your business?

March 1, 2020 Part-time employees: _____

March 1, 2020 Full-time employees: _____

Current Part-time employees: _____

Current Full-time employees: _____

9) Did your business experience any of these impacts as a result of Executive Orders related to COVID-19? *Select all that apply.*

Business was directly restricted from operating, in whole or part, by an Executive Order.

Employees were restricted from working by an Executive Order.

Customers and/or revenue decreased related to activities restricted by an Executive Order.

Other impacts, please describe _____

10) What is your current permitted business operating capacity?

No restrictions

50% or lower share of normal capacity. Some revenue, some hours, some employees at work.

0% of normal capacity, Not operating, no revenue, no hours, no employees at work.

11) How has COVID-19 financially affected your business? Please include information on current operations.

12) For what purpose(s) will these funds be used?

Eligible Activities	Estimated Cost	Source of Estimate
Building improvements, equipment and furnishings.		
Personal protective equipment (PPE)		
Sanitizing supplies		
Employee training		
Interior signage		
Advertising		

Printing		
Supplies needed to restart operations		
Other extraordinary costs directly related to COVID-19		

13) What is your main industry

- Arts, entertainment, recreation
- Accommodation, food services
- Construction
- Education, related support services
- Finance, real estate
- Healthcare, social services (includes childcare)
- Manufacturing
- Professional services
- Personal services
- Retail
- Other services, please specify: _____
- Other industry, please specify: _____

Include the following attachments:

- A copy of your COVID-19 Preparedness Plan
- Proof you own or lease the space your business is located in.
- Other supporting documentation you wish to provide to the EDA to assist in understanding the applicant's situation.

Signature page to follow

STATEMENT OF UNDERSTANDING AND AUTHORIZATION FOR RELEASE OF INFORMATION

I declare that the information provided in this application and on the accompanying exhibits is true and complete to the best of my knowledge. By submitting this application, I acknowledge that an approved application is subject to State and Federal data practices information laws, and I am bound to comply with the guidelines of the Business Relief Grant. Falsifying information or failure to comply with these guidelines will result in immediate repayment of grant funds to the City of Watertown Economic Development Authority (EDA). The EDA and its staff have the right to verify any information contained in this application.

Signature: _____ Date: _____

Printed Name: _____

Title: _____

Signature: _____ Date: _____

Printed Name: _____

Title: _____

WATERTOWN ECONOMIC DEVELOPMENT AUTHORITY PANDEMIC BUSINESS REBATE PROGRAM

PURPOSE

The purpose of this document is to establish guidelines for the application and administration of the City of Watertown Pandemic Business Rebate Program (the “PBR Program”).

POLICY STATEMENT

The City of Watertown recognizes the need to stimulate and support small businesses, which are often owned and operated by local community members, provide essential services, and foster vitality and charm in our community. It is the position of the Economic Development Authority (the “EDA”) that these businesses have been impacted by the community mitigation strategies recommended and implemented by state and federal authorities in response to the COVID-19 pandemic.

ELIGIBILITY

Rebate proceeds obtained through the PBR Program can be used by and for:

1. Businesses impacted by federal or state mandated closures or reduction in services in response to COVID-19 mitigation efforts, including but not limited to Emergency Executive Order 20-04 and their amendments signed by Minnesota Governor Tim Walz, or any other executive order expanding or extending such closures or reduction in services.
2. Eligible businesses must be within the city limits of Watertown and in commercial or industrial zoned districts or allowed by conditional use permit as defined by the City’s approved Land Use Map.
3. Eligible businesses shall be identified by the City as a Commercial, Industrial, Combination Commercial, or Healthcare Facility in its utility billing program. Home based occupations as allowed by local ordinance regulating the operating of such business in accordance with Municipal Code Section 62-481 are not eligible.

Eligible Bill Groups

04-Combo-Residential/Commercial, 10-Commercial, 11-Combo-Commercial-Residential, 20-Industrial, 33-Health Care Facilities

4. If a business does not own their property, but rather is a tenant or rents they will still be eligible. The business will need to show proof of utility payment via lease agreement, CAM charge statement, or similar.

Rebate proceeds can be used for:

1. City of Watertown utility bills payable for up to three (3) months.
2. City of Watertown license fees for the on-sale of alcohol due in 2020 pro-rated for an amount up to three (3) months.

PROCEDURAL GUIDELINES FOR APPLICATION OF REBATE

1. Any interested applicant should submit a Rebate Application Form and required proof of payment by October 30, 2020.
2. Proof of payment can be a bank statement, receipt, or verification statement by the City of Watertown.
3. Proof of ownership of the eligible business to include articles of incorporation or license to conduct business issued by the state or local government.

BUSINESS INFORMATION

Legal Business Name: _____ State Tax ID: _____
Federal EIN: _____
 Individual Corporation Partnership LLC Other: _____

Physical Address: _____ City _____ State _____ Zip _____

Mailing Address: _____ City _____ State _____ Zip _____

BUSINESS OWNER(S) INFORMATION

Owner 1 Full Name: _____

Address: _____ City _____ State _____ Zip _____

Work Phone: _____ Home Phone: _____ Cell Phone: _____

Owner 2 Full Name: _____

Address: _____ City _____ State _____ Zip _____

Work Phone: _____ Home Phone: _____ Cell Phone: _____

If there are more than 2 owners attach an additional sheet.

1) Are you applying for City utility bill rebate?

- Yes
- No

2) Months applying for (up to 3 months)

- June July August September

Total in dollars requested in rebate: \$_____

3) Are you applying for City license fee rebate?

- Yes
- No

4) What type of license do you currently hold issued by the City of Watertown?

- On-Sale Alcohol
- On-Sale Strong Beer & Wine
- On-Sale 3.2 Beer

Include the following attachments:

- Proof of payment of utility bills for the months requested.
- Proof of ownership of eligible business.
- Proof of lease agreement, CAM statement, or other document indicating portion of contribution to city utility billing charges.

STATEMENT OF UNDERSTANDING AND AUTHORIZATION FOR RELEASE OF INFORMATION

I declare that the information provided in this application and on the accompanying exhibits is true and complete to the best of my knowledge. By submitting this application, I acknowledge that an approved application is subject to State and Federal open information laws, and I am bound to comply with the guidelines of the Pandemic Business Rebate Program. Falsifying information or failure to comply with these guidelines will result in immediate repayment of grant funds to the City of Watertown Economic Development Authority (EDA). The EDA and its staff have the right to verify any information contained in this application.

Signature: _____ Date: _____

Printed Name: _____

Title: _____

Signature: _____ Date: _____

Printed Name: _____

Title: _____

WATERTOWN ECONOMIC DEVELOPMENT AUTHORITY TECHNOLOGY INFRASTRUCTURE INVESTMENT GRANT

PURPOSE

The purpose of this document is to establish guidelines for the application and administration of the City of Watertown Technology Infrastructure Investment Program (the “TIIG Program”).

POLICY STATEMENT

The City of Watertown recognizes the need to stimulate and support private sector investment in technology and equipment in order to create/retain jobs or ensure or expand the availability of goods and services for local residents and to upgrade technology equipment and facilities to maintain competitiveness and/or boost productivity. The TIIG Program is established to provide grants to develop or enhance the online presence, goods and services ordering and delivery systems, point of sale systems, or technology infrastructure in order to maintain and enhance the economic viability within the commercial and industrial sectors of Watertown.

PROJECT ELIGIBILITY

Grant proceeds obtained through the TIIG Program can be used by and for:

1. Businesses impacted by federal or state mandated closures or reduction in services in response to COVID-19 mitigation efforts, including but not limited to Emergency Executive Order 20-04 and their amendments signed by Minnesota Governor Tim Walz.
2. Eligible businesses must be within the city limits of Watertown and in commercial or industrial zoned districts as defined by the City’s approved Land Use Map or allowed by conditional use permit.

TIIG Program grant proceeds can be used for:

1. Development or enhancement of a business website.
2. Development or enhancement of an online ordering or delivery system utilizing a web or mobile application-based service.
3. Development or enhancement of a Point of Sale (POS) system, inventory management system, Human Resource Information System (HRIS), or accounting system, that allow a business to more efficiently and effectively operate and manage their business.

GRANT AMOUNT

1. The maximum grant amount considered is \$5,000. The EDA will provide grant funds at a level of 100% of eligible costs up to the maximum grant amount.
2. Grant funds will be issued to an applicant once costs are incurred by the applicant and verified that owner funds are spent via invoice and implementation of the technology solution.
3. Implementation will be considered complete once the solution is made available to the public, or in the case of an internal technology solution such as but not limited to internal operations like HRIS or POS systems, a demonstration provided to the City Administrator or their designee.

PROCEDURAL GUIDELINES FOR APPLICATION AND APPROVAL

1. Any interested applicant should meet with the Watertown City Administrator to obtain information about the TIIG Program and to discuss the proposed project and obtain application forms.
2. A completed application form, together with any scope of work, proposal, or quote related to the eligible solution. The application is reviewed by City Staff to determine if it conforms to the requirements of this Program, and all other City Codes, policies, ordinances, and regulations.
3. City Staff will review each application and the project information supplied in terms of its proposed activities in relation to their impact on the Watertown economic community. City Staff will make a recommendation concerning funding of the proposed project to the Watertown Economic Development Authority for final consideration of the application.
4. The Watertown Economic Development Authority will evaluate the project application in terms of the following:
 - a. Project Design - Evaluation of project design will include review of proposed activities, timelines and capacity to implement.
 - b. Financial Feasibility - Availability of funds, private investment, financial packaging and cost effectiveness.
 - c. Sufficient cash flow and security to cover proposed expense.
 - d. Project compliance with all City Codes and policies.
5. All applications failing to meet the minimum threshold standards, but that are able to show sufficient documentation of ability to cover the expected expense, may be reviewed on a case by case basis by the Watertown Economic Development Authority.
6. The Watertown Economic Development Authority reserves the right to waive certain requirements of this Program and may request additional information and documentation

as deemed necessary.

7. The Watertown Economic Development Authority must review and approve all applications prior to the disbursement of grant proceeds unless otherwise provided by the Watertown Economic Development Authority and/or the City Council by Resolution.



Carver County Small Business Emergency Assistance Fund

July 2020

Purpose

Small businesses are critical to Carver County's economy. Approximately 86 percent of all businesses within the county employ less than 20 people, and many of these businesses have been directly impacted by the COVID-19 pandemic. Because of this, Carver County cities and the Carver County Community Development Agency have come together to create the Small Business Emergency Assistance Fund.

The purpose of the Small Business Emergency Assistance Fund is to provide emergency financial assistance, through a \$10,000 grant, to small businesses located in Carver County who have been affected by the COVID-19 pandemic. The goal of program is to assist and stabilize businesses through this economic crisis.

Funding

Grants worth up to \$10,000 will be awarded to businesses who have seen a direct financial impact due to the COVID-19 pandemic via a lottery system.

Funds awarded may not be more than 50% of total revenue for the business in the previous year.

Eligible Businesses

To be eligible, businesses must meet all of the following criteria as of March 1, 2020:

- Be a locally owned and operated for-profit business with a physical establishment in Carver County.
- Have 40 or fewer employees.
- Have \$2 million or less in annual revenue.
- Be open and operating on or before January 1, 2020.
- Be in good regulatory standing with the State of Minnesota, Carver County, and city in which the business is located. This includes being current on applicable licenses, in compliance with city regulations, and being current on property taxes.
- Be located in a commercial or industrial zoned district or allowed by a conditional use permit as defined by the regulating authority's approved Land Use Map.
- Be able to demonstrate a loss of revenue of at least 10 percent since March 15, 2020 (no credit score or collateral requirements apply).
- For-profit farming operations are eligible.

Certain businesses are ineligible, including:

- Businesses without a physical establishment in Carver County
- Non-profit organizations
- Corporate or multi-state chains. Franchisees are considered eligible businesses.
- Businesses in default conditions prior to March 1, 2020.
- Businesses that primarily derive income from any of the following: gambling; adult entertainment; passive investment; real estate transactions; property rentals/property management; billboards; or lobbying.
- Businesses that primarily sell pawned merchandise, guns, tobacco or vaping products.

Businesses that have applied for and/or were awarded any COVID-related federal funding, such as the Small Business Administration's Economic Injury Disaster Loan (EIDL) or the Paycheck Property Program (PPP) are eligible for this grant.

In order to serve as many businesses as possible, businesses who have been awarded COVID related emergency funds through the State of Minnesota Small Business Emergency Loan program or the Small Business Relief Grant program are ineligible for this grant.

Eligible Uses

Funds can be used for the following expenses:

- Payroll
- Rent
- Mortgage payments
- Utilities
- Payments to suppliers
- Other critical non-payroll business expenses (including, but not limited to expenses related to re-opening, personal protective equipment, and others) as approved by the fund administrator

Application Process

The application and award process will be as follows:

- Applications will be accepted during a three week period beginning August 17, 2020 and ending September 4, 2020.
- All applications must be completed online. The link to the online form will be available at www.carvercda.org. Please contact one of the following agencies if you need assistance filling out the electronic application:

Elise Durbin, Carver County CDA, elised@carvercda.org or 952-556-2778
SouthWest Metro Chamber of Commerce, 952-474-3233 or info@swmetrochamber.com
Waconia Chamber of Commerce, 952-442-5812 or request@destinationwaconia.org
NYA Area Chamber of Commerce, 952-737-7403, info@nyachamber.org
Watertown Area Chamber of Commerce, 952-955-5175, watertownchamber@gmail.com

- If applications exceed the funding available, the fund administrator will select grant recipients using a lottery system.
- The fund administrator, NextStage, will notify approved applicants by email on or before September 18.
- Upon notice of an approved application, applicants will be required to submit the following within five business days and prior to receiving any grant funds:
 - 2019 Federal Business Tax Return or appropriate Business Tax Schedule-based upon entity type. Businesses that have not yet completed a 2019 Federal Tax Return are eligible to apply and substitute other documentation of revenue.
 - Evidence of revenue loss related to the COVID-19 pandemic. Applicant should submit documentation that best demonstrates the impact and is deemed acceptable to the fund administrator. Examples of acceptable documentation include Sales Tax Reports, Period Statements from 3rd party Sales Platforms, Merchant Services Statements, and Point of Sale or Register Reports.
 - Evidence of employment prior to March 1, 2020. Documents deemed acceptable include period reporting from a 3rd party payroll processor, applicant's Federal Form 941/Employer's Quarterly Federal Tax Return or other State or Federal payroll-related filing.
 - Any additional documentation deemed necessary by the fund administrator to determine eligibility or to meet program requirements.
- Failure to submit required documentation will result in forfeiture of the grant award.
- Upon acceptance of the documentation noted above, the business will enter into a grant agreement with the Carver County Community Development Agency prior to the disbursement of funds.
- Terms will be included in the grant agreement, including expense documentation and reporting requirements.

NOTE: The Carver County Community Development Agency reserves the right to revise these guidelines as needed to best address the impact to businesses of the current pandemic.

**CITY OF WATERTOWN
ECONOMIC DEVELOPMENT AUTHORITY**

RESOLUTION NO. 2020-05EDA

**RESOLUTION APPROVING GRANT PROGRAMS TO ADDRESS CORONAVIRUS
RELIEF FOR LOCAL BUSINESSES**

WHEREAS, the COVID-19 pandemic is a novel public health emergency that has resulted in unprecedented state and local response; and

WHEREAS, on March 13, 2020, Governor Tim Walz declared a Peacetime State of Emergency to authorize all necessary resources to be used in support of the COVID-19 response; and

WHEREAS, the City of Watertown (the “City”) has taken unique and solitary steps to support our local economy, businesses and residents through direct investment of local funds in programs; and

WHEREAS, the City has received \$350,354 in Coronavirus Relief Funds (the “Funds”) from the State of Minnesota; and

WHEREAS, the Economic Development Authority finds that the disbursement of funds received from the Coronavirus Relief Funds from the State of Minnesota to be a necessary and appropriate use; and

WHEREAS, the programs created utilizing the funds will aid local business who have been impacted and harmed by the mitigation efforts related to the COVID-19 pandemic; and

WHEREAS, the programs to be implemented will provide grants to businesses to aid in meeting expenditures to reimburse for the costs of business interruption and enhance resiliency in the face of required closures or pandemic response mitigation efforts undertaken by local businesses; and

WHEREAS, the programs to be implemented are as follows:

1. Watertown EDA Small Business Coronavirus Relief Grant Program
2. Pandemic Business Rebate Program (amended)
3. Technology Infrastructure Investment Grant Program

NOW THEREFORE BE IT RESOLVED, the Watertown Economic Development Authority approves the grant program policies and applications.

Adopted by the Economic Development Authority of the City of Watertown this 4th day of August 2020.

Ken Grotbo, President

ATTEST:

Shane Fineran, Executive Director