



Legislation Text

File #: EDA M2019-024, **Version:** 1

Date: May 23, 2019

To: Members of the Economic Development Authority

From: Nate Carlson, Economic Development Coordinator

Micro-Grant Application (Contented Cottage, LLC)

Summary and Action Requested:

Consideration of a recommendation from the EDA Loan Sub-Committee regarding a \$5,000 Micro-Grant application from Contented Cottage, LLC.

Background:

Contented Cottage, LLC is requesting a \$5,000 Micro-Grant from the Clement Shearer EDA Micro-Grant Program. The owners, Lisa and Steve Bolduc, have provided an application for the funds, which can be found attached to this report. Mr. Bolduc introduced his project to NEC Director, Chris Whillock, and Economic Development Coordinator, Nate Carlson. Chris found that this project might be a suitable recipient for the EDA's Micro-Grant program. Chris and Steve worked to refine the project and complete the application to EDA Board standards. This application was provided to staff on May 7. Staff has reviewed the Micro-Grant application thoroughly.

The Contented Cottage is a Bed and Breakfast that has been in operation since September 2016 located at 5 Walden Place, Northfield, MN. The business specializes in lodging and hospitality.

At this time, Steve and Lisa have identified a business expansion opportunity. The Bed and Breakfast has experienced significant growth over the last 2 years, and there is now a need to add a third suite for the business. By adding this room, they will be able to accommodate additional guests who are either tourists or parents of college students.

The business is seeking assistance from the EDA for the buildout costs with the Micro-Grant.

Here is the breakdown of costs associated with Contented Cottage's expansion:

Construction materials:	\$1,715
Furnishings & fixtures:	\$6,198
Labor Costs:	\$2,500
Utilities during buildout:	\$6,800
Total Project	\$17,213

The EDA Loan Sub-Committee met on May 7 to review the submitted application. The minutes of the meeting are attached. Committee members have made the following recommendation to the EDA Board:

“The EDA Loan Committee will make a recommendation to the EDA Board for funding approval of **\$5,000** Micro-Grant for the purpose of EDA assistance with business expansion related to an additional room expansion.”

Options:

The EDA Board has the following options:

- 1) Approve the recommendation of the EDA Loan Sub-Committee to fully fund the Micro-Grant application of \$5,000.00.
- 2) Decline the recommendation of the EDA Loan Sub-Committee and provide an alternative amount.
- 3) Decline to approve the Micro-Grant application.

Recommendation:

Staff recommends approval of an EDA Micro-Grant in the amount of \$5,000 to Contented Cottage, LLC for expansion of the business.