



Legislation Text

File #: Res. 2020-078, **Version:** 1

City Council Meeting Date: September 1, 2020

To: Mayor and City Council
City Administrator

From: Ben Martig, City Administrator

Consider Resolution Approving CARES Act Funding for Business and Non-Profit Assistance.

Action Requested:

The Northfield City Council is asked to approve the attached Resolution - Approving CARES Act Funding for Business and Non-Profit Assistance.

Summary Report:

The Act provides for payments to State, Local and Tribal governments navigating the impact of the COVID-19 outbreak. The State of MN distributed \$853M to Minnesota communities, and the City of Northfield, MN received \$1,538,900 through the Federal CARES Act distribution.

The CARES Act, according to the U.S. Department of the Treasury, “provides fast and direct economic assistance for American workers and families, small businesses, and preserves jobs for American Industries”.

The City Council will need to approve programming and use of the \$1,538,900 CARES Act allocation to the City. These funds can be used to recover City expenditures and to assist with other local needs.

On August 18, 2020 the City Council approved an initial award of CARES Act relief to support local food infrastructure and food stock, as well as procurement of educational support technology, to assist households in need. The Council also approved expenditures related to providing outdoor seating and furnishings to address increased need for such spaces.

At this time, the City Council is asked to consider two additional community based programs for CARES Act relief. Additional recommendations for use of CARES Act relief funds are forthcoming and may be forwarded via supplemental memo or presented at a future meeting.

Business Assistance

The City Council is requested to consider approval of \$300,000 for a Small Business Relief Program as part of the CARES allocation.

The purpose of the Northfield Small Business Relief Grant Program (“Program”) is to provide temporary financial support to small businesses adversely impacted by the COVID- 19 pandemic and the COVID-19

peacetime emergency. The goal of the Program is to help businesses through the current economic crisis and retain local jobs.

If approved, applications will be accepted over a three-week application period. Applications will be selected through a lottery system. Should there be more applications than budgeted; the City reserves the right to evaluate allocated funding for this program. The City of Northfield has designated \$50,000 of total business assistance funds to businesses owned by minorities as defined by the National Minority Supplier Development Council (NMSDC). <https://nmsdc.org/mbes/what-is-an-mbe/>

Businesses may apply one time for an emergency grant up to \$10,000, based on economic hardship from COVID-19. Funds shall be used exclusively for the following eligible expenses:

- Up to three months of operating expenses, including payroll, rent/lease payments, mortgage payments, utilities (excluding city wastewater, stormwater and water services), payments to suppliers, or other critical business expenses as approved by the Program Administrator.

Non-Profit Assistance

The purpose of the Northfield Nonprofit Relief Grant Program (“Program”) is to provide temporary financial support to nonprofits adversely impacted by the COVID- 19 pandemic and the COVID-19 peacetime emergency. The goal of the Program is to help nonprofits through the current economic crisis, continue to deliver much needed services to the community and retain local jobs.

The City Council is asked to approve up to \$200,000 of the CARES Act federal allocation for emergency nonprofit assistance. If approved, applications will be accepted over the three-week application period. Applications will be selected through a lottery system. Should there be more applications than budgeted; the City reserves the right to evaluate allocated funding for this program. The City of Northfield has designated \$25,000 of total nonprofit assistance funds specifically to organizations who serve minority and low-income populations.

Nonprofits may apply one time for an emergency grant up to \$10,000, based on economic hardship from COVID-19. Funds shall be used exclusively for the following eligible expenses:

- Up to three months of operating expenses, including payroll, rent/lease payments, mortgage payments, utilities (excluding city wastewater, stormwater and water services), payments to suppliers, or other critical business expenses as approved by the Program Administrator.

Alternative Options:

Consider business and non-profit assistance programs and authorize, or delay to a future Council meeting.

Financial Impacts:

The City has received CARES Act funds. Distribution of funds will need to comply with the Act, and aim to help stabilize and stimulate the local economy and provide relief to businesses and households.

- Business Assistance Program - \$300,000
- Non-Profit Assistance Program - \$200,00
 - Total - \$500,000

Tentative Timelines:

September 1 - CARES Act Business and Non-Profit Assistance programs approved.

September 8 - Application period opens for Business and Non-Profit assistance

September 30 - Application window closes at 5:00 pm for Business and Non-Profit Assistance program

October 6 - Business and non-profits will be notified of approval.