



Legislation Text

File #: EDA M2019-001, **Version:** 1

Date: January 24, 2019

To: Members of the Economic Development Authority

From: Nate Carlson, Economic Development Coordinator

Micro-Grant Application (Groundwire Coffee, LLC)

Summary and Action Requested:

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

Background:

Groundwire Coffee Roasters, LLC is requesting a \$5,000 Micro-Grant from the Clement Shearer EDA Micro-Grant Program. The owner, Cody Larson, has provided an application for the funds, which can be found attached to this report. Mr. Larson 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 Cody worked to refine the project and complete the application to EDA Board standards. This application was provided to staff on January 3. Staff has reviewed the Micro-Grant application thoroughly.

Groundwire Coffee has been in operation since December of 2014 located at 618 Division Street, Northfield, MN. The business specializes in wholesale coffee roasting and providing a rotating selection of in-season, specialty coffees to area businesses.

At this time, Cody has identified a business expansion opportunity. Still maintaining the roasting part of the business, Cody is working to open a coffee bar at 300 Division Street. "Townfolk," the shop's new name, will feature locally made pastries and their roasted coffee. Groundwire is collaborating with Martha's Treats and Brick Oven Bakery to offer locally crafted pastries and treats. The business is seeking assistance from the EDA for the buildout, equipment and rent costs with the Micro-Grant. Two to three employees will also staff the coffee bar during the hours of 7:00 am to 7:00 pm all days of the week. The coffee bar has an anticipated opening date of spring 2019.

Here is the breakdown of costs associated with Groundwire Coffee's expansion:

Construction of Coffee bar:	\$8,000
Building modifications:	\$14,000
New equipment costs:	\$17,000
Utilities during buildout:	\$4,000
Total Project:	\$60,000

The EDA Loan Sub-Committee met on January 11 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 Sub-Committee recommends granting Groundwire Coffee, LLC \$5,000 for the purpose of EDA assistance with business expansion related to opening a retail operation at 300 Division Street.”

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 Groundwire Coffee, LLC for expansion of the business.