

Saint Paul Bridge Fund for Small Businesses

Guidelines

3/26/2020

Program Overview:

Provide emergency assistance for small businesses in the City of Saint Paul that are most impacted by the Governor's Emergency Executive Orders in response to the COVID-19 outbreak.

Program Goals:

Sustain Saint Paul's existing small, retail business community and commercial corridors by bridging immediate business financial needs to support the retention of small businesses, employees, good jobs, and existing wages and benefits for businesses impacted by COVID-19.

Grant Structure:

One-time working capital grants of \$7,500 for qualified small businesses to use for any business expenses such as rent, mortgage payments, utilities, payroll, earned sick and safe time relief to employees, accounts payable, or other immediate business expenses.

Grants are dependent on program guidelines and availability of funding.

Eligibility:

To be eligible for an Emergency Business Relief Grant, a small business must meet **all** of the following criteria:

- The business must be a for-profit business in the City of Saint Paul that serves the general public.
- The business must be a legal entity registered with the Minnesota Secretary of State.
- The business must have had at least one, and no more than 20, Full Time Equivalent (FTE) employees prior to the issuance of the State of Minnesota Emergency Executive Order 20-04 (March 16, 2020).
 - If a sole-proprietorship, the business must be the sole or main source of income for the owner.
- The business has less than \$2M in annual gross revenue.
- The business has a physical establishment within the City of Saint Paul and has operated and conducted business within the City of Saint Paul for at least six months.
- The business operations are primarily retail-oriented.

- The business must be independently owned, and not a chain or franchise, with four or fewer locations within the City of Saint Paul.
- The business was ordered to close or had to significantly reduce its business by a State of Minnesota Emergency Executive Order in 2020.

The following businesses are **not** eligible for this grant program:

- Commercial or residential real-estate businesses.
- Subsidiaries or affiliates of a business dominant in its field (chain or franchise businesses).
- Businesses that can conduct all or most of its business operations remotely.
- Independent consultants.
- Residential-based businesses.
- Businesses whose primary source of revenue is from business-to-business transactions.

A business or business owner that has more than one operating location in the City of Saint Paul can apply for each location individually, so long as each location meets the criteria above. Documentation will need to be provided for each location of ownership or control in the form of real estate records, lease, or other way to prove site control.

Eligibility will be determined without regard to business owner's citizenship status.

Application Process:

The application will open on April 8, 2020. Applications will be evaluated on a rolling basis starting April 19, 2020:

1. Apply online. Or mail a hard copy to City of Saint Paul, Department of Planning and Economic Development, ATTN: Bridge Fund for Small Businesses, 25 West Fourth Street, Saint Paul, MN 55102, Suite 1300
2. Application requirements will involve providing:
 - Basic details about the business.
 - A narrative description and calculation of the negative impact on the business due to COVID-19.
 - Information on current operations including whether the business closed or providing reduced services.
 - Information on the intended use of the grant funds.
 - A narrative description of the current plans for reopening following the COVID-19 crisis.
 - Supporting documentation and application attachments.
3. A staff committee will review application for eligibility. Staff may request additional information or documentation.

4. Final approval will be made by the Executive Director of the Housing and Redevelopment Authority or their designee.

Funds will be distributed on a first-come, first-served basis. Applications will be accepted until May 15th or when funds are fully-committed.

If applications received by April 19, 2020 exceed funding available, qualified applicants will be selected through a random lottery process.

Funding Process:

If application is approved and funds are available, businesses will be notified within 10 business days and provided with an electronic grant agreement for signatures.

Upon full execution of the signed grant agreement to the City, payment will be made in approximately 10 business days and a check for the full amount of the grant award mailed to the business address registered with the Minnesota Secretary of State.

Origination, application, and any other applicable fees under HRA policy will be waived.

Small businesses receiving funds must commit to using the funds for basic business expenses, and agree to document and report specific uses of the funds, as well as the economic impact of the grant program, including, but not limited to, employees retained or rehired, and sales.

Definitions:

For the purposes of this program, any references to these terms shall have the following meaning:

Small Business

"Small business" means a business entity organized for profit, including but not limited to any individual, partnership, corporation, joint venture, association or cooperative, which entity:

- (1) is not an affiliate or subsidiary of a business dominant in its field of operation; and
- (2) has 20 or fewer full time equivalent (FTE) employees; and
- (3) in the preceding fiscal year has not had more than the equivalent of \$2,000,000 in annual gross revenues.

Full Time Equivalent Employee

A full-time equivalent employee is an employee who worked at least 40 hours per week. On an annual basis, a Full-Time Equivalent is considered 2,080 hours.

Follow-Up and Additional Resources:

For businesses needing additional resources such as technical assistance, larger working capital loans, or others, staff will provide ongoing assistance to businesses of all sizes and types,

working with partners and other levels of government to access resources as they become available, such as SBA and State of Minnesota DEED loans.

Staff will conduct a check-in with grant recipients within one year of the distribution of funds to learn the effect of the grant and business outcomes and whether they match the program's desired outcomes of business and/or job retention.

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