



MEMORANDUM

DATE: September 1, 2020

To: Honorable Mayor & City Council

CC: Dave Bennett, Director of Public Works/City Engineer; Monte Nelson, Police Chief; Mitzi Baker, Community Development Director; Deb Little, City Clerk; Michelle Mahowald, Communications & Human Resources Director; Teresa Jensen, Director of Library and Information Technology Resources; Chris Hood, City Attorney

From: Ben Martig, City Administrator

RE: "Supplemental Agenda Background Memo" for September 1, 2020 No. 1.

Summary Report:

The following is an update on agenda items as supplemental background agenda information made available for Tuesday, September 1, 2020.

Approval of Agenda

City Administrator Ben Martig and Mayor Pownell are recommending moving the two sets of City Council Meeting Minutes listed below to the consent agenda. If there are proposed changes they can always be requested to be removed for separate discussion. This change is being proposed related to trying some changes to our meeting procedures in an effort of meeting efficiency and effectiveness during our remote meetings in the current COVID-19 format:

- Item No. 2- August 4, 2020 City Council Meeting Minutes.
- Item No. 3-August 18, 2020 City Council Work Session Meeting Minutes.

In addition to moving these items to the consent agenda, we also are proposing the following procedural items for this meeting on a trial basis for potential future action to temporarily suspend rules at an upcoming meeting:

- President Pro-Tem Grabau would be ready to make motions with a second by Past President Pro Tem Ness for non-regular agenda items (approval of agenda, approval of minutes, consent agenda, adjournment). The intent would be to move items along to bring forward for discussion and action.
- Limit City Councilor Comments to three minutes the first time on comments then two minutes a second time if someone needed a second comment period. Staff will be assisting to time these and provide an indication when the time has ended.

If any City Councilors have concerns with these please let the City Administrator and Mayor know as soon as possible as we prepare for the meeting.

Item No. 14 Resolution 2020-078 – Consider Resolution Approving CARES Act Funding for Business and Non Profit Assistance

Please see attached updated documents for this item.

Resolution 2020-078 has been updated to include the approval of a grant agreement template document. The City Attorney has drafted this template grant agreement for staff to utilize when executing grant awards. The Resolution also delegates the signatory authority to City Administrator for executing grant agreements to those approved for awards per the selection process.

City Administrator Martig is working on additional background information for possible consideration of other funding distribution at the meeting or at an upcoming meeting.

**CITY OF NORTHFIELD, MINNESOTA
CITY COUNCIL RESOLUTION 2020-078
AUTHORIZING FEDERAL CARES ACT FUNDING & RELATED BUDGET
AMENDMENT FOR AUTHORIZED EXPENDITURES**

WHEREAS, the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, passed on March 27th, provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of the COVID-19 pandemic; and

WHEREAS, Section 5001 of the CARES Act established the \$150 billion Coronavirus Relief Fund (“CRF”), providing payments to state, local, and tribal governments navigating the impact of the COVID-19 pandemic; and

WHEREAS, on June 26, 2020, the Minnesota Legislative Advisory Commission approved Governor Walz’s request to formally allocate state-received CRF funds to counties, cities, and townships in the State of Minnesota (“State”); and

WHEREAS, the City of Northfield (“City”) has received \$1,538,900 in CRF funds from the State; and

WHEREAS, the CARES Act sets criteria that expenses must meet to be eligible for CRF funding reimbursement, and the Federal Treasury’s Coronavirus Relief Fund Guidance (“Treasury Guidance”) and Section 601(3) of the Social Security Act further outline allowable uses of CARES Act funds; and

WHEREAS, the Treasury Guidance permits local governments to transfer CARES Act funds to small businesses and non-profit entities, so long as such distribution qualifies as an eligible expense; and

WHEREAS, pursuant to the CARES Act and Treasury Guidance, the City Council has considered how to use its CARES Act funds in a manner that complies with each of the following requirements:

1. CARES Act funds shall be used to meet necessary expenditures incurred due to the COVID-19 public health emergency; an expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending CRF payments; expenditures must be used for actions taken to respond to the public health emergency, including expenditures incurred to respond directly to the emergency, as well as expenditures incurred to respond to second order effects, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures;
2. CARES Act funds shall be used to meet costs not accounted for in the city’s budget most recently approved as of March 27, 2020;
3. CARES Act funds must not be used to cover an expense for which funding has already been received from an alternative Federal or State program;

4. Performance or delivery must occur during the covered period, but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred); for cities, the covered period is March 1, 2020, to Nov. 15, 2020; and

WHEREAS, the City has determined that it is in the best interests of the City, and in compliance with the CARES Act, Treasury Guidance, and guidance promulgated by the State, to allocate a portion of the City's CARES Act funds to small businesses and non-profit entities for eligible purposes; and

WHEREAS, the City has further determined that it is in the best interests of the City, and in compliance with the CARES Act, Treasury Guidance, and guidance promulgated by the State, to demarcate a portion of the CARES Act funds to support local small business and non-profit entities adversely impacted by the COVID-19 pandemic; and

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL, that the City of Northfield City Council hereby approves the Northfield Small Business Relief Grant Program and authorizes a budget amendment of \$300,000 including expenditures to fund said program. The Northfield Small Business Relief Grant Program policy guidelines is hereby approved and attached as Exhibit A.

BE IT FURTHER REOLVED, that the City Council of the City of Northfield, Minnesota authorizes a budget amendment of \$200,000 including expenditures to fund the Northfield Nonprofit Relief Grant Program to provide temporary financial support to nonprofits adversely impacted by the COVID- 19 pandemic and the COVID-19 peacetime emergency. The Northfield Nonprofit Relief Grant Program policy guideline is hereby approved and attached as Exhibit B.

BE IT FURTHER RESOLVED that the City of Northfield City Council hereby approves the City of Northfield CARES Small Business/Non-Profit Grant Agreement attached as Exhibit C and authorizes and delegates to the appropriate City representatives, including the City Administrator or such other authorized representatives designated by the City Administrator or his successor, the authority to execute grant agreements with eligible businesses and non-profits pursuant to those parameters for grant funding set forth in the policy guidelines, attached hereto as Exhibits A and Exhibit B, respectively. The foregoing authorization shall remain in effect for the period of the grant programs and shall automatically terminate on December 1, 2020.

BE IT FURTHER REOLVED, that any and all distribution, transfer, or use of City CARES Act funds may only occur so long as such distribution, transfer, or use authorized only insofar as such distribution, transfer, or use is made in compliance with the CARES Act and guidance issued by the Treasury Department and/or State.

PASSED by the City Council of the City of Northfield on this 1st day of September 2020.

ATTEST

City Clerk

Mayor

VOTE: ___ POWNELL ___ GRABAU ___ DELONG ___ NAKASIAN
 ___ NESS ___ PETERSON WHITE ___ ZWEIFEL

EXHIBIT A

NORTHFIELD SMALL BUSINESS RELIEF GRANT PROGRAM POLICY



City Hall | 801 Washington Street | Northfield, Minnesota 55057

Northfield Small Business Relief Program CARES Act Grants

Updated August 28, 2020

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.

The City of Northfield has designated \$250,000 of the CARES Act federal allocation for emergency business assistance. 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 \$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/>

The Program shall be administered by the Community Development Department. The Community Development Department will work with business resource providers and economic development partners to provide outreach to Northfield businesses. Should business owners have questions or require assistance completing the online application, please contact the Program Administrator, Nate Carlson at 507-645-3069 or via email at nate.carlson@ci.northfield.mn.us.

These program guidelines adhere to federal rules and regulations associated with the CARES Act and were adopted by City Council on September 1, 2020 via Council Resolution 2020-XXX, which authorizes the City Administrator to approve disbursement of awards. The City of Northfield reserves the right to revise these guidelines as needed.

Terms

- 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.

Eligible Businesses

Businesses must meet all the following criteria as of March 1, 2020 to be eligible:

- Have equivalent of fifty (50) full-time (or equivalent) or fewer employees
- Be locally owned and operated organization with a physical, location, whether owned or leased, located in corporate city limits of Northfield.
- If a franchise, owner must live within the corporate city limits of Northfield
- Be majority owned by a permanent resident of Minnesota
- Be in good standing with the Minnesota Secretary of State and the Minnesota Department of Revenue
- Be in good standing with the City of Northfield
- Demonstrate the business was adversely affected by Executive Orders related to COVID-19 business restrictions
- Demonstrate financial hardship as a result of the COVID-19 outbreak

For business applying for the funds designated for Minority-Owned businesses, the City classifies a Minority-owned business as defined by the National Minority Supplier Development Council (NMSDC) <https://nmsdc.org/mbes/what-is-an-mbe/>

Ineligible Businesses

- Businesses that do not have a physical address in corporate city limits of Northfield
- Home based businesses & non-profits (except for licensed childcare providers)
- Corporate chains, multi-state chains
- Businesses that derive any income from adult-oriented uses
- Businesses in default conditions prior to March 1, 2020
- Businesses deriving income from passive investments without operational ties to operating businesses
- Businesses primarily focusing on speculative activities based on fluctuations in price rather than the normal course of trade
- Businesses earning more than half of its annual net revenue from lending
- Businesses engaging in pyramid sales, where a participant's primary incentive is based on the sales of an ever-increasing number of participants
- Businesses engaging in activities prohibited by federal law or applicable law in the local jurisdiction of the business
- Businesses engaging in gambling enterprises, unless the business earns less than 50% of its annual net revenue from lottery sales

Businesses that have applied for and/or were awarded any COVID-related federal funding, such as the Small Business Administration (SBA) Economic Injury Disaster Loan (EIDL) or Paycheck Protection Program (PPP) are eligible for this grant. However, businesses that have not received these incentives will have higher priority.

To serve as many businesses as possible, duplication of state and local COVID-related emergency funds is not allowed. Businesses that have been awarded or have received COVID-related emergency funds through the State of Minnesota from either the Small Business Emergency Loan (SBEL) or DEED Small Business Relief Grant Program are ineligible for this grant.

Application Process

- Applications will be accepted beginning **Thursday, September 3rd through Wednesday, September 23rd**.
- Application link is posted in English and Spanish online at:
- All applicants will be notified by email on or before Wednesday, September 30th if they received an award
- Upon notice of an approved application, the following documentation must be provided to the Program Administrator within **five business days**:
 - **Revenue verification.** 2019 Federal Business Tax return or appropriate business tax schedule – based on entity type.
 - Businesses that have not yet completed a 2019 Federal Return are eligible to apply and substitute other documentation of revenue, and will need to provide their 2019 Federal Return when completed
 - **Impact and loss of revenue verification.** Evidence of negative impact and loss of revenue due to COVID-19 pandemic and peacetime emergency. Applicant should submit documentation that best demonstrates the impact and is deemed acceptable to Program Administrator.
 - Examples of acceptable documentation include: Sales Tax Reporting; monthly profit and loss statements; comparable point of sales, cash register reports, merchant statements or other sales records
 - **Employee verification.** Evidence of employment prior to March 1, 2020. Acceptable documentation may include: company's 2019 federal form W3; 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.
 - **Evidence of eligible expenses that occurred since March 27, 2020,** (e.g. rent/lease agreement, utility statements, supplier invoices, payroll, tax payments, payments to suppliers, etc.). Provide documentation that expenses total or exceed the amount requested in application
- Failure to submit required documentation will result in forfeiture of grant award.
- Upon notice review and acceptance of additional documentation, the business will enter into a grant agreement with the City of Northfield.
- Terms will be included in the grant agreement, including the reporting requirement to provide information to the City 90 days after execution of grant on status of business and actual use of grant funds.

Questions

Nate Carlson, Economic Development Coordinator
507-645-3069
Nate.carlson@ci.northfield.mn.us

Mitzi Baker, Community Development Director
507-645-3005
Mitzi.baker@ci.northfield.mn.us



Northfield Small Business Relief Program CARES Act Grants

Tennessee Warning Notice

Per Minnesota Statutes, section 13.04, subdivision 2, we are requesting information from you to determine if you are eligible for assistance from the City of Northfield (City). You do not have to provide the requested information, but failure to do so will result in the City's inability to determine your eligibility for assistance. Your information will not be shared without your consent unless the law allows it or required by a court order.

Disclosures*

Check all that apply, if Applicant is unable to check all the following - Applicant is not an Eligible Entity.

- I certify my business is not a home-based business (except for licensed in-home childcare providers)
- I certify my business is not a non-profit
- I certify my business is not a corporate chain or multi-state chain
- I certify my business was not in default conditions prior to March 1, 2020
- I certify my business does not primarily derive income from gambling
- I certify my business does not derive income from passive investments; business-to-business transactions; real estate transactions; property rentals or property management; billboards; or lobbying

Applicant Contact Information

1. Applicant Contact Name*
2. Applicant Title*
3. Name of Business*
4. Business Address*

-
5. Contact Phone Number*
6. Contact Email Address*
7. Contact Address (if different than business)
8. Preferred Contact for Any/All Grant Application Questions, Ineligibility Notification, or Grant Award*

Application Information

9. Type of Business*
- Retail
 - Service
 - Manufacturing
 - Construction
 - Other
10. Number of Employees*

(Full-Time Equivalent = 2,080 hours annually)
Number of Employees must be at least one (1) W-2 eligible employee in addition to the owner as of March 1, 2020. 1099 eligible employees will be considered for daycare providers ONLY.
11. Date of Business Incorporation*

(Month, Year)
12. Is Applicant a locally owned and operated for-profit business with a physical establishment within City of Northfield city limits?*
-
13. Is Applicant a Minority-Owned business as defined by the National Minority Supplier Development Council (NMSDC). <https://nmsdc.org/mbes/what-is-an-mbe/>
-
14. Are you in good standing with the Minnesota Secretary of State's Office?*
-
15. Secretary of State's Office Registration Number*

If not applicable please note N/A
16. Are you current on property taxes as of July 15, 2020 (if applicable)?*

17. Estimated March - June 2019 Business Revenue*

18. Estimated March - June 2020 Business Revenue*

Information required to demonstrate loss of revenue as a result of COVID-19.

19. Grant Amount Requested*

20. If your business did not experience a loss in revenue but has still been affected by the COVID-19 Pandemic, please explain.

Additional Information

21. Briefly describe how your business has been impacted by the COVID-19 Pandemic an/or related Executive Orders.*

22. Current status of your business?*

- Fully open for business and/or operating online
- Open but with reduced hours
- Reduced operations and/or operating online
- Closed to public but still operating onsite, online, or remotely
- Completely closed
- Other

23. If awarded grant funding, how would you use the funds?*

Eligible expenses include: Payroll, Rent Payments, Mortgage Payments, Utilities, Payments to Suppliers, Costs Associated with Reopening, and/or Other critical business expenses as approved by CED and which are consistent with the intent of the Program

24. Has your business received COVID-19 relief funding from other agencies (i.e., State of Minnesota, Rice County, etc)?*

- Yes

No

25. Acknowledgments*

- I certify that all statements on this application are true and correct to the best of my knowledge. I understand any intentional misstatements will be grounds for disqualification.
- I certify I have read the City of Northfield's CARES Act Small Business Relief Grant Policy and will abide by the rules and regulations set forth in the policy adopted on **July 14, 2020**.
- I authorize the program representatives to coordinate with other agencies (i.e., Rice County, State of Minnesota, Department of Employment and Economic Development) regarding application information.
- I understand that if awarded funds, I will be required to provide additional information to verify self-reported information related to this application.

EXHIBIT B

NORTHFIELD NON-PROFIT RELIEF GRANT PROGRAM POLICY



City Hall | 801 Washington Street | Northfield, Minnesota 55057

Northfield Nonprofit Relief Program CARES Act Grants

Updated August 24, 2020

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 of Northfield has designated \$100,000 of the CARES Act federal allocation for emergency nonprofit assistance. 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.

The Program shall be administered by the Community Development Department. Should nonprofits have questions or require assistance completing the online application, please contact the Program Administrator, Nate Carlson at 507-645-3069 or via email at nate.carlson@ci.northfield.mn.us.

These program guidelines adhere to federal rules and regulations associated with the CARES Act and were adopted by City Council on September 1, 2020 via Council Resolution **2020-XXX**, which authorizes the City Administrator to approve disbursement of awards. The City of Northfield reserves the right to revise these guidelines as needed.

Terms

- 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:
 - 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 incurred between March 27, 2020 – November 15, 2020.

Eligible Nonprofits

Nonprofits must meet all the following criteria as of March 1, 2020 to be eligible:

- Have equivalent of fifty (50) full-time (or equivalent) or fewer employees
- Organization has a physical, location, whether owned or leased, located in corporate city limits of Northfield.
- Be in good standing with the Minnesota Secretary of State and the Minnesota Department of Revenue
- Be in good standing with the City of Northfield
- Demonstrate the nonprofit was adversely affected by Executive Orders related to COVID-19 business restrictions
- Demonstrate financial hardship as a result of the COVID-19 outbreak

Ineligible Nonprofits

- Religious organizations (for religious purposes)
- Lobbying groups and political organizations
- Organizations that restrict activity based on ethnicity, gender, orientation, or ability.

Application Process

- Applications will be accepted beginning **Thursday, September 3rd through Wednesday, September 23rd**.
- Application link is posted in English and Spanish online at: [REDACTED]
- All applicants will be notified by email on or before **Wednesday, September 30th** if they received an award
- Upon notice of an approved application, the following documentation must be provided to the Program Administrator within **five business days**:
 - A copy of the IRS Nonprofit determination letter.
 - **Revenue verification.** The most recent federal 990 tax return filed by the nonprofit (first six pages are sufficient).
 - **Impact and loss of revenue verification.** Evidence of negative impact and loss of revenue due to COVID-19 pandemic and peacetime emergency. Applicant should submit documentation that best demonstrates the impact and is deemed acceptable to Program Administrator.
 - Examples of acceptable documentation include: Sales Tax Reporting; monthly profit and loss statements; comparable point of sales, cash register reports, merchant statements or other sales records
 - **Employee verification.** Evidence of employment prior to March 1, 2020. Acceptable documentation may include: company's 2019 federal form W3; 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.

- **Evidence of eligible expenses that occurred in since March 27, 2020** (e.g. rent/lease agreement, utility statements, supplier invoices, payroll, tax payments, payments to suppliers, etc.). Provide documentation that expenses total or exceed the amount requested in application
- Failure to submit required documentation will result in forfeiture of grant award.
- Upon notice review and acceptance of additional documentation, the nonprofit will enter into a grant agreement with the City of Northfield.
- Terms will be included in the grant agreement, including the reporting requirement to provide information to the City 90 days after execution of grant on status of nonprofit and actual use of grant funds.

Questions

Nate Carlson, Economic Development Coordinator
507-645-3069
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Mitzi Baker, Community Development Director
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Northfield Nonprofit Relief Program

CARES Act Grants

Tennessee Warning Notice

Per Minnesota Statutes, section 13.04, subdivision 2, we are requesting information from you to determine if you are eligible for assistance from the City of Northfield (City). You do not have to provide the requested information, but failure to do so will result in the City's inability to determine your eligibility for assistance. Your information will not be shared without your consent unless the law allows it or required by a court order.

Disclosures*

Applicant Contact Information

1. Applicant Contact Name*
2. Applicant Title*
3. Name of Nonprofit*
4. Nonprofit Address*
5. Contact Phone Number*
6. Contact Email Address*
7. Contact Address (if different than nonprofit)
8. Preferred Contact for Any/All Grant Application Questions, Ineligibility Notification, or Grant Award*

Application Information

9. Type of Nonprofit

- a) 501 c(3)
- b) 501 c(6)

10. Federal Tax ID #

11. Purpose or mission of the organization

12. Number of Employees*

(Full-Time Equivalent = 2,080 hours annually)

Number of Employees must be at least one (1) W-2 eligible employee in addition to the owner as of March 1, 2020. 1099 eligible employees will be considered for daycare providers ONLY.

13. Date of Nonprofit Incorporation*

(Month, Year)

14. Is Applicant a locally owned and operated nonprofit with a physical establishment within City of Northfield city limits?*

15. Are you in good standing with the Minnesota Secretary of State's Office?*

16. Secretary of State's Office Registration Number*

Financial Information

17. Amount of Funds Requested

Northfield Nonprofit CARES Grant Program
Approved: xx

18. Are the funds being requested (check all that apply)*

- Nonbudgeted expenses
- Necessary because of COVID -19
- Spent by November 15, 2020

19. Estimated March - June 2019 Nonprofit Revenue*

20. Estimated March - June 2020 Nonprofit Revenue*

Information required to demonstrate loss of revenue as a result of COVID-19.

21. If your organization did not experience a loss in revenue but has still been affected by the COVID-19 Pandemic, please explain.

Additional Information

22. Briefly describe how your organization has been impacted by the COVID-19 Pandemic an/or related Executive Orders.*

23. Does your organization serve minority and/or low income populations?

24. Current status of your organization?*

- Fully open and/or operating online with full level of service.
- Open but with reduced hours
- Reduced operations and/or operating online
- Closed to public but still operating onsite, online, or remotely
- Completely closed
- Other

25. If awarded grant funding, how would you use the funds?*



Eligible expenses include: Payroll, Rent Payments, Mortgage Payments, Utilities, Payments to Suppliers, Costs Associated with Reopening, and/or Other critical business expenses as approved by CED and which are consistent with the intent of the Program

26. Has your organization received COVID-19 relief funding from other agencies (i.e., State of Minnesota, Rice County, etc)?*

- Yes
- No

IF yes please explain?



27. Acknowledgments*

- I certify that all statements on this application are true and correct to the best of my knowledge. I understand any intentional misstatements will be grounds for disqualification.
- I certify I have read the City of Northfield's CARES Act Nonprofit Relief Grant Policy and will abide by the rules and regulations set forth in the policy adopted on **DATE, 2020**.
- I authorize the program representatives to coordinate with other agencies (i.e., Rice County, State of Minnesota, Department of Employment and Economic Development) regarding application information.

I understand that if awarded funds, I will be required to provide additional information to verify self-reported information related to this application.

Northfield Nonprofit CARES Grant Program
Approved: xx

EXHIBIT C

NORTHFIELD CARES SMALL BUSIENSS/NON-PROFIT GRANT AGREEMENT

**CITY OF NORTHFIELD CARES SMALL BUSINESS/NON-PROFIT
GRANT**

This Grant Agreement (the "Agreement") is made this _____, 2020, between City of Northfield (the "City" or "Grantor"), a municipal corporation under the laws of the State of Minnesota, and _____, a _____ under the laws of the State of _____ (the "Grantee"); (collectively the "parties").

RECITALS

WHEREAS, the City of Northfield CARES Small Business Grant (the "Grant") offers emergency relief in an amount not to exceed \$10,000 to eligible small businesses facing serious financial loss due to the COVID-19 pandemic; and

WHEREAS, the goal of the Grant is to provide temporary financial relief to those businesses and non-profit entities within the City directly impacted by the pandemic through closures and/or modifications to their operations resulting in loss of revenues and/or financial hardship; and

WHEREAS, the Grant is supported by funds from the federal Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") designated by Congress to go to local governments to meet urgent financial needs within their communities; and

WHEREAS, small businesses in the City, particularly businesses that have been directly affected by state and local business closure orders, have suffered significant, temporary loss of revenue, job losses, and other financial strains directly related to the COVID-19 pandemic; and

WHEREAS, the guidance issued by the United States Department of the Treasury (the "Treasury Department") provides that a local government may use CARES Act funds to pay for expenses associated with the provision of economic support in connection with the COVID-19 public health emergency/pandemic, including but not limited to, expenditures related to the provision of grants to small businesses and non-profit entities located within the jurisdiction of the local government entity in order to reimburse the costs of business interruption caused by required business closures and/or business modifications due to the pandemic; and

WHEREAS, CARES Act funds can be used to reimburse the costs of business interruption caused by required closures, voluntary closures to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency/pandemic, and can be used for business expenses, such as mortgage, rent, utility bills, and other costs; and

WHEREAS, the Grant may be considered taxable income to the Grantee, and therefore, the Grantee is solely responsible for consulting with its tax professional and/or legal counsel regarding any taxing consequences related to receipt, use, disbursement or otherwise associated with the Grant received by the Grantee; and

WHEREAS, the Grantee has applied to the City for a Grant, and the City has determined that the Grantee is eligible to receive the Grant funds; and

WHEREAS, City Council Resolution No. 2020-_____ authorized the disbursement of Grants to eligible Grantees through this grant agreement in an amount to be approved and executed by the City Administrator and Community Development Staff.

NOW, THEREFORE, IN CONSIDERATION OF the mutual undertakings set forth herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

Article 1. Eligibility Requirements

Grantee hereby represents and warrants as follows:

1. Grantee has suffered lost revenue and/or incurred additional business expenses since March 1, 2020 directly related to Grantee responding to the COVID-19 public health emergency/pandemic.
2. Grantee has demonstrated to Grantor, based upon that certain information/documentation provided to and satisfactory to Grantor, in Grantee's application for Grant funds, specific financial hardship in an amount equal to or exceeding the Grant amount contained in this Agreement from demonstratable business interruption caused by required closures, voluntary closures, business reduction, or increased cost of business operations resulting directly from COVID-19 public health emergency/pandemic.
3. Grantee is locally owned and operated:
 - a. Grantee is not a publicly traded company;
 - b. Grantee is majority owned by a permanent resident of Minnesota;
 - i. If a franchise, owner must live within the corporate City limits; and
 - c. Grantee's physical location, whether owned or leased, is within the boundaries of the City.
4. Grantee has been operating since at least March 1, 2020.
5. Grantee expects to be operational after the state and local emergency guidelines are rolled back and hereby pledges in good faith to remain in business for at least six (6) months following receipt of Grant funds.
6. Grantee does not have any current or unpaid liens, assessments, charges, fees or taxes otherwise payable to the City and/or Rice County, and is not operating in violation of any state, federal or local laws.

7. Grantee is in good standing with the City, the Minnesota Secretary of State, and the Minnesota Department of Revenue.
8. Grantee has employed 50 full-time equivalent employees or less as of February 29, 2020.
9. Grantee has not received financial assistance from insurance or another federal, state, or local assistance program related to the COVID-19 public health emergency/pandemic.
10. Grantee is not:
 - a. A home-based business, except for licensed childcare providers;
 - b. A religious organization using the funds to support religious purposes; or
 - c. A lobbying group or political organization.
11. Grantee does not:
 - a. Restrict activity based on race, ethnicity, gender, sexual orientation, or disability;
 - b. Derive any income from adult, sexually-oriented uses;
 - c. Derive any income from passive investments without operational ties to operating businesses;
 - d. Primarily focused on speculative activities based on fluctuations in price rather than the normal course of trade;
 - e. Earn more than half of its annual net revenue from lending;
 - f. Engage in pyramid sales, where a participant's primary incentive is based on the recruitment of new participants and their sales and recruitments, rather than investments or direct sale of products by the participant;
 - g. Engage in gambling enterprises, unless the business earns less than 50% of its annual net revenue from lottery sales; and
 - h. Engage in activities prohibited by federal, state, or local law.

Article 2. Grant Funds

1. Subject to and based upon the terms and conditions of this Agreement, the City agrees to provide the Grantee with a Grant in the amount of \$_____.
2. The funds will only be used to reimburse the business for eligible CARES Act costs, as defined herein. Eligible costs are limited to the following:
 - a. 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; and
 - b. Incurred during the period beginning on March 1, 2020, and ending on December 1, 2020; and

- c. Not otherwise covered by insurance or other federal, state, or local assistance programs.
3. The Grant funds will be used by Grantee to pay only eligible expenses and costs to reimburse the Grantee for business interruption caused by required closures, including but not limited to, mortgage, rent, certain utility bills, and other COVID-19 related costs.
4. The Grant funds will not be used by the Grantee in any manner contrary to federal, state, or local guidance, including but not limited to the CARES Act and/or this Agreement.
5. The Grantee bears full responsibility for any and all legal and tax consequences of receiving Grant funds, including, but not limited to, issuance of a 1099 by the City.

Article 3. Disbursement

1. Grant funds will be disbursed upon approval and full execution of this Agreement by the City and Grantee.
2. In no event shall the City's financial responsibility exceed the approved amount, set forth above.

Article 4. Termination

1. The City may cancel this Agreement at any time upon discovery that any of the information set forth in the Grantee's application is inaccurate or has been misrepresented, or that any provision of the Small Business Assistance Grant Program or any terms and conditions of this Agreement have been violated.
2. Upon termination based upon misrepresentation, inaccuracy, noncompliance or violation as provided in this Article, the amount paid to the Grantee shall be repaid by the Grantee to the Grantor within 30 days of written notification from Grantor to Grantee.

Article 5. Data Practices.

1. The parties acknowledge that this Agreement is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 et seq.
2. The information that you supply in your application to the City will be used to assess your eligibility for financial assistance. The Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, governs whether the information that you are providing to the City is public or private or nonpublic data.
3. The City or its agents shall be entitled to access and audit Grantee records as may be necessary to prevent fraud or ensure compliance with City, County, State, and Federal requirements as well as this Agreement.

4. Pursuant to Minn. Stat. § 16C.05, subd. 5, Grantee agrees that the City, State Auditor, or any of their duly authorized representatives at any time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of Grantee and involve transactions relating to this Agreement. Grantee agrees to maintain these records for a period of six years from the date of termination of this Agreement.

Article 6. Indemnification

1. Grantee shall indemnify, save, defend, and hold harmless the City, its officials, officers, employees, agents, and staff, against any claim, injury, liability, loss, cost, including reasonable attorney's fees, or suit arising from or alleged to arise from this Agreement and/or the receipt, disbursement or use of CARES Act Grant funds by Grantee.
2. The indemnification provision of this Article shall not apply to damages or other losses proximately caused by or resulting from the negligence or willful misconduct of the City. All indemnification obligations shall survive termination, expiration or cancellation of this Agreement. Grantee agrees, that in order to protect itself and the City under the indemnity provisions set forth above, it will at all times during the term of this Agreement keep in force policies of insurance covering said liability. Nothing in this Agreement shall be construed to waive any immunities or limitations to which the City is entitled under Minn. Stat. Chapter 466 or otherwise.

Article 7. Miscellaneous

1. Recitals. The Recitals set forth in the preamble to this Agreement and the Exhibits attached to this Agreement are incorporated into this Agreement as if fully set forth herein.
2. Voluntary and Knowing Action. The parties, by executing this Agreement, state that they have carefully read this Agreement and understand fully the contents hereof; that in executing this Agreement they voluntarily accept all terms described in this Agreement without duress, coercion, undue influence, or otherwise, and that they intend to be legally bound hereby.
3. Authorized Signatories. The parties each represent and warrant to the other that (1) the persons signing this Agreement are authorized signatories for the entities represented, and (2) no further approvals, actions or ratifications are needed for the full enforceability of this Agreement against it; each party indemnifies and holds the other harmless against any breach of the foregoing representation and warranty.
4. Assignment. This Agreement may not be assigned by either party without the written consent of the other party.

5. **Modifications/Amendment.** Any alterations, variations, modifications, amendments or waivers of the provisions of this Agreement shall only be valid when they have been reduced to writing and signed by authorized representatives of the parties.
6. **Compliance with Laws.** Grantee shall abide by all Federal, State and local laws, statutes, ordinances, rules and regulations now in effect or hereinafter adopted pertaining to this Agreement or to the facilities, programs and staff for which Grantee is responsible.
7. **Interest by City Officials.** No elected official, officer, or employee of the City shall, during his or her tenure or employment and for one year thereafter, have any interest, direct or indirect, in this Agreement or the proceeds thereof.
8. **Governing Law.** This Agreement shall be deemed to have been made and accepted in Rice County, Minnesota, and the laws of the State of Minnesota shall govern any interpretations or constructions of the Agreement without regard to its choice of law or conflict of laws principles.
9. **No Waiver.** Any party's failure in any one or more instances to insist upon strict performance of any of the terms and conditions of this Agreement or to exercise any right herein conferred shall not be construed as a waiver or relinquishment of that right or of that party's right to assert or rely upon the terms and conditions of this Agreement. Any express waiver of a term of this Agreement shall not be binding and effective unless made in writing and properly executed by the waiving party.
10. **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision. Any invalid or unenforceable provision shall be deemed severed from this Agreement to the extent of its invalidity or unenforceability, and this Agreement shall be construed and enforced as if the Agreement did not contain that particular provision to the extent of its invalidity or unenforceability.
11. **Entire Agreement.** These terms and conditions constitute the entire Agreement between the parties regarding the subject matter hereof. All discussions and negotiations are deemed merged in this Agreement.
12. **Headings and Captions.** Headings and captions contained in this Agreement are for convenience only and are not intended to alter any of the provisions of this Agreement and shall not be used for the interpretation of the validity of the Agreement or any provision hereof.
13. **Survivability.** Except as otherwise provided herein, all covenants, indemnities, guarantees, releases, representations and warranties by any party, and any undischarged obligations of the City and Grantee arising prior to the expiration of this Agreement (whether by completion or earlier termination), shall survive such expiration.

14. Execution. This Agreement may be executed simultaneously in two or more counterparts that, when taken together, shall be deemed an original and constitute one and the same document. The signature of any party to the counterpart shall be deemed a signature to the Agreement, and may be appended to, any other counterpart. Facsimile and email transmissions of executed signature pages shall be deemed as originals and sufficient to bind the executing party.

Article 8. Effective Date

1. This Agreement is effective on the latest date affixed to the signatures below.

[Remainder of page left intentionally blank.]

