



COVID-19 EMERGENCY GRANT PROGRAM POLICY

Adopted Andover EDA: July 21, 2020

Andover Development Authority

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I. INTRODUCTION

Small businesses and non-profits are integral and vital to the economic and social fabric of the City of Andover (City). Accordingly, the Andover Economic Development Authority has determined to offer locally owned and operated businesses and non-profits, within the community, a grant opportunity to address working capital needs upon the declaration of a state of emergency by the State of Minnesota (State) and the City. The COVID-19 Emergency Grant Program is administered by the Andover EDA.

II. PURPOSE AND AUTHORITY

- The purpose of this policy is to establish the Andover EDA's position relating to the use of the COVID-19 Emergency Grant Program. This policy shall be used as a guide in the processing and review of applications requesting grant funds.
- The criteria are to be used in conjunction with other relevant policies of the City and/or Andover EDA.
- The Andover EDA reserves the right to approve or reject projects on a case-by-case basis, taking into consideration factors considered appropriate by the City, in addition to established policies, criteria, and potential benefits. Meeting the criteria does not guarantee a COVID-19 Emergency Grant Program application shall be approved. Approval or denial of an application is at the sole discretion of the Andover EDA.

III. OBJECTIVES

The objective of the COVID-19 Emergency Grant Program is to deploy a local pool of funds to support local small businesses and non-profits in order to ensure viability as they move past the COVID-19 pandemic and seek to re-open or return to pre-pandemic operations. This may be accomplished by some or all of the following means:

- Provide needed finances to small businesses and non-profits within the community which have been negatively affected financially as a direct result of the COVID-19 pandemic;
- Ensure the viability of Andover businesses and non-profits moving past this crisis;
- Limiting the number of job losses as a direct result of the pandemic by assisting small businesses and non-profits in returning to their pre-pandemic employment levels;
- Limiting the number of small businesses and non-profits which would potentially permanently close due to COVID-19 pandemic impacts. Thereby also limiting the total number of potential vacancies in key commercial and industrial areas of the City.

IV. GENERAL CRITERIA

A. ELIGIBLE EXPENDITURES

The COVID-19 Emergency Grant Program is intended for those business that have been directly and adversely affected by the COVID-19 Health Pandemic. The COVID-19 Emergency Grant Program may be used for working capital purposes defined as:

1. Paying fixed debts;
2. Payroll costs;
3. Accounts payable;
4. Utility payments;
5. Inventory costs;
6. Paying other direct business-related bills.

B. INELIGIBLE ACTIVITIES

The COVID-19 Emergency Grant Program may not be used for the following activities:

1. Agriculture (crop or livestock production, etc.);
2. Purchasing of machinery or vehicles;
3. Moving expenses;
4. Land acquisition for speculation;
5. Property taxes;
6. Expenses that would have normally occurred without the COVID-19 Health Pandemic.

C. ELIGIBLE BUSINESS DETAILS

To be eligible to receive a COVID-19 Emergency Grant, a business or non-profit must demonstrate that its operations have been directly and adversely, negatively, affected by the COVID-19 Health Pandemic and/or that it operates in a category named in Executive Orders 20-04 and 20-08. All applicants must meet the following criteria:

1. Have been “in business by March 1, 2020” (Andover EDA shall have authority to determine “been in business”);
2. Be considered an eligible business type, as defined in IV. C of this policy;
3. Have no more than 50 FTE (full-time equivalent) employees at the location address. Special consideration may be given to businesses and non-profits which utilize independent contractors and sole proprietors within their business;

4. The small business or non-profit must have a physical address within the City. Proof of address shall be required when applying;
5. All small business or non-profit applicants must be an allowed use through zoning of the property or be a legally non-conforming use;
6. The small business or non-profit must be a legal entity registered with the Minnesota Secretary of State, and be in good standing;
7. Any applicant must not have delinquent taxes, bills, or charges due to the City from February 1, 2020 or prior.
8. The applicant must demonstrate, through their narrative, that operations will not survive “but-for” a grant opportunity.
9. Applicants are strongly encouraged to claim all applicable private and public insurance and utilize all other sources of applicable assistance available from other private and public sources. Applicants are strongly encouraged to apply for an Economic Injury Disaster Loan through the Small Business Administration (SBA), a Small Business Emergency Loan through the Minnesota Department of Employment and Economic Development (DEED), and for a grant through Anoka County prior to applying for this grant.

D. ELIGIBLE BUSINESS TYPES

Eligible small businesses which may apply for the COVID-19 Emergency Grant Program include businesses which have been deemed non-essential by the State of Minnesota or those which have faced mandated closures per State of Minnesota orders.

The Andover EDA may allow for non-profits to apply to the COVID-19 Emergency Grant Program if they also have been deemed non-essential by the State of Minnesota or which have faced mandated closures per State of Minnesota orders.

E. REQUIRED DOCUMENTS

Application requirements include:

1. Basic details about the business;
2. Basic employment and annual gross revenue information;
3. Information on current operations including whether the business is currently closed or is providing reduced services;
4. Narrative descriptions and estimated calculations of the negative impacts on the business due to COVID-19;
5. Articles of Incorporation, or proof of business existence;
6. Information on the intended use of the grant funds.

F. CONFLICT OF INTEREST

An officer of the City will not have a personal financial interest or personally benefit financially from the business to be assisted. Minn. Stat. 471.87 and 471.88 provide guidance on conflict of interest.

G. GOVERNMENT DATA PRACTICES

Information contained in the application for assistance will become a matter of public record with the exception of those items protected under Minn. Stat. 13.591.

V. PROGRAM GUIDELINES

➤ GRANT AMOUNT

- Actual loss up to \$50,000 (subject to total funds available and number of application submitted).

➤ PROOF OF NEED

- All applicants shall be required to provide proof of financial need for grant funds prior to approval. This includes but is not limited to the previous year's annual gross revenue, average monthly gross revenue prior to COVID-19, and projected monthly gross revenue for the next two months.

➤ PROOF OF EXPENSES

- Applicant shall provide proof of eligible expenses requested to be paid with grant funds (see eligible expenses in IV. A).

➤ DISBURSEMENT OF FUNDS:

- Funds shall be distributed within one to two weeks after a fully executed grant agreement has been received depending on how grant recipients elect to receive funds.

➤ TERMINATION:

- The Andover EDA retains the right to terminate any agreement under the COVID-19 Emergency Grant Program if a grant recipient is found to be in violation of any conditions set forth in the grant guidelines or grant agreement.

- RIGHT TO DENY:
 - The Andover EDA retains the right to deny any application for grant funding.

- GRANT AGREEMENT:
 - Upon a successful grant application being awarded funds, the grant recipient shall enter into a Grant Agreement with the Andover EDA. Funds will not be distributed for any grant award until a grant agreement has been executed by all required parties.

- REPORTING:
 - As a condition for receiving grant funding, all grant recipients are required to submit a brief report to the Andover EDA within 60-days after an executed grant agreement, specifying how the entirety of the grant funds were utilized and providing evidence in the form of paid invoices, statements, or similar documentation.

- FUNDING AVAILABILITY:
 - The COVID-19 Emergency Grant Program has a limited amount of funds available. Awards will be provided after an application deadline and selection process has occurred.

- INDEMNIFICATION:
 - All grant recipients shall be required to indemnify the City, the Andover EDA, and any officers acting on their behalf.

VI. APPLICATION PROCESS

All applications for funding from the COVID-19 Emergency Grant Program will be until 4 pm on August 17, 2020. Applications will be required to be submitted to the Andover EDA (contact information is listed below). Upon submission of an application, Andover EDA Staff will review the application to ensure complete information is provided. If additional information is needed, Staff will request the needed information.

Andover Economic Development Authority
Attn: Jim Dickinson, Executive Director
1685 Crosstown Blvd. N.W.
j.dickinson@andovermn.gov
763.767.5110

VII. APPLICATION TIMELINE

Deadline 4:00 pm on August 17, 2020
Review August 17 to August 27, 2020
Approval Andover EDA Meeting September 1, 2020