



City of Lakeville Small Business Emergency Grant Program Guidelines Second Round

September 2020

To provide emergency assistance to small local businesses in Lakeville adversely impacted by the COVID-19 pandemic, the City of Lakeville Small Business Emergency Grant Program will provide grants of up to \$10,000 to small businesses most in need of support.

Funds will help businesses pay for critical expenses such as payroll, rent, mortgage payments, utility bills, and other operational expenses that have occurred since March 1, 2020. Providing this support will increase the capacity of small businesses with a physical location in Lakeville to survive the current crisis and will help prevent potential future blight scenarios. These grant funds can be used to ensure a business can afford to operate while maintaining the social distancing guidelines for the safety of its employees and customers.

The Grant Program's second round will be administered by the City of Lakeville Community and Economic Development Department. Grant funds will be distributed until the program allocation is exhausted, up to \$300,000. The City Administrator is authorized to approve grant payments directly to businesses that comply with all Second Round Grant Program Guidelines.

Terms

- Up to \$10,000 grant based on economic injury from COVID-19 related eligible expenses.
- Funds can be used for operating expenses, including rent payments, mortgage payments, payroll, utilities, payments to suppliers, or other critical business expenses (including expenses related to reopening and personal protective equipment) as approved by the fund administrator.

Eligible Businesses

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

- Employ the equivalent of 50 or fewer full-time workers
- Be a private for-profit business that has a permanent physical location in Lakeville city boundaries
- Be majority owned by a permanent resident of Minnesota
- Be in good standing with the Minnesota Secretary of State and Minnesota Department of Revenue as of March 1, 2020



- Be in good standing with Dakota County and the City of Lakeville
- Be able to demonstrate financial hardship as a result of the COVID-19 pandemic

Certain businesses are ineligible, including:

- Businesses that do not have a physical address in Lakeville city boundaries
- Home based businesses (except childcare providers)
- Non-profit organizations
- Businesses that derive any income from adult-oriented uses
- Businesses in default conditions prior to February 29, 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 been awarded or have received COVID-related emergency funds through the State of Minnesota Small Business Emergency Loan (SBEL) or other locally funded business relief programs

Due to the limited amount of funding and in order to serve as many businesses as possible, businesses will be ineligible to receive duplicative funds from the City of Lakeville Second Round Small Business Emergency Grant Program AND State of Minnesota or Dakota County or City of Lakeville first round grant funds. Businesses receiving federal relief funds (Paycheck Protection Program, Economic Injury Disaster Loan) are still eligible for the City of Lakeville Small Business Emergency Grant Program but must use City funds for other eligible expenses than those covered by federal funds.

Application Process

- Application Forms will be accepted beginning September 16 through September 30, 2020.
- Application forms can be completed and submitted on lakevillemn.gov.
- If applications exceed the funding available, City of Lakeville Community & Economic Development staff will select grant recipients using a first-come, first-served basis. The



City will notify approved applicants by email within 10 business days of the submittal of a complete application.

- Upon notice of an approved application, applicants will be required to submit the following within 10 business days:
 - 2019 Federal Business Tax Return or appropriate Business Tax Schedule based on entity type.
 - Evidence of revenue loss related to the COVID 19 pandemic. Applicants should submit documentation that best demonstrates the impact and is deemed acceptable to the Community & Economic Development Department. Some examples of acceptable documentation include Sales Tax Reporting, Period Statements from 3rd-party Sales Platforms, Merchant Services Statements, and Point of Sale or Register reports.
 - Evidence of employment prior to March 1, 2020. Acceptable documentation may include 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.
 - Any additional documentation or information deemed necessary by the Community & Economic Development Department to determine eligibility, generate loan documents, disburse loan proceeds, or meet program reporting requirements.
 - Failure to submit required documentation will result in forfeiture of a grant award. Any forfeited grant money will be awarded to the next business application in queue.

Note: The Lakeville City Council reserves the right to revise these guidelines as needed to best address the impact of the current pandemic.