

To: **Mayor and City Council**
Through: **Ryan Schroeder, City Manager**
From: **Charlene Stark, Finance Director**
Date: **September 28, 2020**

Business Subsidy Grant Program: Award Grants

BACKGROUND INFORMATION:

The City of West St. Paul created a Small Business Subsidy Grant program with the City's CARES grant. This grant program was created to help the City's small business cover costs incurred during required closures as well as costs that are necessary to ensuring the safety of employees and customers due to the COVID-19 pandemic.

The following events has led to loss of business for many of our small businesses here in West St. Paul:

- Executive Order 20-4 closes Restaurants, Bars, and Other Places of Public Accommodation on March 17, 2020 along with the extensions through June 1.
- Executive Order 20-63 on May 27 begins allowing opening of restaurants/bard for carry out services and outdoor dining.
- Executive Order 20-70 Authorized outdoor and indoor dining at 50% to begin June 3.

These events resulted in loss of business for several months as well as caused business's to reinvest in their business operations in order to reopen their doors safely.

The City of West St. Paul received an allocation from the State of Minnesota from the Federal government's CARES program. On July 27, the City Council adopted an allocation of \$150,000 of CARES money for the West St. Paul Small Business Subsidy program. The WSP Small Business Subsidy Grant was developed with several Tiers for allocating the grants.

- TIER 1**-Restaurants & Bars of any six with four or fewer business locations under the same ownership
TIER 2-Any retail, office, industrial or not for profit 501 © (3) business below \$1 million in 2019 annual revenue and fewer than 20 FTE employees as of March 1, 2020.
Tier 3- Any retail, office, industrial or not for profit 501 © (3) business below \$2 million in 2019 annual revenue and fewer than 30 FTE employees as of March 1, 2020.
Tier 4- Any retail, office, industrial or not for profit 501 © (3) business below \$3 million in 2019 annual revenue and fewer than 40 FTE employees as of March 1, 2020.
TIER 5- Any retail, office, industrial or not for profit 501 © (3) business below \$10 million in 2019 annual revenue and fewer than 40 FTE employees as of March 1, 2020.

Tier 2-5 are broken down into sub-tiers A & B. Sub-tier A indicates the business has not received Dakota County Small Business Relief Program funds. Sub-tier B indicates the business has received Dakota County Small Business Relief Program funds.

The City’s Small Business Subsidy program resulted in 27 business’s applying for the up to \$10,000 grants. Several applicant’s applications were incomplete and upon several attempts to receive the proper documentation in a timely manner, the City had to eliminate six from the grantee pool. Below is the grant awards by each tier.

Tier One Grant Requests (Marty’s withdrew)

- Tai Pepper: \$10,000.00
- Tappers \$10,000.00
- Lucky China: \$10,000.00
- Dunham’s: \$10,000.00
- Blvd Bar and Grill: \$10,000.00
- Food Smith: \$10,000.00

Total: \$60,000

Tier Two A to Four A qualified (Smith Insur no invoices, Sola and PayDay/Pawn beyond a 5 (multiple locations under same ownership)

- Upper Midwest JEA: 2A \$10,000.00
- Smith Liquors: 3A \$10,000.00
- Modern Day Music: 2A \$ 8,700.00
- Dodge Nature Center: 4A \$10,000.00
- Garcia’s Professional/Insurance: 2A \$ 4,000.00
- Tailoring by Norma: 2A \$ 6,000.00
- DARTS: 4A \$ 4,020.73
- ProTec: 2A \$ 3,285.00
- St George Antiochian Orthodox Church \$ 9,862.38

Total: \$65,868.11

Tier Two B to Four B qualified

- Sandy & Company: 2B \$ 7,143.00
- Studio Aria Hair Salon: 2B \$ 7,929.84
- Wooden Tub: 2B \$ 1,000.00
- Twin Cities Magic: 2B \$10,000.00

Total: \$26,072.84

Tier Five A/B

- Itasca Corporation: 5A \$10,000.00
- Adjustable Bedding \$10,000.00

Total: \$20,000

In addition to the Business Subsidy Grant’s the City staff proposes to rebate license fees for the 3 months (\$1,875) to the Licensed Liquor holders in the City of West St. Paul

Liquor License Rebates of 3 months (for local 4 or under establishments)

Marty’s
Dunhams
Boulevard
Tappers

Food Smith
 5-8
 Beirut
 Carbone's
 El Nuevo
 Fireside
 Gallagher's
 Cherokee/Jamesons
Total: \$22,500

Summary:

Tier One Liquor Fee: \$ 22,500.00
Tier One Grant: \$ 60,000.00
Tier 2-4 A: \$ 65,868.11
Tier 2-4 B: \$ 26,072.84
Tier 5: \$ 20,000.00
Total \$ 194,440.95

FISCAL IMPACT:

		Amount
Fund:		\$194,440.95
Department:		
Account:		

STAFF RECOMMENDATION:

Adopt the Business Subsidy Grants and Liquor license rebate and increase the allocation from \$150,000.00 to \$194,440.95.