



GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

**Monday, March 30, 2020
10:00am
Grand Rapids City Hall**

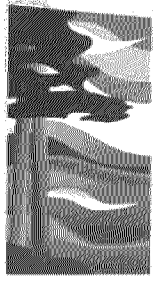
NOTICE IS HEREBY GIVEN, that a special meeting of the Grand Rapids Economic Development Authority will be held in Conference Room 2A in the Grand Rapids City Hall, 420 North Pokegama Avenue, in Grand Rapids, Minnesota on Monday, March 30, 2020 at 10:00am, some of the Commissioners may be participating by telephone or other electronic means.

AGENDA

1. Call to Order
2. Call of Roll
3. Setting of the Regular Agenda - *This is an opportunity to approve the regular agenda as presented or add/delete by a majority vote of the Commissioners present an agenda item.*
4. Consider approval of resolution approving amendments to Blandin Foundation Program Related Investments for the creation of the GREDA Emergency Working Capital Loan Program and its associated policy.
5. Updates:
6. Adjourn

GREDA Commissioners/terms:

Dale Christy – 12/31/2020 (with council term)
Tasha Connelly– 12/31/2020 (with council term)
Mike Przytarski – 3/1/21
Cory Jackson – 3/1/23
Mike Korte – 3/1/22
John O'Leary – 3/1/25
Sholom Blake – 3/1/25



March 26, 2020

Ms. Sonja Merrild, Grants Director
Blandin Foundation
100 Pokegama Ave. N.
Grand Rapids, MN 55744

Dear Sonja,

RE: Program Related Investment Request for Emergency Working Capital Loan Fund Request

On behalf of the Grand Rapids Economic Development Authority (GREDA), this letter requests the partnership of the Blandin Foundation through an investment in GREDA's effort to aid our local businesses, negatively impacted by the COVID-19 pandemic socioeconomic disruption. In collaboration with other economic development organizations and private lenders, GREDA intends to help local businesses sustain themselves during this challenging time by providing access to affordable working capital loans.

More specifically, GREDA requests that the Foundation consider the reallocation of investment funds, for this urgent need, which are presently committed to the GREDA Redevelopment Fund and Commercial Building Improvement Loan (CBIL) Fund. So neither of the existing funds are too severely depleted, we ask that \$400,000 be committed from the Redevelopment Fund and \$100,000 be committed from the CBIL Fund to establish the GREDA Emergency Working Capital Loan Fund.

The GREDA Emergency Working Capital Loan Fund will:

- Provide loans up to a maximum amount of \$15,000 per business
- Charge 0% interest and include no application charge or charges for loan servicing or origination.
- Amortize loans over a five-year term, with payments deferred for the first six months.

Similar to the GREDA CBIL program, two GREDA Commissioners together with the GREDA Executive Director will review and make recommendations on loan applications. The City will service all loans, which will be secured by a promissory note. The applicant's responses to the questions within the loan application (draft attached) as well as their required submittals will be referred to in an objective, unbiased and equitable approach toward evaluation, prioritization and award of loan applications.

In closing, GREDA appreciates the opportunity to make this request. As you know, this is a critically important time for our business community and GREDA wants to use its experience and organizational

infrastructure in this area to quickly and efficiently deliver this program to help sustain our local economy.

Thank you in advance for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert A. Mattei". The signature is fluid and cursive, with a prominent initial "R" and a long, sweeping tail.

Rob Mattei
Director of Community Development

cc: Sholom Blake, GREDA President



Press Release

Contact: Rob Mattei, Executive Director
Phone: (218) 326-7622

FOR IMMEDIATE RELEASE
March 30, 2020

GREDA Offering Emergency Working Capital for Businesses

The Grand Rapids Economic Development Authority (GREDA), through an investment by the Blandin Foundation, is allocating \$500,000 for use in providing direct, emergency financing to businesses in the City of Grand Rapids experiencing financial hardship due to the social and economic disturbance resulting from the COVID-19 Pandemic.

GREDA is launching their Emergency Working Capital Loan Program to aid the survival of our local businesses during this crisis, especially those businesses forced to suspend their regular operations in accordance with Governor Walz's Executive Orders. "We understand the huge strain this crisis has caused our local small businesses and GREDA wants to help meet their need for financial assistance, together with the other state and local resources being made available through IEDC, DEED and the SBA", stated Sholom Blake, GREDA President.

The Program will provide interest free working capital loans of up to \$15,000 per business. Under the Program, loan payments are deferred for the first six months after loan disbursement and will be amortized over a five-year term, beginning with the first payment.

The Program is being marketed through social media (City of Grand Rapids Facebook page), the internet (www.grandrapidseda.com) and by direct mailing sent out this week to all

~ MORE ~

commercial property owners in the City. Landlords that receive this notification, are asked to please pass on this information to their tenants.

To view or download an application form and to review the program policy, visit the Grand Rapids Economic Development Authority website at www.grandrapidseda.com and click under the Development News section for this story and a link to these documents. Questions can be directed to Rob Mattei, Director of Community Development/GREDA Executive Director at (218) 326-7622 or by email at rmattei@ci.grand-rapids.mn.us

-End-



Grand Rapids Economic Development Authority Emergency Working Capital Loan Policy

Consistent with their mission to advance measures that support and grow the economy, the Grand Rapids Economic Development Authority (GREDA) has taken action to establish an emergency working capital loan program to assist and help sustain our community businesses during these uncertain and stressful economic conditions associated with the current COVID-19 pandemic.

1. Goals and Objectives

- Provide emergency financing for businesses located in the City of Grand Rapids experiencing financial hardships, due to the executive orders issued by Governor Walz related to the COVID-19 Pandemic.
- Allocate \$500,000 in GREDA resources available through Program Related Investments from the Blandin Foundation.
- Facilitate business survival, especially small businesses, during this pandemic.
- To the greatest extent possible, enhance the retention and re-establishment of jobs in the City.
- To the greatest extent possible, direct the funds to those businesses most severely impacted by this pandemic.

2. Eligible Applicants

- All businesses, located in the City limits of Grand Rapid that have been impacted by the social and economic disturbance resulting from the COVID-19 Pandemic. Those business categories referenced in Governor Walz's Executive Orders 20-04 and 20-08 will be given preference.
- All eligible applicants must be registered with the Minnesota Secretary of State and have been in business as of December 1, 2019.
- All eligible applications must be current with their local property taxes.

3. Eligible Loan Activities

- Operating capital to assist the business with sustaining itself, such as; debt service payments, accounts payable, operating expenses, accruals, and inventory necessary to resume or re-structure operations of the business.
- Other activities having sufficient merit as determined by the GREDA Board of Commissioners on a case-by-case basis.

4. Other Considerations

- Compliance with all government regulations.
- Emergency Working Capital Loan funds will be available for as long as GREDA determines prudent, and GREDA reserves the right to limit the amount of funds available for this program at any time.

5. Conflict of Interest

- Any GREDA Commissioner that may indirectly or directly gain financially from loan transactions shall immediately inform the Board of any potential conflict of interest.

- If a potential conflict of interest exists, all necessary steps will be taken to ensure that the loan application is processed in full accordance with GREDA policies, and local and State regulations.

6. Loan Conditions

- Maximum loan amount is \$15,000.00
- Interest rate will be zero percent
- Loans will be fully amortized over their 60 months term, beginning with the first required payment.
- Loan repayments will be deferred for 6 months following loan disbursement
- There will be no penalty for early repayment.
- Upon default of loan, or the permanent closure or sale of the business, the loan immediately becomes due and payable in full
- Loans are not transferable unless the transfer is approved by GREDA
- Loans will be serviced by the City of Grand Rapids Finance Department.
- Loan payment method will be automatic withdrawal ("ACH")

7. Application Requirements

- Completed "Emergency Working Capital Loan" application and its required submittals
- Applications will be reviewed by a two GREDA Commissioners and the Executive Director and will be acted upon by the full Board of GREDA Commissioners.

8. Collateral

- Loans will be secured with a Promissory Note, the form of which will be provided by GREDA.



Emergency Working Capital Loan Application

Grand Rapids Economic Development Authority
c/o Community Development Department
420 North Pokegama Ave.
Grand Rapids, MN 55744
Tel. (218) 326-7601 Fax (218) 326-7621
www.grandrapidseda.com

Community Development Office Use Only	
Date Received	_____
GREDA Review Date	_____
GREDA Approval	_____

The Grand Rapids Economic Development Authority (GREDA), in partnership with the Blandin Foundation, recognizes the difficult times our local businesses are facing during the COVID-19 Pandemic. To assist those businesses most impacted, GREDA is offering Working Capital Loans of up to \$10,000. These loans will carry a 0% interest rate with repayment through 60 equal monthly installments beginning the seventh month after disbursement. A Promissory Note will secure all loans.

Applicant Information:

The undersigned do hereby respectfully request the Grand Rapids Economic Development Authority's consideration of an Emergency Working Capital Loan:

Name of Applicant/Business Owner (*print*)

Name of Co-Applicant (*print*)

Address

Address

City State Zip

City State Zip

Telephone/ E-Mail

Telephone/E-Mail

Doing business as:

Requested Loan Amount: \$

Business Information:

Business Address: _____ No of years in business: _____

Briefly describe the business and customers served: _____

Has your business been ordered or elected to suspend or cut back activity during the COVID-19 Pandemic? _____

Was it included under Governor Walz's Executive Orders 20-04 and 20-08? _____ Please describe the timing and circumstances: _____

How many full time equivalent (FTE) positions did you employ prior to the Pandemic? _____ How many FTE positions have you laid off as a result of the Pandemic's impact to your business? _____

Is your business servicing long-term debt? _____

Is your business experiencing a negative cash flow that is a direct result of the Pandemic? _____

Please estimate your ((Current Cash + Marketable Securities + Accounts Receivable) ÷ Current Liabilities) _____

Please estimate your working capital needs over the next six months, using this formula: (Accounts Receivable + Inventory - Accounts Payable - Accruals) (please provide documentation to support your estimate) \$ _____

Do you have an untapped revolving credit line that you can use to fund a portion of your working capital need? _____

Are you or will you be accessing other sources of funds for your working capital needs, such as [SBA Disaster Loans](#), [DEED Small Business Emergency Loans](#) or emergency loans being offered by [Itasca Economic Development Corporation](#).

Required Submittals with Application:

- Application Fee - \$0.00
- Copies of Tax Returns (past 1 year)
- Personal Credit Report

If Loan is Approved, Additional Submittals Required Prior to Disbursement of Funds:

- Security: Personal guarantee in the form of a Promissory Note (*form provided by GREDA*)

INCOMPLETE APPLICATIONS WILL NOT BE ACCEPTED

More information may be requested by the Grand Rapid Economic Development Authority, if deemed necessary, to properly evaluate your

I certify that, to the best of my knowledge, information, and belief, all of the information presented by me in this application is true, accurate and complete and includes all required information and submittals.

Signature(s) of Applicant(s)

Date

**Grand Rapids Economic Development Authority
Emergency Working Capital Loan Application**

TENESSEN WARNING: DATA PRIVACY STATEMENT

The information provided in the application materials or to be obtained separately as a part of the application process will be used by the lender to determine whether you qualify as a prospective borrower for the Grand Rapids Economic Development Authority (GREDA) Emergency Working Capital Loan program. The information provided in the application and information authorized above for assistance will become a matter of public record with the exception of those items protected under Minnesota Statutes Chapter 13, *Minnesota Government Data Practices Act*.

The groups or individuals with whom this private data information may be shared includes:

1. The GREDA Loan Review Committee and GREDA; and
2. Staff who are involved in program administration; and
3. Auditors who perform required audits of the program; and
4. Authorized personnel from other County, State, Federal or Regional Agencies providing funding assistance to you; and
5. Those other persons who you authorize to see the information; and
6. Law Enforcement personnel in the case of suspected fraud

Unless otherwise authorized by MN Statutes or Federal Law, other government agencies using the private data must also handle the data as private. You may wish to exercise your rights as contained in the MN Government Data Practices Act. Those rights include:

1. The right to see and obtain copies of the data maintained on you; and
2. Be told the contents and meaning of the data; and
3. Challenge the accuracy and completeness of the data

To exercise these rights, contact the Grand Rapids Economic Development Authority Executive Director at (218) 326.7622 or 420 Pokegama Avenue North, Grand Rapids, MN 55744.