

Councilmember _____ introduced the following resolution and moved for its adoption:

RESOLUTION #20-194

**RESOLUTION APPROVING UNDERWRITING SERVICE AGREEMENT FOR
SMALL BUSINESS GRANT PROGRAM**

WHEREAS, the Covid-19 pandemic has negatively impacted many City of Ramsey Business; and

WHEREAS, the City received an allocation of over Two Million in Cares Act Dollars to provide assistance at the local level for businesses, residents and government expenses related to Covid-19; and

WHEREAS, the City of Ramsey has adopted Phase 2 of the Covid – 19 Business Assistance Program attached hereto which authorized \$215,000 in Cares Act Funding for small business grants and administration of the program; and

WHEREAS, City Staff has received a Underwriting Service Agreement proposal from Central Minnesota Development Company (CMDC) to verify Covid-19 impacts for applicants to the program and to assure they are in good standing with the State of Minnesota.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RAMSEY, ANOKA COUNTY, STATE OF MINNESOTA, as follows:

- 1) That the City Council hereby authorizes execution of the attached approves the attached Underwriting Service Agreement with Central Minnesota Development Company (CMDC); subject to City Attorney approval.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember _____, and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

None

and the following abstained:

None

and the following were absent:

Existing Vacancy

whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this 8th day of September, 2020.

Mayor

ATTEST:

City Clerk

The City of Ramsey Small Business Relief Grant Program

The City of Ramsey will offer a small business relief grant program to support local businesses impacted by COVID-19. Grants will be awarded in an amount not to exceed \$10,000.

Applications will be accepted electronically during a 14 day time frame beginning **August 24, 2020** at which time the City will evaluate the applications. Grants will be awarded to businesses that have proven hardship due to Covid-19 and have incurred, or will incur additional related expenses. There is a limited amount of funds for this program and in the event that the City receives more eligible applications than grant funds available, awards will be selected randomly based on the criteria below.

Grant Amount:

Grants will not exceed \$10,000 to cover eligible expenses incurred as a result of the COVID pandemic after March 1, 2020 (see list of eligible use of grant funds below). Recipient must submit a list of COVID related expenditures during the application review process.

.Grant funds awarded must be spent by October 31, 2020 and the expenses documented by the City by November 15, 2020.

Eligibility Criteria:

- Applicant must be locally owned and operated with a physical establishment in The City of Ramsey. If there is a parent company or a second location outside of The City of Ramsey, only the entity located in The City of Ramsey will be eligible.
- Applicant must be able to demonstrate financial hardship as a result of the COVID-19 outbreak.
- Applicant entity must be majority owned by a permanent resident or corporation of Minnesota.
- Applicant must be in good standing with the Minnesota Secretary of State and the Minnesota Department of Revenue as of January 1, 2020. If there is an issue pending with the Minnesota Secretary of State, Applicant may still apply for the grant, but will need to demonstrate the issue has been satisfactorily resolved in order to be eligible and receive grant funds.
- If required, Applicant must be licensed.
- Applicant must be compliant with city ordinances, current with city utilities and charges, and in good standing.
- Applicant must be current on property taxes as of January 1, 2020.
- Applicant must employ 30 FTE or less employees as of January 1, 2020.
- Applicant must have been in operation from January 1, 2019 through the application date.
 - The City of Ramsey will not disqualify an applicant if there was an ownership change and the business remained in operation prior to application.
- Applicant must disclose all federal, state or local grant or loan applications for which applicant has applied which has been received or remains pending at the time of application.

Ineligible Businesses

- Do not have a physical address within the City of Ramsey
- Applicants who have previously received federal, state or local grants for the same expenses
- Multi-state chains are generally ineligible except for locally owned franchisees.
- Businesses that primarily derive income from gambling or adult/use entertainment.
- Home-based businesses are generally ineligible except for in-home licensed childcare providers.
- Businesses that derive income from passive investments; property rentals or property management; billboards; or lobbying.
- Have no current or historical financial statements.
- Non-profit organizations
-

Examples of Eligible Usage of Grant Funds

1. Commercial lease or mortgage payments.
2. Accounts payable (AP) if the AP is a COVID-19 related expense incurred since March 1, 2020.
3. Payroll, unless the business received Paycheck Protection Program (PPP) funds or pandemic unemployment insurance (UI) to assist with payroll expenses incurred after March 1, 2020.
4. Reopening costs or safety improvement costs expended since March 1, 2020 (i.e. outdoor seating, plexiglass, cleaning products, re-staffing costs, etc.)
5. Operating utilities or fees for those facilities interrupted or forced to shut down incurred after March 1, 2020.
6. Payment of taxes or government utilities or fees are **ineligible**.

The categories outlined above are intended to be general guidance. Final grant decisions will be made by the City Council and / or its designee after a thorough review of all application factors. After the initial application review and/or funding round, the City of Ramsey reserves the right to amend any criteria for eligibility as needed to best address the impact of the current pandemic.

**SMALL BUSINESS RELIEF GRANT PROGRAM
UNDERWRITING SERVICES AGREEMENT
BY AND
BETWEEN CITY
OF RAMSEY
AND
CENTRAL MINNESOTA DEVELOPMENT
COMPANY**

This agreement is entered into this _____ day of September 2020, by and between the City of Ramsey, a Minnesota Municipal Corporation, located at 7550 Sunwood Drive NW, Ramsey, MN 55303 (“CITY”) and Central Minnesota Development Company, a Minnesota non-profit corporation, located at 1885 Station Parkway NW, Andover, MN 55304, (“CMDC”).

RECITALS

WHEREAS, the CITY has established the Ramsey Small Business Relief Grant Program (“SBRGP”) for the purposes of assisting businesses adversely impacted by the COVID-19 Pandemic; and

WHEREAS, the SBRGP is designed to provide grant funds to these businesses to assist with expenses resulting from impacts associated with the COVID-19 Pandemic; and

WHEREAS, the CITY needs professional underwriting assistance to process SBRGP Grant requests; and

WHEREAS, CMDC has the expertise and personnel to adequately provide the underwriting services; and is willing to provide these services to the CITY.

NOW THEREFORE, upon reasonable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. CITY and its staff will serve as the intake portal for all SBRGP Grant requests and applications.
2. CITY staff will review all applications and check for preliminary eligibility and completeness.
3. CMDC will train staff on SBRGP program eligibility, individual staff responsibilities and workflow.
4. Complete applications along with supporting documentation will be submitted to CMDC staff by CITY for eligibility verification and underwriting. CMDC staff will intake and log information received from CITY for the businesses preliminarily selected to receive a SBRGP grant award. CMDC staff will collect any additional information needed for verification responsibilities

noted below.

For complete applications submitted to CMDC staff by the CITY, CMDC will be responsible for verifying that:

- a. The grant applicant is actively registered with the Minnesota Office of the Secretary of State as evidenced by a current "Certificate of Good Standing".
 - b. The applicant is not subject to any Minnesota Tax liens.
 - c. The applicant employs 30 or fewer full-time equivalent workers as of January 1, 2020;
 - d. The applicant has demonstrated a financial hardship because of the COVID-19 pandemic.
5. CMDC will review complete SBRGP applications and supporting documentation and report to the CITY on the eligibility of the grant request after verifying that applicant meets the requirements noted above.
 6. CMDC will assist the CITY with the preparation and processing of grant agreements between the CITY and approved grantees.
 7. Final grant approval, and disbursement of grant funds to approved grantees shall be the sole responsibility of the CITY.

2. TERM OF THE AGREEMENT

This Agreement is effective commencing the date of execution and shall continue until terminated as provided herein.

3. PAYMENT FOR SERVICES

In consideration for its services, the CITY agrees to compensate CMDC as follows:

a. Underwriting Fee

The fee charged for services rendered by CMDC will be:

- \$500 for each application reviewed for eligibility.
- \$100 for each grant agreement processed

b. Other Expenses

Other expenses related to services requested by the CITY for program design and implementation shall be provided by CMDC at the rate of \$250 per hour or such other fee as agreed to by the parties to this agreement. An additional \$20 will be charged for direct costs associated with each Minnesota tax lien search. Travel to/from the CITY to/from CMDC's offices shall be billed at the prevailing IRS mileage rate in effect.

4. CONFIDENTIALITY

Subject to the requirements of the Minnesota Government Data Practices Act ("MGDPA"), the CITY agrees that it will not reveal, divulge or make known to any person, firm, or corporation any

confidential information during or after the term of this Agreement. Confidential information shall be defined as knowledge, systems, practices, or other information submitted in writing or other tangible form, and that is designated as confidential by CMDC. The CITY shall use such confidential information for the limited purposes of this Agreement. Pursuant to Minn. Stat. 13.05, subd. 11, CMDC agrees that it will

have access to data collected or maintained by the CITY to the extent necessary to perform CMDC's obligations under this contract. CMDC agrees to maintain all data obtained from the CITY in the same manner as the CITY is required to maintain such data under MGDPA. CMDC will not release or disclose the contents of data classified by the MGDPA as not public to any person except at the written direction of the CITY. Upon termination of this contract, CMDC agrees to return all such data as requested by the CITY.

5. RELATIONSHIP

Nothing in this Agreement shall be construed to create an employment, partnership, joint venture, license, or agency relationship and neither party shall have the right or authority to bind the other. For purposes of this Agreement, CMDC shall be deemed an independent contractor. CMDC's employees shall not be entitled to any employment benefits customarily given to CITY employees.

6. TERMINATION

This Agreement may be terminated by either party upon thirty (30) days written notice to the other. Such termination shall not affect the rights and obligations of the parties, including amounts owed by the CITY to CMDC, accrued prior to the termination date.

7. ASSIGNABILITY

This Agreement shall not be assignable by either party without the prior written consent of the non-assigning party.

8. LAW

The laws of the State of Minnesota shall govern this Agreement. The parties agree that the venue of any legal action arising under this Agreement shall be Anoka County, Minnesota.

9. INDEMNIFICATION

CMDC's Indemnity. To the fullest extent permitted by law, CMDC will indemnify, protect and hold CITY and its assigns and its mortgagees harmless from and against any and all liabilities, claims, demands, losses, damages, costs and expenses (including attorneys' fees) arising out of or relating to the performance of work under this Agreement; but only to the extent caused in whole or in part by the negligent acts, errors or omissions of CMDC, CMDC's subcontractor(s), or anyone directly or indirectly employed or hired by CMDC, or anyone for whose acts CMDC may be liable. CMDC agrees this indemnity obligation shall survive the completion or termination of this Agreement.

CITY's Indemnity. To the fullest extent of the law, CITY will indemnify, protect and hold CMDC and its employees, consultants or agents harmless from and against any and all liabilities, claims, demands,

losses, damages, costs and expenses (including attorneys' fees) arising out of or relating to the gross negligence or willful misconduct of CITY, its agents, contractors or employees. CITY agrees that this indemnity obligation survives the completion or termination.

10. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties. This Agreement may be amended only by written agreement of both the CITY and CMDC.

11. NONDISCRIMINATION

When performing duties under this Contract, CMDC shall not discriminate against any person upon the basis age, race, creed, color, religion, gender, sexual orientation, national origin, veteran status, or physical or mental disability.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and the year first written above.

CITY OF RAMSEY

**CENTRAL MINNESOTA
DEVELOPMENT COMPANY**

By: _____
Kurtis G. Ulrich, City Administrator

By: _____
Michael Mulrooney, President

By: _____
John LeTourneau, Mayor