



## City of Dayton Small Business Assistance Grant Program

Eligible small businesses may apply for grants of *up to* \$10,000 (depending on number of applications) to support emergency relief and costs associated with reopening under public health guidelines.

Applications will be accepted through Friday, September 18, 2020.

### Funding may be used for:

- Commercial lease or mortgage payments
- Utility payments
- Inventory costs
- Paying other direct business-related bills
- Costs incurred to purchase supplies including Personal Protective Equipment (PPE)
- Technological improvements to online platforms essential to operations during COVID-19
- Payroll obligations (may not include employees who have been laid off)

View the application guidelines below for more information about eligible expenses.

### Eligibility

#### Eligible Businesses

Businesses must meet all the following criteria to be eligible.

- The business must have been deemed non-essential by the State of Minnesota and/or been impacted by State of Minnesota executive orders;
- Must be a for-profit business with under \$1 million in gross annual revenue
- Must be locally operated with a physical address/location in Dayton (including independently owned and operated franchises)
- Must be a legal entity registered with the Minnesota Secretary of State and in good standing
- Must be in compliance with city ordinances, codes, licensing, and must not have any delinquent taxes or other charges due to the city
- Must employ between 2 to 50 employees prior to March 1, 2020
- Must have been a viable business operating for at least 1 year prior to March 1, 2020
- Must demonstrate financial hardship as a result of COVID-19 (after March 15, 2020)
- All businesses must serve the general public and must be an allowed use through zoning of the property or be a legally non-conforming use and not in violation of the City's zoning code;
- Applicants must not have delinquent taxes, bills or charges due to the City from February 2020 or prior

## Ineligible Businesses

Businesses that meet the following criteria are not eligible.

- Corporate chains (chain establishments that are not independently owned)
- Home-based businesses and businesses without a physical establishment
- Non-profit organizations
- Self-employed, independent contractors, or businesses with no employees other than an owner(s)
- Businesses that derive income from passive investments; primarily business to business transactions; real estate transactions; property rentals; property management, billboards or lobbying
- Businesses that generate their primary revenue from the sale of pawned merchandise, gambling, guns, tobacco or vaping products
- Businesses that derive any income from adult entertainment
- Businesses in default conditions prior to March 1, 2020

## Eligibility for On-Sale Liquor License Reimbursement

- All on-sale liquor establishments in the City of Dayton were subject to shutdown pursuant to Executive Order 20-04 and incurred loss of business revenue, with licensing costs known to the City. Therefore, all on-sale liquor license holders are eligible to receive reimbursement separately. Therefore, these requests will be administered separately from general grant applications in terms of awards and funding availability (although still using the same application form).

## Program Guidelines

- The Small Business Emergency Assistance Program has the following terms and conditions:
  1. *Amount:*
    - a. General Grants: Businesses which are **not** on-sale liquor license holders may apply for a one-time emergency grant (general grant) of up to \$10,000. Applicants should apply only for the amount that they can safely guarantee will be used for the eligible uses found in the list above.
    - b. On-Sale Liquor License Fee Reimbursement. On-sale liquor license holders shall be eligible for reimbursement in an amount equal to 100% of their 2020 liquor license fees in addition to the general grant application. On-sale liquor operations that receive fee reimbursement assistance in the amount of up to \$2,133 shall be limited to a maximum of \$7,800 in general grant assistance (as opposed to \$10,000) under this program, but may still apply for both, within that limitation.
  2. *Application Process.* All applications for general funding from COVID Small Business Program will be reviewed after the application date closes. Applications will be required to be submitted online at the City of Dayton website. Upon submission of an application, City staff will review the application to ensure complete information is provided. If additional information is needed, staff will request the needed information. Applications will not be scored against each other, but rather each application will be considered individually, and total amount grant award determined based on total grant dollars available (\$50,000) and number of eligible applicants. On-sale liquor license reimbursement funding is separate from general grant funding and will be available to all qualifying license holders.

- 3. *Proof of Need (General Grant Only)*: All applicants shall be required to provide proof of financial need for grant funds prior to approval (see Application Process below).
- 5. *Proof of Expenses (General Grant Only)*: Applicant shall provide proof of eligible expense requested to be paid with grant funds. (see Application Process below).
- 6. *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.
- 7. *Grant Agreement for General Grants*: Upon a successful general grant application being awarded funds, the grant recipient shall enter into a Grant Agreement with the City of Dayton, acknowledging the limitations on use of the funds. Funds will not be distributed for any general grant award until a grant agreement has been executed by all required parties. No grant agreement is needed for on-sale liquor license reimbursements.
- 8. *Disbursement of Funds*: Funds shall be distributed as soon as possible after a fully executed grant agreement has been received.
- 9. *Termination*: The City of Dayton retains the right to terminate any agreement under the Small Business Assistance Program if a grant recipient is found to be in violation of any conditions set forth in the grant guidelines or grant agreement.
- 10. *Right to Deny*: The City of Dayton retains the right to deny any application for grant funding for any reason.
- 11. *Reporting (General Grant Only)*: As a condition for receiving grant funding, all general grant recipients are required to submit a brief report to the City of Dayton within 3 months after receiving grant funds, specifying how the entirety of the grant funds were utilized and providing evidence in the form of paid invoices, statements, or similar documentation. Such a report is not required for on-sale liquor license reimbursements.
- 12. *Funding Availability*: The Small Business Assistance Grant Program has a limited amount of general grant funds available. For general grants, awards will be provided on a first-come, first-considered basis until the earlier of the date the fund is exhausted, or the City-declared state of emergency is lifted. On-sale liquor license fee reimbursements are separate funds and available to all on-sale license holders.
- 13. *Indemnification*: All grant recipients shall be required to indemnify the City Dayton, and any officers acting on their behalf.
- 14. *Minnesota Data Practices Disclaimer*: While the City does not intend to proactively display, share or advertise business financial information provided as part of the application and review process, confidentiality of such data cannot be guaranteed and is subject to Minnesota Data Practices Act with regard to public access to data.

## Application Process

Prior to applying, please review the Program Guidelines to determine if your business is eligible.

1. Applications are available on the city's website: [www.cityofdaytonmn.com](http://www.cityofdaytonmn.com)
2. Application requirements will involve providing:
  - Basic details about the business: business name/type/sector, State Tax ID number.
  - Amount of general grant funding being requested: Maximum award, \$10,000 for businesses which are **not** on-sale liquor license holders, \$7,800 maximum for those also seeking on-sale liquor license reimbursement of up \$2,133 (based on what license holder paid)

- For on-sale liquor license holders: list amount of 2020 liquor license fee being requested for reimbursement
  - Indicate whether the business is an on-sale liquor license holder through the City of Dayton
  - Number of full-time equivalent employees (FTE) employed by the business as of March 16, 2020 and the number as of the time of this application.
  - Information regarding operations during the COVID-19 pandemic/Stay-at-Home executive order(s), including dates the business was required to be closed due to State of Minnesota orders (actual or est. dates), whether the business is/was subsequently operating under reduced services/capacity restrictions per State of Minnesota.
  - Proof of financial need (for general grant portion): Examples include revenue/financial statements demonstrating business impacts due to the COVID-19 pandemic and associated executive orders.
  - Proof of eligible expenses (for general grant portion): Examples include proof of payroll expenses, paid/unpaid business invoices, mortgage/rent/utility/statements, property taxes and/or other business-related expenses.
  - Narrative descriptions and estimated calculations of the negative impacts on the business due to COVID-19, including the operational effect of closure and subsequent reopening/partial reopening of operations following the COVID-19 executive orders.
  - Information on the intended use of the grant funds and which eligible expenses will be addressed with the funds (for general grant portion).
  - Supporting documentation and application attachments.
  - If the business is not already registered as part of the City's Business Registration program, a completed registration must be submitted prior to funding disbursement (no fee to be charged for registration).
  - Signature of owner and/or managing partner(s)
3. Fully completed and signed applications along with required documents may be submitted via email to: [tgoodroad@cityofdaytonmn.com](mailto:tgoodroad@cityofdaytonmn.com)
  4. Upon submission of application, applicants will receive an email confirming receipt of application.
  5. A staff committee will review application for eligibility. If additional information or documentation is necessary, City staff will contact the applicant. Due to an expected high volume of applications, please consider your application complete if staff does not request additional information within 10 business days after application acceptance.
  6. Applications will be accepted until **September 18, 2020**. Each general grant application will be considered independently, and grant award will be dependent on number of eligible applicants. City council will approve all final grant awards.