

RESOLUTION NO. R2020-076

A RESOLUTION APPROVING THE CREATION OF A SMALL BUSINESS RELIEF PROGRAM THAT WOULD BE FUNDED BY CARES ACT FUNDS SUBJECT TO APPROVAL OF THE STATE OF MINNESOTA

WHEREAS, the City of Shakopee (“City”) is supportive of its small businesses; and

WHEREAS, the small business community, especially those with twenty employees or less, have been severely impacted by the closures required to protect the health of the public as part of COVID-19; and

WHEREAS, the State of Minnesota is exploring the use of CARES Act funds to provide support for these programs; and

WHEREAS, the City is making every effort to support local small businesses during these difficult times; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Shakopee as follows:

1. The City is creating a Small Business Relief Program that would provide forgivable loans not to exceed \$15,000 on a first come, first served basis to eligible businesses subject to receiving funding from the State of Minnesota and subject to all of the following criteria:
 - a. Must be a locally owned and operated for-profit business with a physical establishment in Shakopee.
 - b. Must have at least one employee in addition to the owner as of March 1, 2020, and fewer than 20 employees.
 - c. Must have been operating for at least 12 months prior to March 1, 2020.
 - d. Must be licensed, in good standing, and current on property taxes prior to May 1, 2020, if applicable.
 - e. Must demonstrate a significant loss in revenue since March 15th, 2020 (Evidence of revenue loss related to the COVID 19 emergency)

2. The following business would be ineligible:

- a. Those that have already received PPP loans
- b. Home-based businesses; those without a physical establishment
- c. Non-profit organizations
- d. Self-employed, independent contractors, or businesses with no employees other than owner(s)
- e. Corporate chains, multi-state chains
- f. Businesses that primarily sell pawned merchandise, guns, tobacco, or vaping products
- g. Businesses that derive income from passive investments; business-to business transactions; real estate transactions; property rentals or property management
- h. Businesses that comprise of legal practitioners or insurance sectors
- i. Businesses that derive any income from adult entertainment
- j. Businesses that primarily derive income from gambling
- k. Businesses in default conditions prior to February 29, 2020

Adopted in adjourned regular session of the City Council of the City of Shakopee, Minnesota, held this _____ day of _____, 2020.

Mayor of the City of Shakopee

ATTEST:

Lori Hensen, City Clerk