



**MINUTES OF COMMUNITY DEVELOPMENT COMMITTEE MTG
5:15 P.M., MONDAY, APRIL 27, 2020**

In attendance: Committee members (B. Groothousen, M. Reynolds, G. Schueller), Acting Mayor A. Hraban, City Atty A. Kenyon, Adm A. Christianson, Dep. Clerk/Treasurer T. Devine, DPW K. Gorsegner, Asst. DPW D. Parker, Clerk S. Kavanagh.

Others: Cora Schultz, Sue Moore, Kelli Grotzinger, Robert Grotzinger, Andy Albarado, Chryssa Ostenso, Rick Nash.

On Telephone: Cindy Pohlman, Tami Kraft, Luke Klink-Ladysmith News, Mark Buchholz, Terry Carter, Sharon Reynolds.

The meeting was called to order at 5:16 pm by Chairman B. Groothousen.

Listening Session. The committee heard from local small business owners about how the COVID-19 closures have negatively affected their businesses. Some questions posed to the businesses would be how can the City help and what expenses do you need help with.

- **Village Parlor/Sue Moore:** The business has not been affected with this closure because her shop doesn't open until the summer months but she is concerned for small shops that have been forced to close with their seasonal inventory sitting on the shelves. Without income, it is difficult to keep up with rent and payments on store inventory.
- **211 Club/Kelli Grotzinger:** Tavern business is typically the best in the spring...with the closures their inventory is just sitting on the shelf. They have returned full cases back to the wholesaler but still have plenty of inventory they can't send back.
- **Ostenso Optometry/Chryssa Ostenso.** The clinic reports that April and May are typically their busiest months so it has been a really big hit. All routine appointments have been cancelled and if closures are lifted at the end of May, the plan is to open slowly and safely over a couple of months. She found the Workshare program through the Dept of Workforce Develop which allows partial layoffs; employee works 75% and unemployment benefits cover the remaining 25%. She has also applied for the PPP (Paycheck Protection Program) through SBA.
- **Plaid Peacock/Sharon Reynolds.** Curbside pickup has just started but recovering from this is going to be tough. She doesn't qualify for PPP; she has applied for unemployment but not hopeful for that. If the mandatory closures go back into effect this fall, she fears it could take her out. If she has to remain closed until the end of May, her spring, Easter and Mother's Day inventory will remain on the shelves.
- **211 Club/Robert Grotzinger:** The business did not apply for the PPP loan but has applied for an EIDL (Economic Injury Disaster Loan) but it has a 4 week waiting period; they have been waiting three weeks. If they don't get the EIDL loan, they don't know what they will do so anything the City can do would be much appreciated.

- **Rick Nash:** Mr. Nash commented that the Community Development Committee has a very tough job deciding which businesses will be provided financial assistance.

Handouts were presented to attendees and are attached to the minutes:

- WEDA handout entitled COVID-19; Wisconsin Economic Recovery Proposals.
- Business Resources handout prepared by City of Saco, Maine.
- Draft of the COVID Relief Fund prepared by B. Groothousen.
- COVID-19 Micro Business Emergency Relief Fund (BERF) prepared by M. Reynolds.
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Atty Kenyon explained the EIDL through SBA; it is a \$10,000 loan that may or may not need to be paid back and it is a relatively simple program to apply for.

Andy Albarado also explained some of the federal programs available to assist businesses and encouraged business owners to explore these federally funded grant/loan opportunities through the CARES Act; the EIDL grant/loan is now up to \$10,000 based on number of employees. Small business grants are averaging between \$1,000-\$5,000 (based on number of employees) and then the remainder (up to \$10,000) would be a loan. The PPP program is a forgivable loan based on the number of employees and payroll costs during COVID-19 closures. Another federal program known as PUA (Pandemic Unemployment Assistance Program) is for self-employed business owners and independent contractors/farmers who typically are not covered under the unemployment program.

M. Reynolds presented a draft copy of the COVID-19 Micro Business Emergency Relief Fund and made clear that the funding for this program would come from TIF #8 and possibly the IDC; no real estate or personal property tax would be used for this assistance program. The business and funding conditions were read to the meeting attendees and are attached to these minutes. The BERF loan could be used to pay mortgage/lease, utilities, insurance and for needed security measures but could not be used to pay any delinquent property or personal taxes, special assessments or other obligations to City, State or Federal governments.

Atty Kenyon presented an option to allow all property owners that owe special assessments to defer their 2020 payment. In turn, the City could replenish the shortfall created with this option by applying for a low interest loan from the Bureau of Public Lands.

Mr. Reynolds offered that TIF #8 currently has a balance of \$340,406.23 and TIF #11 is a donor district that could transfer additional funds to TIF #8, if necessary. If additional funding is needed, the IDC is set up to promote economic development and keeping businesses open and operating should certainly be considered as promoting economic development.

Mr. Groothousen would like to see the BERF geographic boundaries include the TIF #8 halo zone and the funding seems to be available to open it up to these additional businesses.

Mr. Reynolds would like to see the IDC, Main Street or Council have authority to act as the funding agency.

Mr. Groothusen supports the plan and would like to present it to the entire council quickly for review and possible action. Mr. Reynolds concurred that the BERF plan should be presented on Monday night for additional discussion and possible action. A simple application has been drafted and hoped that it could be posted on the City of Ladysmith and Main Street website so local businesses can have easy access to it. Local businesses need to know that this program is being formulated quickly and to be made aware that assistance is forthcoming.

Clarification was offered that if businesses do qualify for multiple grant programs, our BERF program will not be contingent upon whether or not other federal funding is acquired. The PPP and EIDL programs are based on number of employees and provide assistance meeting payroll expenses. The BERF program is providing financial assistance covering mortgage/lease payments, utility and insurance expenses.

Motion by M. Reynolds to recommend adoption by the council of the COVID-19 Micro Business Emergency Relief Fund (BERF), or a variation thereof determined by the council, on Monday night as an action item, seconded by G. Schueller. Motion carried.

Waiver or Reduction of License Fees. Mr. Groothusen asked that the discussion regarding waiving or reducing license/permit fees be tabled until decisions are made on how the BERF program will be funded.

Meeting adjourned at 6:45 pm.

Special Council Meeting; Monday, May 4, 2020 at 5:15 pm