

# M Management Committee

Metropolitan Council: April 13, 2011

Meeting date: April 13, 2011

Business Item

Item: 2011-98 SW

## ADVISORY INFORMATION

**Date:** April 6, 2011

**Subject:** Small Business Disruption Loan Program and 2011 Unified Operating Budget Amendment

**District(s), Member(s):** All

**Policy/Legal Reference:** MN Statutes section 473.13, sub. 1 -- Council Budget Requirements

**Staff:** Wes Kooistra (602-1567) Chief Financial Officer

**Prepared/Presented:** Paul Conery (602-1374), Manager, Budget & Evaluation

**Division/Department:** All

## Proposed Action

That the Metropolitan Council: (1) authorize the Chair to execute and the Regional Administrator to negotiate an amendment to the Joint Exercise of Powers Agreement with the City of St. Paul as originally authorized in Business Item 2010-197 to increase the total program to \$2.5 million and make all loans forgivable; and (2) amend the 2011 Unified Operating Budget by authorizing an increase of \$1,500,000 in expenditure authority in Community Development.

## Background

See attached Business Item 2010-197.

## Rationale

See attached Business Item 2010-197.

## Funding

Funding is provided by the use of General Fund Reserves. This action will not reduce the General Fund Reserves below Council Target.

	<b>Adopted Budget</b>	<b>Previous Amendments</b>	<b>Proposed Amendment</b>	<b>Proposed Budget</b>
<b>Revenues</b>				
Operating	\$ 510,941,143	\$ 4,962,090	\$ -	\$ 515,903,233
Pass Through	103,378,051	-	-	103,378,051
Debt Service	141,339,630	-	-	141,339,630
<b>Total Revenues</b>	<b>\$ 755,658,824</b>	<b>\$ 4,962,090</b>	<b>\$ -</b>	<b>\$ 760,620,914</b>
<b>Expenditures</b>				
Operating	\$ 514,474,138	\$ 7,328,864	\$ 1,500,000	\$ 523,303,002
Pass Through	99,740,843	-	-	99,740,843
Debt Service	146,351,079	-	-	146,351,079
<b>Total Expenditures</b>	<b>\$ 760,566,060</b>	<b>\$ 7,328,864</b>	<b>\$ 1,500,000</b>	<b>\$ 769,394,924</b>
<b>Surplus / (Deficit)</b>	<b>\$ (4,907,236)</b>	<b>\$ (2,366,774)</b>	<b>\$ (1,500,000)</b>	<b>\$ (8,774,010)</b>

## Know Support / Opposition

Committee Actions: None

# M Management Committee

Community Development Committee: May 17, 2010  
Metropolitan Council: June 23, 2010

**Meeting date: June 23, 2010**

**Business Item**

Item: **2010-197 SW**

## ADVISORY INFORMATION

<b>Date:</b>	June 16, 2010
<b>Subject:</b>	Small Business Disruption Loan Program and 2010 Unified Operating Budget Amendment
<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	MN Statutes section 473.13, sub. 1 -- Council Budget Requirements
<b>Staff</b>	Wes Kooistra (602-1567) Chief Financial Officer
<b>Prepared/Presented:</b>	Paul Conery (602-1374), Manager, Budget & Evaluation
<b>Division/Department:</b>	All

## Proposed Action

That the Metropolitan Council: (1) authorize the Chair to execute and the Regional Administrator to negotiate a Joint Exercise of Powers Agreement with the City of St. Paul to help implement an unforgiveable loan program for small businesses that may experience disruptions from construction activities associated with the Central Corridor Light Rail Transit (CCLRT) Project; and (2) amend the 2010 Unified Operating Budget by authorizing an increase of \$1,000,000 in expenditure authority in Community Development.

## Background

See attached Community Development Committee Business Item 2010-197.

## Rationale

See attached Community Development Committee Business Item 2010-197.

## Funding

Funding is provided by the use of General Fund Reserves. This action will not reduce the General Fund Reserves below Council Target.

	<b>Adopted Budget</b>	<b>Previous Amendments</b>	<b>Proposed Amendment</b>	<b>Proposed Budget</b>
<b>Revenues</b>				
Operating	\$ 499,850,930	\$ 19,623,005	\$ -	\$ 519,473,935
Pass Through	78,378,860	-	-	78,378,860
Debt Service	137,278,790	-	-	137,278,790
<b>Total Revenues</b>	<b>\$ 715,508,580</b>	<b>\$ 19,623,005</b>	<b>\$ -</b>	<b>\$ 735,131,585</b>
<b>Expenditures</b>				
Operating	\$ 519,405,804	\$ 10,285,695	\$ 1,000,000	\$ 530,691,499
Pass Through	78,253,455	-	-	78,253,455
Debt Service	140,929,993	-	-	140,929,993
<b>Total Expenditures</b>	<b>\$ 738,589,252</b>	<b>\$ 10,285,695</b>	<b>\$ 1,000,000</b>	<b>\$ 749,874,947</b>
<b>Surplus / (Deficit)</b>	<b>\$ (23,080,672)</b>	<b>\$ 9,337,310</b>	<b>\$ (1,000,000)</b>	<b>\$ (14,743,362)</b>

## Know Support / Opposition

Committee Actions:

Community Development - passed unanimously May 17, 2010

**C** Community Development Committee  
Meeting date: May 17, 2010

**ADVISORY INFORMATION**

**Date:** May 14, 2010  
**Subject:** Small Business Disruption Loan Program and 2010 Unified Operating Budget Amendment  
**District(s), Member(s):** Districts 7, 8, 13, and 14  
**Policy/Legal Reference:** MN Statutes sections 473.3999, 473.13, subd. 1, 471.59  
**Staff Prepared/Presented:** Guy Peterson, Director, Community Development Division (651-602-1418)  
**Division/Department:** Community Development

**Proposed Action**

That the Metropolitan Council: (1) authorize the Chair to execute and the Regional Administrator to negotiate a Joint Exercise of Powers Agreement with the City of St. Paul to help implement a loan program for small businesses that may experience disruptions from construction activities associated with the Central Corridor Light Rail Transit (CCLRT) Project; and (2) amend the 2010 Unified Operating Budget by authorizing an increase of \$1,000,0000 in expenditure authority in Community Development.

**Background**

The City of St. Paul is collaboratively implementing a business support program to provide incentives for small businesses along the CCLRT corridor to plan and prepare in advance for the potential disruptions that might occur during construction. The support program is intended to help provide a modest "safety net" for small businesses that undertake advance business planning for the CCLRT Project but still experience significant loss of sales due to more limited customer access.

The Central Corridor Funders Collaborative, comprised of several private foundations, will contribute \$500,000 to the support the program. In its current form, the proposed joint powers agreement anticipates that interest-free loans made with Council-provided funds will be repayable on a deferred basis for a loan period developed by the parties to the joint powers agreement, but will become payable on sale of the property or relocation from the CCLRT corridor. The proposed joint powers agreement would require Council action to consider making any portion of the Council-funded loans forgivable or available for reinvestment. The proposed joint powers agreement and the availability of Council funds would be contingent upon execution of a Full Funding Grant Agreement for the CCLRT Project.

While the proposed joint powers agreement is between the City of St. Paul and the Council, the proposed agreement would allow the City of St. Paul to make a reasonable portion of the Council funds available for loans to small businesses located along the CCLRT corridor in the City of Minneapolis.

**Rationale**

The joint powers agreement is necessary because the City of St. Paul, through its Housing and Redevelopment Authority or otherwise, has statutory authority to undertake and implement a small business disruption loan program. Minnesota Statutes section 471.59, subdivision 10 authorizes governmental units to enter into agreements with other governmental unit to perform on behalf of that unit any service or function which the governmental unit providing the service or function is authorized to provide for itself.

**Funding**

Funding is provided by the use of General Fund Reserves. This action will not reduce the General Fund Reserves below Council Target.

**Known Support / Opposition**

No known opposition. The Cities of St. Paul and Minneapolis support this request.