

**Community Development Authority
of the City of Onalaska**

Friday, April 3, 2020

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1 The meeting of the Community Development Authority of the City of Onalaska was called to
2 order at 9:00 a.m. on Friday, April 3, 2020. It was noted that the meeting had been announced
3 and a notice posted at City Hall.

4

5 Roll call was taken with the following members present: Ald. Jim Olson, Ald. Tom Smith, John
6 Lyche, Ron Johnson, Ann Brandau, Joe Bucheger, Mike Gargaro

7

8 Also Present: City Administrator Eric Rindfleisch, Mayor Kim Smith, City Attorney Amanda
9 Jackson, Planning Manager Katie Aspenson, Planning Technician Zach Peterson, Ald. Steven
10 Nott

11

12 **Item 2 – Approval of minutes from the previous meetings**

13

14 Motion by John, second by Joe, to approve the minutes from the previous meeting as printed and
15 on file in the City Clerk’s Office.

16

17 On voice vote, motion carried.

18

19 **Item 3 – Public Input (limited to 3 minutes/individual)**

20

21 Mike called three times for anyone wishing to provide public input and closed that portion of the
22 meeting.

23

24 **Consideration and possible action on the following items:**

25

26 **Item 4 – Review and Consideration of a Small Business Grant Program for COVID-19
27 Relief**

28

29 City Administrator Rindfleisch told CDA members the reason this item is on this morning’s
30 meeting agenda is due to the COVID-19 pandemic, which has severely affected small businesses
31 in this area. City Administrator Rindfleisch said there has been at least one request from a small
32 business to the city, and he told CDA members, “Unfortunately, through the budgetary process,
33 anything out of the General Fund would necessitate an expense, which then calls into question
34 our expenditure restraints for budgeting purposes and a full [Common] Council budget
35 amendment to create anything new. In speaking with Mayor [K.] Smith, we had identified
36 possibly the CDA as a source of funds that if you, the CDA, as a body were interested in doing
37 some kind of grant program for small businesses and getting questions about the feasibility and
38 how it works, we have staff here and have done some research, if it’s something you’re
39 interested in or if you have other long-range plans for your plans. That’s completely and totally
40 up to this body itself.

41

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42 Locally, in the area at least, the City of La Crosse is doing some kind of program, [but] the
43 details have not been fully released to Katie. I know you inquired and they weren't willing to
44 share that information. They have not actually shared that information yet. But going back
45 almost two weeks ago to the [La Crosse Tribune] article, their program seems to be payroll-
46 based and so much per employee up to \$25,000, but we don't know the size of the full amount
47 they're looking at giving out.

48

49 The first thing is, why a grant and not a loan? I've administered CDBG grants [Community
50 Development Block Grants] in the past. Usually with any kind of loan, there's some kind of
51 agreement in place for payback. I think in these heightened times and the need that businesses
52 have, we're not likely to see those. We're not likely to get the guarantees in place, much less
53 even get the money back, so I would say first and foremost if we're looking at any assistance to
54 businesses, it should be in the form of some kind of grants."

55

56 Katie told CDA members that after performing research over the last few days, and in general
57 excluding the City of La Crosse, the bulk of the locations are major metropolitan areas. Katie
58 said the Small Business Emergency Relief Program, which is based in Denver, Colorado, is the
59 closest program she has been able to locate. The Small Business Emergency Relief Program has
60 a one-time business stabilization grant that allows up to \$7,500 per business. It is available for
61 only four months beginning in early March. Businesses must meet the following criteria:

62

- 63 • A business must be a retail storefront, in the food industry, personal care industry, social
64 assistance, healthcare, or small manufacturing.
- 65 • It must employ fewer than 25 individuals.
- 66 • Its gross revenue must be less than \$2 million.
- 67 • It must show a minimum of a 25 percent decline in its overall revenue specific to
68 COVID-19.

69

70 Katie noted the Small Business Emergency Relief Program has listed the program priorities:

71

- 72 • Funding mechanisms go back to how much funding is available until it is depleted.
- 73 • Funding is on a first-come, first-served basis.
- 74 • A business must meet the program priorities and eligibility.

75

76 Katie listed the following uses for a grant:

77

- 78 • Payroll remains open and staff is retained.
- 79 • Marketing
- 80 • Fixed costs (rent, mortgage)
- 81 • Operating costs (purchasing additional PPE, installing engineering controls such as drive-
82 up windows and high-efficiency air filters, needing to source from alternate suppliers that

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83 inevitably cost more)

84

85 Katie told CDA members the Upper Peninsula is attempting to execute this through its Economic
86 Development Corporations, and she noted they are expecting hundreds of applicants for
87 approximately \$130,000. Katie noted it is being led at the initial county level, and she said, “As
88 applicants come in, those people are funneling up the food chain their priority picks. As they’re
89 trying to do it as fast as possible, there are concerns of equity and making sure that the people at
90 the base level making these decisions are being fair and that it’s the same every way across.
91 They can’t really guarantee that at this point. They have noted that inevitably they’ve been
92 receiving some negative feedback even though they do have these programs available specific to
93 if they make just over the amount of money, if they’re not exactly located in their community but
94 they do a lot of their business in the community, and the fact that they can’t help everyone and
95 how do you choose? ... The feedback I did get is that if we do decide to do this, [we need to]
96 have as clear guidelines in place, [and] that we make a policy decision as to what these are if you
97 want to move forward.”

98

99 John suggested that Mayor K. Smith should provide her thoughts, noting that Mayor K. Smith
100 had received feedback from the community.

101

102 Mayor K. Smith told CDA members that while she has not specifically heard from any
103 businesses requesting it, individuals from other communities have asked how the City of
104 Onalaska is proceeding, and also if the city is able to provide them with any assistance. Mayor
105 K. Smith said these individuals have referred to the La Crosse Tribune article that stated the City
106 of La Crosse would provide assistance, “but then also listed a lot of larger, already existing ways
107 businesses could get help during this. I just wanted to make sure that I’m doing my job looking
108 out for the community and communicating, and [also] making sure that we don’t lose an
109 opportunity. There is already a concern for vacant storefronts, although as I’ve said, I don’t
110 know that we’ve quantitated that there are more vacant storefronts, but definitely the stress on
111 our community, and specifically on the small businesses, is something that we don’t want. We
112 don’t want businesses who are already struggling to have this be the end of them. I’m just
113 looking around within our existing structures to try to identify potential ways that we can help.
114 Like I said, I don’t have a definite way of how that could be, just the fact I think the CDA is the
115 right group to go to, [and is] the right group of people to try to put their heads together and
116 determine if there is anything we can do to help struggling businesses right now.”

117

118 John asked Mike to discuss SBA [Small Business Administration] assistance, which commenced
119 Friday morning.

120

121 Mike noted the process began a week ago when President Donald Trump signed into law a \$2.2
122 trillion coronavirus stimulus package, also noting Coulee Bank, where he serves as Chief
123 Operating Officer, had received emails from customers prior to midnight Friday who requested

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124 the forgivable Payroll Protection Program Loans. Mike told CDA members a \$350 billion loan
125 program commenced Friday morning, and he estimated no fewer than 110 customers had
126 reached out to Coulee Bank about applying for these forgivable loans. Mike said, “As much as it
127 may seem like the right idea to try to come up with something, that’s one program. There are
128 other programs where it’s not forgivable, but it is to get money in their business’ hands now
129 [such as] the EIDL [Economic Injury Disaster Loans] ... some payroll tax credits for keeping
130 your employers on, but you don’t receive that until you file your tax return at the end of the year.
131 There are different options for small businesses to gather some of this federal funding dollars.
132 When I think of our checkbook balance to try to make a difference as opposed to maybe using
133 those dollars for better acquisition or going more along the lines of our other redevelopment
134 ideas and activities with the two corridor plans [Downtown Onalaska and State Road 16] we’ve
135 had, my personal opinion is to keep our bullets in the gun for right now.”

136

137 Joe inquired about the amount of funding that could be put into this program.

138

139 Mayor K. Smith told CDA members, “I just wanted to make sure that we are using all of our
140 available resources to help our community. I didn’t have a specific amount of money or even a
141 specific plan. Definitely that would be up to the purview of this committee. If you as a group
142 decide that it’s better to hang onto the money and wait to see how this shakes out, and maybe
143 there’s a different way in the future that it can make a bigger difference, I don’t know. But I just
144 don’t want to lose this opportunity that we have right now and not have even discussed it.”

145

146 John said, “I happen to think the amount of money that we have is pretty limited, and the way we
147 would administer it could be very cumbersome, at the very minimum. However, Mayor, in
148 accordance with your comments, we want to make sure we’re doing what we can and how we
149 can. After Katie mentioned we were going to have this meeting this morning, I gave some
150 thought as to what could we do that might be most effective and considered most fair, and also
151 be politically resilient in the longer term. One of the jobs of the CDA, long term, has been not
152 only to dole out money and to do things with TIF, but it’s [also] taken on an educational
153 response. One of the things I would rather see us spend our money on would be to develop a
154 resource for all small businesses wherein we listed all of the resources that are available – not
155 necessarily through the CDA, but [rather] what might be available through the SBA, what might
156 be available through the state and federal grant programs, and what some best practices have
157 been put together, for example, on rent abatement and adding onto advertising the amount of
158 rent.

159

160 I also have involved myself in a few commercial buildings, and there is some pressure on rent
161 abatement. Likewise, the landlords also have mortgages to pay, and the idea of them getting
162 some relief from their lender is, at best, in most cases it will be a deferral. By passing or making
163 a recommendation to our small businesses that there are some deferral programs that you might
164 talk to your landlord about and here are some things that you might do so that instead of actually

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165 doling out money that we really don't have a lot of, it would seem to me that if we put together
166 an educational forum in both print and Zoom form, then we would probably doing as much or
167 more good than actually doling out \$1,000 or \$2,000 per business.”

168

169 Ron said he would be fearful of the guidelines and the requests the CDA would be unable to
170 meet, adding, “I think it could cause some hard feelings. I kind of like that idea, John.”

171

172 Ann stated she agrees and said, “I think the backlash could be more than we anticipated if we're
173 having to limit how much is available [and] if we're saying this person gets it and this person
174 doesn't. I think you could have more hard feelings in the long run. When the federal
175 government does that, it's a different animal. But when we do it locally, I think it potentially
176 could have some backlash.”

177

178 Ald. T. Smith stated he agrees with John and said, “I think we should probably let the counties
179 and the federal government see what's there first, and become a resource with our limited funds
180 and maybe take a look at this a bit later and go from there.”

181

182 Joe stated he agrees with John and said, “Because we don't have a large amount of money, I
183 think it would almost be more costly for us to be trying to work with anything until we see
184 what's going to be happening as we go forward.”

185

186 Ald. Olson stated he also agrees with John and told CDA members, “If you would like, we have
187 a company that helps us with our small business. I've been texting and emailing their
188 information to a lot of my salons, and it's pretty complete if that would help any of you. There
189 are a lot of federal programs in this, and they have a ton of things listed. I've gotten a lot of
190 comebacks from people thanking me for sending that information. I would be glad to share it
191 with you, if you would like.”

192

193 City Administrator Rindfleisch asked Ald. Olson to forward him that information at his earliest
194 convenience.

195

196 Ann suggested possibly adding a link to it on the city's website and said, “That's one of the
197 hardest things for small businesses: They don't know what's out there.” Ann noted she had had
198 to do research regarding options for her small business and said, “It's a challenge [because] you
199 get bits and pieces, but you don't have one place where you can look, and that would be helpful.”

200

201 Amanda told CDA members the city had added links to its website Thursday for various SBA
202 programs as well as the Paycheck Protection Program application. Amanda asked Mike to
203 examine what the city had placed on its website and said he might be aware of additional
204 resources the city could add.

205

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206 Ron said he wants to be sure the city does not give the impression the list is all-inclusive and
207 suggested including a statement that informs individuals this is only a partial list of options.

208

209 Katie said it is likely more programs will continue to roll out as individuals are able to grasp the
210 situation and find available funding. Katie told CDA members she assumes the list will become
211 an active list that the city will add to and keep up to date. Katie said city staff can review and
212 send out the list Amanda had noted, and she told CDA members the city may continue to
213 proceed if they have changes or updates.

214

215 Mayor K. Smith asked City Administrator Rindfleisch if any staff members are available to
216 perhaps check in with small businesses and said, “We are a small town. It seems like we should
217 be able to have communication. Maybe there are people in trouble that we can help connect with
218 resources.”

219

220 City Administrator Rindfleisch told Mayor K. Smith that while he and Amanda are currently
221 short-staffed in their second-floor suite, there might be individuals to contact for assistance. City
222 Administrator Rindfleisch said that while those individuals could distribute information, they
223 will not be knowledgeable about it and therefore will be unable to answer questions. City
224 Administrator Rindfleisch said he believes it is possible to find someone who can direct
225 individuals to the city’s website and the links to available resources.

226

227 Mayor K. Smith said she believes many individuals would not even think to check the city’s
228 website and stated, “Putting the information there, to me that just seems like [it is] not really
229 doing anything.”

230

231 City Administrator Rindfleisch said while it is possible to have someone directing individuals,
232 there is not anyone who has sufficient knowledgeable to answer questions. City Administrator
233 Rindfleisch said, “I think there are probably people we can start looking at.”

234

235 Mayor K. Smith said, “Imagine if your family was relying on your business and you were now in
236 this situation and you weren’t good with figuring out government rules and applying for grants.”

237

238 Amanda asked Mike if Coulee Bank has been receiving such calls and said she assumes the first
239 call small business owners make is to their bank.

240

241 Mike told Amanda that Coulee Bank has received calls from existing customers, small business
242 owners, attorneys, and bankers who are not set up to be SBA lenders, and he said, “Until
243 [Thursday] night we’ve been running blind.” Mike noted Friday is the first day the SBA has
244 allowed the applications to proceed, and he said Coulee Bank is required to complete a lender’s
245 application that basically restates everything the borrower is doing. Mike noted it was in draft
246 form Thursday evening, and it became available Friday morning. Mike said the bankers who are

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247 not set up to be SBA lenders have called Coulee Bank and asked if they either could refer their
248 customers to Coulee Bank, or if Coulee Bank could be part of the list the bank could send out.
249 Mike said an estimated four million applications are expected to go through and told CDA
250 members it is possible the funds could be exhausted by the week of April 5-11.

251

252 Ann asked Mike if he knows how long it could take for the loans to be obtained, noting
253 applicants might not know for weeks if they will receive a loan.

254

255 Mike told Ann he does not believe it will take the normal SBA process as Coulee Bank has been
256 working with its normal SBA lenders at the bank. Mike told CDA members an application had
257 taken between five and seven minutes to upload Friday morning, and he said the SBA lenders
258 had told him this likely is the most streamlined process they have ever seen.

259

260 Ann noted she had sent her application Thursday to State Bank Financial and said she had been
261 required by State Bank to produce a Form 940 [utilized to report the annual Federal
262 Unemployment Tax Act], a Form 941 [utilized to report income taxes, Social Security tax, or
263 Medicare tax withheld from employee's paychecks, and to pay the employer's portion of Social
264 Security or Medicare tax].

265

266 John suggested combining the data Ald. Olson will submit to City Administrator Rindfleisch
267 with information city staff obtains and posting it on the city's website. John also suggested
268 following up either with a telephone call or an email to the storefronts to suggest that the city's
269 website is a resource. John said, "It's nice to have the data, but I think the reality is it is so
270 scattered at this point. Every bank has different rules, and many of them don't want to work with
271 customers who are not prior customers simply because of the amount of work that goes into
272 making these applications for SBA. SBA is only part of the equation." John asked if there are
273 city staff members who either are furloughed or working from home who could gather data so
274 that it could be placed in one location on the city's website, and then follow up either with a
275 telephone call, an email, or a text to inform individuals a source of data available to them. John
276 said, "Then I'll think that we've done what we can do to help them get through the current
277 hurdles that are out there."

278

279 Katie said, "Just the ability to get it on the website, I think we're already working on that, and we
280 can continue to improve that list as it comes forward. I think the harder part is going to be trying
281 to get it out to all of the businesses. There are hundreds of businesses in Onalaska. I think trying
282 to use our clearinghouses of contacting organizations like OABA [Onalaska Area Business
283 Association] and LABA and trying to get it in their hands so that they have different distribution
284 than us because not everyone has an active phone number. How are we going to try to hit
285 everybody as fast as possible? It can be trying to go after, if we have contacts to the rotary clubs,
286 for example, that work with a lot of organizations. I'm just worried that we're not going to get
287 everybody and we're going to miss people. If people don't have a web presence, how do we

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288 even know that they exist?”

289

290 John noted snail mail has not been utilized in several months and said, “If nothing else, using
291 lists that are available, if it’s nothing better than a letter that says, ‘We understand you have a
292 problem. Please look at our website. If you can’t get our website, please contact your banker or
293 contact LABA or contact whomever it might be.’ At least we’ve done our part to try to get the
294 message out. I can’t imagine that 90-plus percent of these businesses don’t have some kind of a
295 laptop available or a tablet or even a smartphone as a way to get it out. Again, I recognize that
296 you have limited resources, but through the tax rolls we do have addresses. If we use that
297 information ... I’m not trying to lay work on you unnecessarily, but the Mayor’s request is to do
298 what we can, and I think that’s something we can do that one, would be cost effective, and two,
299 other than the fact it’s going to be a lot of work, a well-crafted letter – I’ve seen some of the
300 things Eric has crafted in the past, and it’s been very artful – I think this could be another one of
301 those cases where we could get out a lot of information in a short period of time by putting it in a
302 central location and letting people know where to access it.”

303

304 Mayor K. Smith said perhaps the city could partner with another organization such as OABA to
305 utilize a combination of the information the city has readily available and to a certain extent
306 aligns with OABA’s purpose. Mayor K. Smith said, “Once we have something concrete I can do
307 a media push. ... They’re always looking for news, and this is good news they would want to
308 share if we get to the point we have something specific to share.”

309

310 Ron expressed a desire to see a disclaimer stating the resources could be updated over time.

311

312 Mayor K. Smith said, “The message isn’t, ‘This is what you should do to help.’ The message is,
313 ‘If you need help, please make sure you are trying to get some because we don’t want your
314 business to fail because of this.’ ”

315

316 **Adjournment**

317

318 Motion by John, second by Tom Smith, to adjourn at 9:34 a.m.

319

320 On voice vote, motion carried.

321

322

323 Recorded by:

324

325 Kirk Bey