



# **Queen Creek Grant Program Resolution 1361-20**

**July 1, 2020**

# CARES ACT

- March 27<sup>th</sup>: President Trump signed the **Coronavirus Aid, Relief & Economic Security (CARES) Act**.
- The CARES Act provided support to State and local governments.
  - Arizona received a total of **\$2.82 billion**.
- Of Arizona's total allocation, the U.S. Treasury distributed **\$1.86 billion** to the State
  - Balance of funding was distributed directly to counties/cities over 500,000 in population
    - Maricopa & Pima Counties, Phoenix, Mesa & Tucson
  - Congressional intent was for the Governor to share funding at a comparable level with the remaining counties and municipalities
- U.S. Treasury guidance permits several uses for funding including to support **grants to small businesses** to reimburse the costs caused by required closures.
- Guidance additionally **prohibits the use for any costs that were accounted for in the budget most recently approved as of March 27, 2020.**

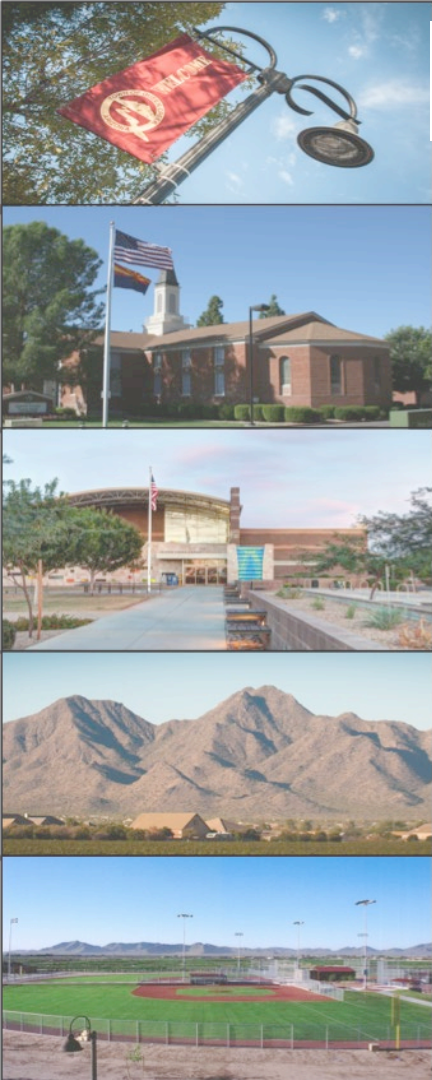


# AZCARES FUND

- On May 27<sup>th</sup>, Governor Ducey announced a **\$441 million distribution** to counties, cities, and towns that did not receive a direct appropriation.
- Queen Creek's share of these funds is **\$5,842,506**.
- Eligible expenses include **public health and safety regular salary and employee-related-expense costs** incurred between March 1, 2020 and December 30, 2020.
  - includes sheriff's deputies, police officers, 9-1-1, fire, and EMS (these can include contracted resources)
- Gubernatorial intent is to provide support for public safety to free up General Fund dollars for other necessary expenditures.



# BASIC PROGRAM GOALS



Assist the Town's business community with economic relief and enhance the health safety and welfare of the Town's residents and others utilizing and working in businesses within the Town limits during COVID-19 health emergency.

Keep the application process simple.

Avoids duplication of the Maricopa and Pinal County programs and/or federal assistance programs.

Provide a public health benefit.

# PRINCIPLES OF THE GRANT PROGRAM

- Grants will be given to for-profit, brick and mortar small businesses located within the municipal limits of the Town for activities/expenses that protect or enhance public health, safety, or well-being.
- Town will reimburse those small businesses for costs related to enhanced sanitation, and employee safety and customer safety.



# PRINCIPLES OF THE GRANT PROGRAM

- Disinfection of interior spaces and other high touch areas of small businesses;
- Personal protective equipment (including respirator, general face masks and gloves) for employees and customers
- Enhancing physical distancing by limiting the number of customers that may be in any location at any time, creating special hours for at-risk populations, and by spacing customer areas within the interior space of businesses to maintain six feet of space between customers and employees



# PRINCIPLES OF THE GRANT PROGRAM



- The installation and maintenance of any physical barriers, such as Plexiglas shields, or booths designed to limit the exposure of customers and employees to droplets and/or aerosols;
- Creation of signage and programs designed to allow for delivery of goods, curbside pickup or dedication of parking areas for such purposes;
- Installation and maintenance of hand sanitizer stations;
- Installation and/or maintenance of HVAC systems to include MERV 13 or higher air filters;
- Employment expenses related to the above activities.

# PRINCIPLES OF THE GRANT PROGRAM

- Grant money will be distributed based on the number of Full-Time Equivalent Employees (FTE) the business employed on 3/1/2020
- Businesses **may** have to provide the Town additional documentation to verify FTEs
- For each FTE, the grant program will provide \$500 to be used to offset the costs in connection with enhanced sanitation, employee safety, and customer safety
- Maximum eligible award per business - \$12,500





# PRINCIPLES OF THE GRANT PROGRAM



- To qualify for funds, the small business owner must certify under penalty of perjury, that they are a “small business” as defined by the Small Business Act; that they have implemented a program and will incur costs in connection with enhanced sanitation, employee safety, and customer safety.
- Grant money will be distributed on a first come, first served basis until the amount of funds dedicated by the Town for the program is exhausted.

# PRINCIPLES OF THE GRANT PROGRAM



- Businesses that have received federal funding through the Paycheck Protection Program (PPP) and/or Economic Injury Disaster Loan (EIDL) programs will be eligible.
- The Town wants to assist businesses with the unplanned costs associated with increased sanitation and safety protocols.

# PROGRAM OPTIONS

## Fiscal Impacts

- Staff recommends setting aside \$500,000 for the small business assistance grant program
- Maximum grant amount for one business will be \$12,500



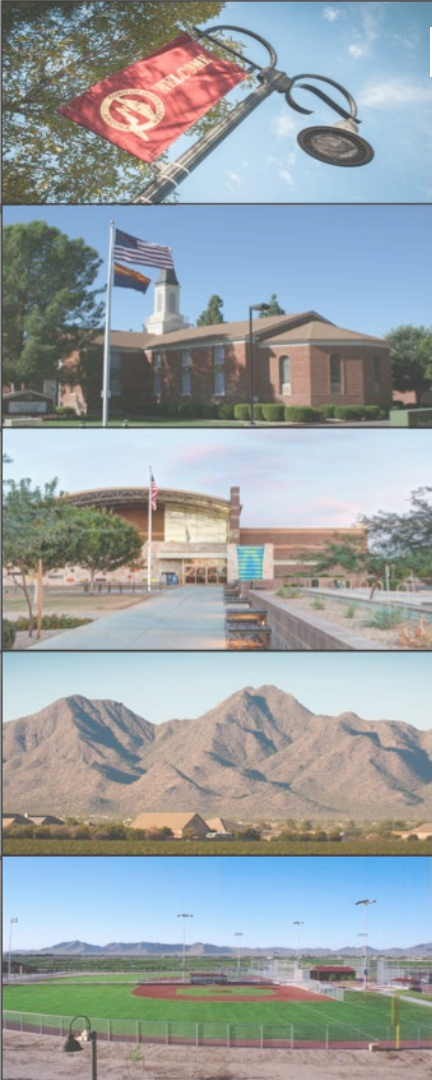
# PROGRAM OPTIONS

- Approve Resolution 1361-20 and direct staff to implement the grant program as outlined.
  - An emergency clause is included in Resolution 1361-20 in order to make the program effective immediately.



# PROGRAM OPTIONS

- Direct staff to implement the grant program with modifications:
  - Applying to home-based businesses;
  - Applying to non-profits;
  - Adjusting the maximum award from \$12,500 to another amount;
  - Adjusting the amount allocated for this program from \$500,000 to another amount;
  - Adjusting the program to exclude businesses that have received PPP or EIDL funding; and
  - Adjusting the program to allow for businesses to apply based on a demonstrated need that they suffered negative financial impacts or business interruptions due to required business closures or limited service, mandated by the State of Arizona Governor's Executive Orders regarding COVID-19.





**Questions???**

# OTHER COUNTY AND MUNICIPAL PROGRAMS



- City of Chandler PPE program
- \*Mesa CARES
- \*City of Phoenix
- Town of Gilbert - Technical Assistance
- City of Scottsdale
- City of Tempe
- \*Maricopa County Cares
- Pinal County Grant Program

# GRANT PROGRAM OPTION

## Employee based approach:

- For businesses with 25 or less employees.
- Business would have to provide the Town their Form 941 (quarterly payroll filing) verifying the number of FTEs on 3/1/2020.
- For each verified FTE, the program would provide \$500 (or another amount decided on by Council) per employee to be used for business expenses including PPE expenses, utility expenses, employee related expenses, etc. This approach does not demonstrate a "need" but would be administered evenly across all small businesses (retail, restaurant, service) and would be simpler from an administrative perspective.
- Suggested maximum award - \$12,500 (25 FTEs/\$500 per employee).





# GRANT PROGRAM OPTION

## Decline in sales approach:

- Business needs to verify that due to COVID-19 they have experienced a gross sales decline of at least 25% in March and April of 2020 when compared to March and April of 2019. Business would be asked to self-certify the information and share comparable gross sales from 2019 and 2020.
- This approach helps identify businesses with a loss of revenues, but is a bit more complicated to review and award.
- Suggested maximum award per business - \$15,000.

