



Staff Report

TO: City Council
FROM: Todd Parton, City Manager
DATE: August 4, 2020
SUBJECT: **Direction to City Staff Regarding the Establishment of a Business Assistance Program (BAP) for Local Businesses That Have Experiences COVID-19 Related Losses**

Background and Analysis:

City staff is preparing a budget amendment and related programming to implement the City's COVID-19 response program. This is the program discussed by the City Council at its meeting of July 7, 2020. Beaumont is eligible for an allocation of \$635,569 in CARES Act funds which will be programmed to off-set Beaumont Police Department payroll and payroll related expenses incurred since March 1, 2020. The resulting savings to the City is to be allocated to fund a COVID-19 response program.

An initiative contemplated for the COVID-19 response program is the Business Assistance Program (BAP). The COVID-19 ad hoc committee has discussed the general concepts for the BAP. Conceptually, this would be a business grant program to be made available to small businesses with a brick and mortar presence in the City. An overview of this grant program is included in Attachment A to this memorandum.

The general concept for the BAP is a grant of \$3,000 available to businesses with staffs of 15 or fewer full-time employees. These are businesses who can demonstrate COVID-19 related losses since March 1, 2020. They would be required to have a physical store front, office space, or other physical location within the City and would exclude home-based businesses. They would also be required to have a valid business license. Grant funds would be restricted to direct costs of the business such as payroll, supply purchases, rent payments, loan payments, etc. Should qualified grant application requests exceed the program funds of \$142,000, a drawing would be conducted to distribute the funds. Priority would also be given to allocating funds to businesses that have not received financial support through other programs even though such support would not disqualify an applicant (funds would be first allocated to businesses that have not received such financial assistance).

A grant application would be prepared and structures such that the business would either qualify or not qualify. The ad hoc committee would review applications to determine those that qualify. City staff anticipates that the first call for grant applications would run from September 1 through September 15 with grant awards being made by October 1, 2020.

City staff also anticipates developing a program that can be implemented and monitored with existing City resources. Ideally, there would be no need to purchase special software, hire outside consultants or service providers, or outsource any of the work.

Fiscal Impact:

City estimates that preparation of this report cost approximately \$1,350. Costs associated with the implementation of the BAP will be calculated once the program has been defined.

Recommended Action:

City staff is looking for City Council direction and action to develop and implement a small business grant program to be called the Beaumont Business Assistance Program (BAP).

Attachments:

- A. City of Beaumont – Beaumont Assistance Program Outline