



CITY COUNCIL AGENDA REPORT

Meeting Date: 2/18/2021

From: Stuart Schillinger, Deputy City Manager

Subject: COVID19 Business Relief Program

Community Goal/Result

Economic Development

Purpose

Assist businesses in Brisbane, with storefront locations on Visitation Avenue and the Village Shopping Center impacted by COVID-19. Additionally, assist restaurants within Brisbane to assist with their ability to provide service to the public.

Recommendation

Direct staff to set-up a program for business assistance for the mostly severely impacted small businesses on Visitation Avenue and the Village Shopping Center

Background

The Federal Government has adopted the Paycheck Protection Act which was meant to assist small businesses with support during COVID-19 interruptions. The program was administered through the banking system and did not seem to assist all of the businesses that needed help. This was due to a variety of factors including; lack of adequate funding, complicated rules, and distribution of capital throughout the County. The upshot of this was a number of businesses within San Mateo County and possibly Brisbane either did not qualify or apply for funds due to the rules. Additionally, the County of San Mateo put money into the San Mateo Strong Fund to assist restaurants during the COVID-19 emergency.

City Councilmembers have approached staff to see if there were specific programs that could assist the most impacted small businesses within Brisbane.

Discussion

Staff brought a concept to the Council's Economic Development Committee meeting of February 2nd. The concept was to provide a fund of \$50,000 from the General Fund to assist small businesses and restaurants. Comparing taxable transactions through September 2020 to taxable transactions through September 2019 (last four quarter we have information for) businesses are down about \$60,000,000 year over year. Of course, other businesses are doing

better and overall our Taxable Transactions are similar to the previous year. What this information shows is that we will not be able to assist all businesses that were impacted.

The Subcommittee discussed which businesses were the most in need of assistance. The first recommendation from the Committee would be to assist businesses, which have gross receipts below \$5,000,000. These businesses are usually the ones which run on narrower margins and also do not always have the financial strength to weather downturns in the economy. The second recommendation would be to assist businesses located within the traditional business district for Brisbane (Visitacion Avenue and the Village Shopping Center). The reason was the Subcommittee wanted to ensure that the storefronts in Brisbane stay occupied and remain open after COVID19 is over.

The third area the Subcommittee looked at was the amount of the assistance. The thought was to allow businesses to apply for up to \$2,500 per business. Although, the Subcommittee understands this will not fix the full problem for these businesses it does think that for smaller businesses it will be able to assist with meeting payroll and rental payments. With an allocation of \$50,000, we would be able to help a minimum of 20 businesses. This is similar to the number of residents that will be helped with the rental assistance program the Council previously approved.

The fourth area the Subcommittee reviewed was the impact of COVID on the businesses revenues. The Subcommittee is recommending to the Council that businesses with revenues 25% or more below the same period the previous year be eligible. For businesses that provide Sales Tax to the organization this will be verified by looking at reports the City receives. For businesses that are service oriented we will request their gross receipts numbers for 2020 and 2019. To verify the accuracy of this we will compare it to the Business License information they provide.

Finally, the businesses which receive the money will need to state that they plan to remain open in Brisbane after COVID-19 is over.

One final idea which staff suggested to the Subcommittee was that we do another program for restaurants. The City would sell vouchers for half price which can be used at Brisbane restaurants. The details of this program has not yet been worked out. If it is administratively possible the question is would the Council want to put a portion of the \$50,000 be put towards this.

Summary of recommended program:

Dollar Amount \$50,000 from General Fund

Eligibility: Businesses \$5,000,000 or less

Loss of 25% of revenues for a recent 12 month period

Business commits to be open after the COVID19 emergency is over

Located within the traditional business district (Visitacion Avenue and Village Shopping Center)

Amount per business: No more than \$2,500

Fiscal Impact

Allocate \$50,000 from the General Fund.

Measure of Success

Provide a minimum of 20 businesses assistance.

Stuart Schillinger

Stuart Schillinger, Deputy City Manager



Clay Holstine, City Manager