



**BUSINESS OF THE CITY COUNCIL  
CITY OF MERCER ISLAND**

**AB 5739  
September 1, 2020  
Consent Calendar**

**AGENDA BILL INFORMATION**

<b>TITLE:</b>	AB 5739: King County CARES Act Coronavirus Relief Fund Grant Acceptance	<input type="checkbox"/> Discussion Only
<b>RECOMMENDED ACTION:</b>	Accept King County CARES Act Coronavirus Relief Fund grant and appropriate expenditures.	<input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

<b>DEPARTMENT:</b>	City Manager	
<b>STAFF:</b>	Sarah Bluvas, EOC Small Business Liaison	
<b>COUNCIL LIAISON:</b>	Jake Jacobson	Craig Reynolds
<b>EXHIBITS:</b>	1. King County Coronavirus Relief Fund Subrecipient Grant Agreement	
<b>CITY COUNCIL PRIORITY:</b>	4. Provide emergency response services related to the COVID-19 Pandemic.	

<b>AMOUNT OF EXPENDITURE</b>	\$ 37,372
<b>AMOUNT BUDGETED</b>	\$ 0
<b>APPROPRIATION REQUIRED</b>	\$ 37,372

**SUMMARY**

The City of Mercer Island was awarded \$37,372 through King County’s Coronavirus Relief Fund Economic Development for Cities grant program. Acceptance of the grant will allow the City to allocate funds to continue supporting Mercer Island small businesses impacted during the COVID-19 pandemic.

**BACKGROUND**

On May 12, 2020, the King County Council passed Ordinance 19103, which allocated a total of \$1.95 million for a grant program to support King County cities’ economic relief and recovery activities in response to the COVID-19 public health emergency. This program intends to help alleviate the significant adverse economic impact of COVID-19 on incorporated municipalities in King County. Funds are being distributed to every city in King County (except the city of Seattle) based on per capita population, with a minimum grant of \$10,000.

King County seeks to achieve the following outcomes with this grant program:

1. Small businesses receive the support they need to overcome disruptions caused by COVID-19
2. Small businesses receive the support they need to safely reopen while adhering to local public health guidance and operating guidelines designed to protect employees and customers
3. Support underserved and other priority small businesses that have not been able to access other resources *(For the purpose of this grant program, King County considers historically underserved business owners to be those from Black, Native, people of color, immigrant, refugee, and LGBTQ communities.)*

4. Help small businesses restart quickly, recover from the impacts of the pandemic, and contribute to the overall economic stability of the community (i.e. revenues and jobs)

The grant funds must be used for cities' economic relief and development activities in response to COVID-19 and may fall into any of the following broad categories:

- City internal operational expenditures
- City direct expenditures for small businesses
- Passthrough grants to small businesses to reimburse the costs of business interruption caused by required closures

Examples of eligible expenditures provided by the County include:

- Materials to distribute to businesses to facilitate safe reopening (e.g. PPE, sanitation supplies, plexiglass barriers, floor markers, signage)
- Renting materials to increase outdoor seating capacity for restaurant businesses
- Marketing materials for businesses
- Technical assistance to businesses
- Consulting services (e.g. business surveys, training, city marketing materials)

The funds may only be used for costs that were not accounted for in the City's 2019-2020 biennial budget most recently approved as of March 27, 2020 and must comply with all federal requirements set for the Treasury's Coronavirus Relief Fund. Expenditures must be incurred in the period from March 1, 2020, through December 30, 2020, and must be recorded and documented using the generally accepted accounting principles and the provisions of Title 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements.

## **SUPPORTING MERCER ISLAND SMALL BUSINESSES**

The City has coordinated a variety of efforts to support Mercer Island businesses since activating the EOC in March 2020. These efforts include:

- Launching a Let's Talk page for coronavirus resources for businesses
- Extending the B&O tax payment deadline
- Temporarily adjusting permitting processes to facilitate outdoor dining and outdoor fitness classes
- Ongoing outreach to and resource sharing for local businesses via the EOC Small Business Liaison role
- Securing grant funds through a Port of Seattle Economic Development Partnership to support small businesses

The King County grant provides the City additional resources to enhance existing support efforts as well as address needs that may arise in the small business community in the last quarter of 2020. Through consultation with the Mercer Island Chamber of Commerce, City Council liaisons, and local business owners/advocates, staff recommend allocating funds in the following ways:

- Continue small business marketing and promotion efforts
- Activate local business districts via signage, outdoor seating, and other efforts
- Enhance small business outreach efforts
- Support additional projects based on the business needs assessment survey

The \$37,372 grant-funded appropriation request is for the 2019-2020 biennium. Funds are expected to be expended from September to December 2020.

## **RECOMMENDATION**

Authorize the City Manager to accept grant funding through King County's Coronavirus Relief Fund Economic Development for Cities program in the amount of \$37,372 and appropriate the full amount to support the City's small business support efforts through December 31, 2020.