



City of Tualatin

CITY OF TUALATIN Staff Report

TO: Honorable Mayor and Members of the City Council
THROUGH: Sherilyn Lombos, City Manager
FROM: Jonathan Taylor, Economic Development Manager
DATE: July 27th, 2020

SUBJECT:

Consideration of Resolution No. 5515-20 of the City Council of the City of Tualatin authorizing the City Manager to execute an intergovernmental agreement with Washington County for small business emergency assistance grants funds.

RECOMMENDATION:

Staff recommends Council authorize the City Manager to sign the Intergovernmental agreement.

EXECUTIVE SUMMARY:

Background

On March 27th, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act to provide \$2 trillion dollars in economic stimulus to assist the United States in mitigating the economic fallout from the COVID-19 pandemic. Within the CARES Act, the law provided \$150 billion in relief funding for eligible units of local government, including Washington County.

Amount of Funding

On June 2, 2020, the Washington County Board of Commissioners approved the distribution of \$10,000,000 from the County's allocation to small business assistance funds to reimburse and provide additional emergency business funding to cities within Washington County. The City of Tualatin and the Tualatin Development Commission is set to receive \$932,000 (\$680,000 for the City of Tualatin, \$252,000 for the Tualatin Development Commission.)

Questions for Council:

In accordance with the guidelines and requirements of the CARES Act funding, what economic impact does the City Council want to make with the \$932,000 of CARES Act funding?

Our Current Recovery Plan

In April 2020, City Staff presented the Economic Recovery Plan currently being implemented. The mission of the recovery plan is "to manage and implement an effective, efficient, and nimble local economic recovery effort, in collaboration with vital partners, that charts a path for future economic prosperity." The plan detailed four response and recovery phases:

- Response Phase (1 – 30 days)
 - Focus: Quickly mobilize city resources and partners to provide immediate assistance to affected businesses.
 - Efforts:
 - Economic Stabilization Fund - \$252,000 in non-TIF revenue that provided emergency

- business assistance grants to 54 businesses, with the average grant \$4,600.
 - Business Resources Page – The City of Tualatin’s official business COVID-19 resource page.
 - Regional Committees – The City of Tualatin is engaged various recovery committees including Washington County and Greater Portland Inc.
- Stabilization Phase (1 – 6 months) – CURRENT PHASE
 - Focus: Work to stabilize existing or at-risk businesses from disruptions or closures.
 - Efforts:
 - Business Recovery Centers – Worked with Washington County to establish a business recovery center in Tualatin with \$100,000 to cover Tualatin, Sherwood, Durham, Tigard, and Wilsonville. This center is one of four in Washington County.
- Preservation Phase (6 – 12 months)
 - Focus: Work to preserve our economic response efforts to stabilize our local economy while preparing for the future economic health of our residents, businesses, and workers.
- Enhancement Phase (Continuous)
 - Focus: Commit to combining and enhancing our past economic successes and our current recovery efforts to ensure a bright economic future for the City of Tualatin.

POTENTIAL AREAS FOR COUNCIL CONSIDERATION OF ECONOMIC IMPACT FOR CARES ACT FUNDING

- Business Assistance
- Rent Assistance
- Childcare Facility Assistance
- Potential Planning

BUSINESS ASSISTANCE

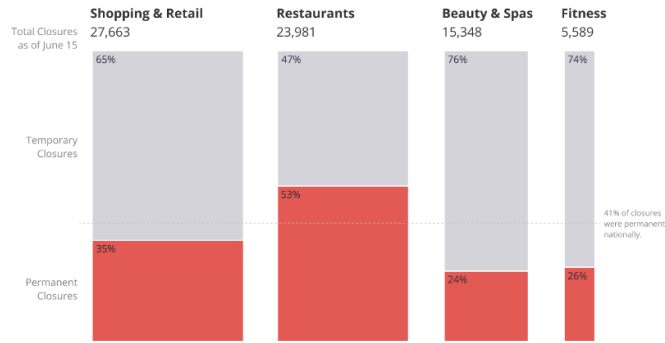
The idea would be to provide business assistance through a second round of the Economic Stabilization Fund. The Economic Stabilization Fund 2.0 Program could provide grants to qualifying businesses in the same capacity as before with modifications to ensure compliance with CARES Act. This grant would be intended for business operating expenses deemed necessary to sustain their current workforce, maintain an operating physical presence, or provide reimbursement for site modification to ensure CDC and State of Oregon health operating guidelines.

Important Economic Issues

- According to Yelp, 41% closed on Yelp have shut down for good. (Noted graph below) <https://www.yelpeconomicaverage.com/yelp-coronavirus-economic-impact-report.html>
- More than 100,000 have closed for good. <https://www.nber.org/papers/w26989.pdf>
- Notable Tualatin businesses have or will be permanently closing. Most recent Sur La Table, Wine and Design, Fuddruckers, Laser Services, Boom Fitness.
- Certain Tualatin-businesses are voluntarily closing due to rising COVID-19 cases - Three Mermaids Pub.
- 607 businesses in Tualatin (97062) received the Paycheck Protection Program. 171 business receiving PPP over \$150,000: 436 businesses receiving PPP under \$150,000: GIS Map: <https://www.arcgis.com/home/webmap/viewer.html?webmap=37fd11926d9446fa8cc30b2036ce2de9&extent=-127.7559,41.2715,-113.3418,46.8544>

Restaurants and Retail have been Hit Hardest

Number of businesses marked temporarily or permanently closed on Yelp that were open on March 1



Council Impact Questions:

- 1.) Would Council like to implement this Economic Stabilization Fund Program again?
 - a. If so, how much funding should be allocated to the Economic Stabilization Fund 2.0 Program
- 2.) Understanding the current economic climate, are there particular industry sectors City Council wishes to prioritize. Example: businesses affected by Governor Brown's order? Particular focus on tourism or hotel related businesses, restaurants, etc.
- 3.) Alternative suggestions for business assistance?

Examples of Similar Programs

- Hillsboro
- Tualatin
- Beaverton

RENT ASSISTANCE

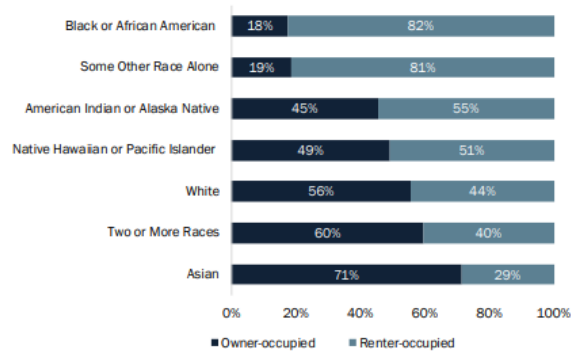
The idea would be to provide rental assistance to Tualatin residents designed to keep our residents housed and ensure the stability of our workforce. Payments could be made directly to the landlord. This program could be provided by the City or contracted through a third-party.

Important Economic Issues:

- According to the City of Tualatin's Housing Needs Analysis, 37% of Tualatin's households are cost burdened, indicating these households spend more than 30% of their income on housing – including a cost burden rate of 56% for renter households. Approximately 2,430 renter households are cost burdened.
- 82% of Tualatin renters live in multifamily housing.

Exhibit 22. Tenure by Race of the Head of Household, Tualatin, 2013-2017

Source: U.S. Census Bureau, 2013-2017 ACS Table B25003A-G.



- Currently, 12.2% of Tualatin residents are unemployed.

Impact Questions

- 1.) Should the City of Tualatin provide rental assistance?
 - If so, how much of the \$932,000 should be allocated to rent assistance program?
- 2.) What are particular Council targets for a renter's assistance program?

Examples:

- Number of renter's assisted.
- % of cost burden households assisted

Example of Similar Programs

- Hillsboro

CHILDCARE FACILITY ASSISTANCE

Currently, nearly half of Oregon's early learning centers have closed as a result of Governor Brown's executive orders. Only 2,085 are operating as emergency child care facilities. Most childcare facilities are operating on thin-margins, and given new health and safety requirements, these rules have added an additional level of fiscal burden on these facilities.

Important Economic Issues:

- There are currently 13 classified commercial "childcare centers" in Tualatin. Registered families and certified families are home-based childcare services. At this time, it is unknown how many residential based child-care facilities are located in Tualatin.
- As the discussion of the reopening schools remain vague, Tualatin residents are returning to work as the slow economic reopening is occurring. Access to affordable, consistent, and reliable childcare provides workforce stability and child-safety.
- Currently, the State of Oregon has provided emergency assistance grants to eligible Emergency Childcare Facilities (ECC).

Impact Questions

- 1.) Should the City of Tualatin provide specific assistance to childcare facilities?
 - a. If so, how much of the \$932,000 should be allocated to this program?
- 2.) What are the particular Council targets for this program?
 - a. Example
 - i. Assist a portion of licensed child-care facilities in Tualatin?

POTENTIAL PLANNING

As COVID-19 cases have steadily increased over the last month, many communities and states are reverting to additional business restrictions and closures, including complete lockdowns – namely California. A possible option is to withhold a portion of the \$932,000 in preparation for this potential outcome to provide assistance to potentially affected businesses.

If no restrictions occur within the State of Oregon that reverts back to “lock-down” like status, Council can further discuss how to program remaining funds. One option is to craft a program similar to the Economic Stabilization Fund and target it to relaunch businesses in 2021.

Impact Questions

- 1.) How much of the \$932,000 should the City of Tualatin set aside for potential economic assistance to affected businesses?

The City of Tualatin will receive \$680,000 in CARES Act grant funding from Washington County to provide emergency small business grant assistance. In addition, the Tualatin Development Commission will receive \$252,000 in CARES Act funding. The City will have to provide an approved plan of expenditure to Washington County to receive the funds. A general plan based on the above proposals and topics have been submitted in accordance with County expectations. The City will have until November 15th to spend this grant in accordance with the contract terms and conditions with Washington County.

OUTCOMES OF DECISION:

Approval of Resolution No. 5515-20 will authorize the City Manager to sign an Intergovernmental Agreement with Washington County to receive CARES Act funding.

Based on Council discussion tonight, staff will bring back a program to spend the funds at a future Council meeting.

ALTERNATIVES TO RECOMMENDATION:

None

FINANCIAL IMPLICATIONS:

\$680,000 will be distributed to City of Tualatin. In addition, \$252,000 will be distributed to the Tualatin Development Commission.

ATTACHMENTS:

- A - Resolution
- B - Exhibit A: Draft Intergovernmental Agreement
- C - Presentation