



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: August 24th, 2020

SUBJECT:

Consideration of Economic Recovery Programming for business assistance, childcare scholarships, and future disbursements.

RECOMMENDATION:

Staff recommends Council consider the draft plan and provide direction to staff to move ahead with implementation.

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.

In July 2020, Council approved resolutions No.5515-13 and No.5515-20 authorizing the City Manager to enter into intergovernmental agreements with Business Oregon and Washington County. Resolution No.5515-13 authorized the City to receive \$35,000 for the Business Oregon 1:1 Matching Grant. Additionally, on July 27th the City Council made a motion to authorize the City Manager to execute the change in contract which increased the amount to \$278,000. Resolution 5515-20 authorized the City to receive \$680,000 from Washington County for small business assistance.

Council's Direction

On July 27th, Council discussed community priorities regarding the use of funds from Business Oregon and Washington County for local economic recovery. Those discussions included small business assistance, childcare scholarships, future disbursement planning, housing assistance, utility assistance, and direct-cash assistance for COVID-19 affected Tualatin businesses and residents.

City staff followed Council direction and provided a planned outline to Washington County that addressed Council's priorities and our community's needs.

Due to the Washington County Small Business Grant contract, several of these programs were not approved by Washington County. Approved programming includes small business assistance, childcare scholarships, and future disbursement planning.

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.” Our current phase is below:

- 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.

ECONOMIC RECOVERY PROGRAM AREAS

- Economic Stabilization Fund 2.0
- Childcare Scholarships
- Potential Planning

ECONOMIC STABILIZATION FUND 2.0

The program will be a blended version of the City of Tualatin’s Economic Stabilization Fund and the Business Oregon 1:1 matching grant. There will be one application for businesses to complete that will be provided or modeled on Business Oregon’s application questions. The application will also require all documentation that we required from the Economic Stabilization Fund 1.0 – an economic worksheet and financials – to ensure compliance with Washington County CARES Audit Guidelines. The award will be a reimbursement grant similar to the Economic Stabilization Fund Round 1.

PROGRAM OVERVIEW

Total Funds: \$600,000

Business Oregon: \$278,000

Washington County Small Business Grant: \$322,000

Eligibility

- Businesses with 50 or fewer employees.
- Must have a current Tualatin business license.
- The business must have experienced a loss of income due to COVID-19
- No national chains. National chains are defined as franchises/for-profit corporations that are not headquartered in the State of Oregon or Washington County, Oregon; except in the case where the franchisee or brand has a Tualatin-based owner and the brand has no more than one location within the Tualatin city limits at completion this grant.

JUDGEMENT CRITERIA

Priority will be given to businesses affected by Governor Brown’s executive orders, establishments operating at reduced capacity, those who have had larger economic impacts on revenue, and those who have not previously received funding from local, state, or federal sources.

IMPACT

Based on our business license information and previous program requests, the City is prepared to assist up to 140 businesses, 87 more than Economic Stabilization 1.0. With the release of contingency funds in a potential Economic Stabilization Fund 3.0, the City can assist an additional 50 businesses. With total funds assisting up to **190 businesses**. Staff's goal is to ensure that we meet the needs of as many businesses as possible. We will utilize our existing network of contacts and the newly established Business Recovery Center in Tualatin to ensure access to all businesses.

CHILDCARE SCHOLARSHIPS

PROGRAM OVERVIEW

Total Funds: \$100,000

Washington County Small Business Grant: \$100,000

Scholarships will be provided for children of Tualatin residents or workers to attend a registered child-care provider in Tualatin for up to \$1,000 per child per month for a maximum of three months. This program will directly assist childcare facilities with secured guaranteed revenue (complying with the Washington County Small Business Contract) while ensuring that residents and workers of Tualatin have the necessary childcare that is attainable and affordable (ensuring that Tualatin is actively addressing diversity, equity, and inclusion.)

Eligibility

- Need: You are or partner is currently, or have been unemployed, for longer than four weeks; or
- Proportionality: Past or current unemployment assistance does not (or did not) exceed 100% of your original employment income.
- Reduced work hours in excess of 10 or more hours per week.

Payments will be made directly to the local childcare facility located in Tualatin to ensure scholarship usage as intended and comply with the Washington County Small Business Contract.

FUTURE DISBURSEMENTS

PROGRAM OVERVIEW

Total Funds: \$510,000

Washington County Small Business Grant: \$258,000

Washington County Reimbursement: \$252,000

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. Governor Brown has currently discussed this for several counties in Oregon. If economic restrictions occur, these funds will be used to provide immediate emergency grant assistance in accordance with the Economic Stabilization Fund.

If no government economic restrictions occur, these funds will be transitioned to provide another round of the Economic Stabilization Fund as proposed in this staff report to be distributed by November 15th.

OUTCOMES OF DECISION:

The plan adopted tonight will be provided to Washington County Economic CARES Steering Committee. Upon final approval from Washington County, City Staff will bring back the necessary budget resolutions, while staff continues to implement the plan ensuring Council's priority of moving quickly for our local businesses.

City Staff anticipates launching these programs on September 1st.

ALTERNATIVES TO RECOMMENDATION:

None

FINANCIAL IMPLICATIONS:

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

ATTACHMENTS:

Attachment A - Presentation