



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 13, 2020

SUBJECT:

Consideration of **Resolution No. 5513-20** Authorizing the City Manager to execute an Intergovernmental Agreement with Business Oregon for a COVID-19 Emergency Business Assistance Program Forgivable Loan.

RECOMMENDATION:

Staff Recommends Council authorize the City Manager to sign the Intergovernmental Agreement.

EXECUTIVE SUMMARY:

Background

On March 23, 2020, the City of Tualatin authorized the Tualatin Development Commission to provide grant funding assistance to businesses affected by the COVID-19 through the Economic Stabilization Fund Program. The program utilized \$250,000 in non-tax increment revenue with a contribution of \$2,000 by Northwest Natural.

The application process for the Economic Stabilization Fund program utilized selected application submission process and award amount methodology. The application acceptance period occurred between March 24 to March 31, 2020. A total of 146 businesses submitted an application with a total request of \$1.3 million.

On April 14, 2020, the Tualatin Development Commission dispersed grants ranging from \$579 to \$10,000 to 54 businesses currently employing 149 individuals, with an average grant amount of \$4,600. Over 75% of grant funding went to retail, restaurant, services, hospitality, entertainment, and wellness classified businesses. The grant awarded businesses that were assisted were 44% minority-owned and 47% women owned-businesses.

Business Oregon Matching Grant Program

The Oregon Legislature, in partnership with Governor Brown, allocated \$5 million from the State General Fund, which is combined with \$5 million redirected existing program funding from Business Oregon, to provide financial assistance to small businesses adversely affected by economic conditions associated with COVID-19 that did not or have not received federal emergency assistance under the federal CARES Act funding or other federal program for emergency funding (i.e. Personal Paycheck Protection Program.)

Business will be considered eligible if they meet all of the following Business Oregon requirements:

- .Businesses must be adversely affected economically in either one of the following two categories:
 - Those for-profit and non-profit (limited to 501(c)(3) corporations) businesses that were prohibited from operation as directed by the Governor of Oregon's Executive Order No. 20-12.
 - Businesses that can demonstrate a one-month decline in revenue greater than 50% in the month of March or April 2020 as compared to January or February 2020.
- Businesses must have 25 or fewer employees.
- Have not received federal funding.

For more information, please reference Exhibit A Program Description and Requirements included in the attached contract provided by Business Oregon.

Implementation

The City of Tualatin received \$35,000 from Business Oregon as a "forgivable loan." Under the terms of the loan, the City must provide matching funds in the amount of \$35,000, and then all funds must be spent consistent with the State's agreement terms to help small businesses. If the City complies with the terms of the agreement, then Business Oregon will forgive the City from having to repay the \$35,000 loan.

Under Business Oregon's program, the City has been authorized to utilize the Tualatin Development Commission's Economic Stabilization Fund Program's previously expended funds as the City's "match." As a result, the City does not need to provide an additional \$35,000 as a match. Rather, the City will utilize the \$35,000 from Business Oregon to administer a separate small business grant program, consistent with State of Oregon requirements. This separate grant program will not be administered under the Tualatin Development Commission's Economic Stabilization Fund.

The application process for small businesses to receive grant funds will be a tiered approach, focusing on historically disadvantage communities one week prior to the general launch of the public application process. The application documents will be located on the City of Tualatin's website under the Economic Development Page. The application must be downloaded and submitted via mail by July 31st at 5:00 pm with all required documentation. Application assistance can be requested from the Business Recovery Center – Tualatin location.

To maximize the \$35,000, the City of Tualatin will limit application for eligible businesses to sole proprietorships and businesses with five employees or less.

The application will be judged against the following criteria:

<u>Business Type:</u>	2-5 years 10 pts
Restaurant 10 pts	5 years or more 5 pts
Retail/Service 5 pts	<u>Economic Impact:</u>
Other 0 pts	50-54% 10 pts
Currently Operating: 5 pts	55-70% 15 pts
Currently Closed: 10 pts	71-85% 20 pts
<u>Years In Operation:</u>	85% or more 25 pts
1 year or less 0 pts	

Funding will be administered as required by the State of Oregon:

- \$2,500 or 60-day fixed expenses up to a maximum of \$5,000.

Funding will be available until funding runs out. It is anticipated that the City of Tualatin will be able to assist 7-10 small businesses.

ALTERNATIVES TO RECOMMENDATION:

None

FINANCIAL IMPLICATIONS:

The City of Tualatin will administer \$35,000 of grant revenues from Business Oregon to provide financial assistance to small businesses as outlined by program guidelines.

ATTACHMENTS:

- Resolution for Authorization
- Business Oregon – City of Tualatin Forgivable Loan IGA (Includes Program Outline as Appendix)