



CITY OF FERNLEY

CITY COUNCIL AGENDA REPORT

Meeting Date: September 2, 2020

REPORT TO: Mayor and City Council
REPORT FROM: Daphne Hooper, City Manager
REVIEWED BY: Denise Lewis, City Treasurer

FINANCIAL IMPACT:

Yes: No:

CURRENTLY BUDGETED:

Yes: No:

FUND/ACCOUNT:

220-480-800

ACTION REQUESTED: Consent Ordinance Resolution Motion Receive/File

AGENDA ITEM: Staff Report (For Possible Action): Discussion and Possible Action to establish a second round of local small business COVID-19 grants to expend the remaining funds, amending the qualifying criteria, and extending the submission date for applications.

Agenda Item Brief: The City received 34 applications. Twenty-three (21) applications met the established qualifying criteria expending \$105,000 of the \$250,000 set aside for the local businesses. Staff recommends opening a second round of grant applications utilizing the remaining \$145,000 and amending the criteria to allow for other businesses to apply.

Recommended Motion:

“I move to establish a second round of small business COVID-19 grants, utilizing the \$145,000 remaining funds, and amending the criteria to allow for businesses that remained open but had a severe reduction in operations.”

Business Impact (per NRS Chapter 237):

- A Business Impact Statement is Attached.
- A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B).

See attached report for background, analysis, alternatives.

ALTERNATIVES:

Council may decide not to provide financial support to local businesses utilizing the existing CARES Act Emergency Funds or direct staff to develop a different plan than what is presented.

BACKGROUND:

On July 1st, 2020, City Council approved the CARES Act funding plan of which \$250,000 was set aside for Small Business Grants, in addition to the TLT funds.

On July 7, 2020, the FCTA Board approved to distribute fifty (50) grants in the amount of \$5000 each to local small businesses who were negatively affected by the pandemic utilizing only the CARES Act funding. The board decided local businesses who are interested in the financial stimulus must complete an application with the following qualifying criteria:

1. The business must have shut down during the pandemic.
2. The business must be in good standing with the federal, state, and city business licensing and taxes. All business licenses must be current.
3. Home-based business do not qualify for the grant.
4. The business must have been open for at least twelve (12) months prior to the COVID-19 shutdown or date March 15, 2019.
5. Businesses who have received state or federal assistance do not qualify for the grant.
6. The local small business grant will be awarded first come, first serve.

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RECOMMENDATIONS:

Staff proposes the second round of grants to utilize the remaining CARES Act funds set aside for local small business with the following amended eligibility criteria:

ELIGIBILITY:

- The business must be a local, Fernley, business
- The business must qualify as a "small business" per federal "size standards" found in Title 13 of the Code of Federal Regulations (CFR), Part 121
- Applies to businesses that were required to be closed due to the COVID-19 public health emergency or those that remained open, but had a severe reduction in operations
- Must be in good standing with Federal, State and City business licensing and taxes
- Brick and Mortar businesses/traditional street side businesses must have been open for business at least 12 months prior to the COVID-19 stay-at-home order or on March 17, 2019
- Must not have received other State, Federal or local COVID-19 related financial assistance
- Home-based businesses do not qualify for this grant (businesses that are not brick and mortar businesses/traditional street side businesses)
- This grant is open to the first fifty (50) eligible applicants

Proposed FCTA Local Small Business COVID-19 Grant timeline Round Two.

- September 6 - 13, 2020: staff and the Fernley Chamber of Commerce will advertise on the website and Facebook page.
- September 14 - 18, 2020: Grant applications will be accepted by email only.
- September 21 – 25, 2020: submitted grant applications will be reviewed for eligibility.
- September 28 – October 2, 2020: awarded businesses will be notified.

Grant Application Review and Award Process

- Grant applications will be received by email only at FernleyCARESact@cityoffernley.org. The date and time that the email was received is the application's day-time stamp.
- Applications will be reviewed by staff the week of September 21-25, 2020. Each application will be reviewed by the amended eligibility criteria above.
- Applicants that meet all qualifying criteria will be notified they are eligible for the small business grant the week of September 28 – October 2nd, 2020. At this time if the applicant has not submitted all eligible documentation, it will be requested.
 - Requirements for Disbursement
 - A Federal form W-9 is required from all applicants prior to any disbursement as these funds are taxable as income per IRS regulations.
 - All eligibility documentation must be received by the City prior to disbursement.
 - Applications, agreements, invoices and receipts are required to be submitted to prove eligibility and they must be legible. Expense lists, copies of checks, check registers and bank statements alone do not suffice and will not be considered.
- Upon receiving all eligibility documentation, City staff will request a disbursement check payable to the business. The disbursement process can take two to three weeks, depending on the City Council meeting cycle. All requests are approved by Council prior to processing the disbursement payments.

PRIOR COUNCIL AND FCTA BOARD ACTION:

August 12, 2020, the FCTA Board did not pass the second round of grants. **Motion Failed**

July 7, 2020, the FCTA Board approved to distribute fifty grants in the amount of \$5000 each to local small businesses who were negatively affected by the pandemic. **Motion Passed**

June 11, 2020, FCTA Board approved to establish grant guidelines, amount, and procedures for the distribution of TLT fund to local businesses affected by the COVID-19 pandemic for grant period July 1 – December 31, 2020. **Motion Passed**

June 3, 2020, City Council adopted Resolution 20-010 granting the FCTA Board the authority to spend TLT funds for local businesses and to determine grant guidelines on how to distribute the funds. **Motion Passed**

May 20, 2020, City Council directed staff to move forward in developing a resolution and application criteria for FCTA funding distribution for July 1, 2020 – December 31, 2020 to local businesses. **Motion Passed**

LEGAL IMPLICATIONS:

CARES Act Section 5001
Social Security Act 601(d)

FINANCIAL IMPLICATIONS:

\$250,000 of the CARES Act funding will be used for the local small business grant. As of August 5, 2020, \$145,000 is available for round two.

ATTACHMENTS:

The City of Fernley COVID-19 Small Business Economic Assistance Program
City of Fernley COVID-19 Small Business Economic Assistance Program Application