City of Carroll

112 E. 5th Street Carroll, Iowa 51401-2799 (712) 792-1000 FAX: (712) 792-0139

MEMO TO: Honorable Mayor and City Council Members

FROM: Mike Pogge-Weaver, City Manager MPW

DATE: March 25, 2020

SUBJECT: Carroll Small Business Relief Program

The Novel Coronavirus, now known as COVID-19, is causing much anxiety in our community, state and the world. This is a situation that many of us in our lifetimes have not experienced. Our business community has been impacted and faces untold stresses. To that end, programs by the State and Federal government are being ramped up to help struggling businesses during this challenging time; however, some of this aid will be too late. In an effort to help our small business community, who are the economic engine of our community, discussions have been occurring between the Carroll Area Development Corporation (CADC) and the City to develop a Carroll Small Business Relief Program. The request is for the City to provide an initial allocation of $100,000 from Local Option Sales Taxes (LOST) funds to support the program. As the engine that generates the LOST funds, it makes sense to invest in these businesses in hopes that they can be part of the future recovery once we are past the current situation.

Attached are the program guidelines that have been developed in consultation between the CADC and the City. The program would be operated and administered by CADC. Assistance through this program is only intended to provide businesses with immediate, short-term cash flow assistance for approximately the next 30 days. Eligible businesses would include those employing 25 employees or fewer as of March 17, 2020.

This is a competitive program and not a first come first served program. Grant amounts will vary and be determined by the level of impact including loss in sales revenue, employees, and financial need of the business. The maximum award will be $5,000 per business. The goal is to reach as many businesses as possible with the limited amount of funds available.

The first review of all submitted applications will occur the afternoon of Thursday, April 2 for all applications received by Noon on Thursday, April 2, 2020. Application reviews will happen on an ongoing basis and will be accepted until all available funding is exhausted.

RECOMMENDATION: Mayor and City Council consideration and approval of providing funding to the Carroll Area Development Corporation for economic development funding assistance for the Carroll Small Business Relief Program in the amount of $100,000 from Local Option Sales Taxes.

RESOLUTION NO. _____

A RESOLUTION APPROVING THE ALLOCATION OF $100,000 TO CARROLL AREA DEVELOPMENT CORPORATION FOR ECONOMIC DEVELOPMENT FUNDING ASSISTANCE FOR THE CARROLL SMALL BUSINESS RELIEF PROGRAM

WHEREAS, Novel Coronavirus, now known as COVID-19, is causing much anxiety in our community, state and the world; and

WHEREAS, the Carroll business community has been impacted and faces untold stresses; and

WHEREAS, the need to assist our local small business community has never been more critical; and

WHEREAS, under Iowa Code 15A.1 funds spent by cities on economic development activities are considered a public purpose.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carroll, Iowa, that $100,000 from Local Option Sales Taxes be allocated to Carroll Area Development Corporation for economic development funding assistance for the Carroll Small Business Relief Program.

PASSED AND APPROVED this 26th day of March, 2020.

CITY COUNCIL OF THE
CITY OF CARROLL, IOWA

_____
Eric P. Jensen, Mayor

Attest:

_____
Laura A. Schaefer, City Clerk

Carroll Small Business Relief Program Guidelines

Explanation

The City of Carroll has made funding available in the form of emergency grants to assist small businesses in maintaining or reopening business operations impacted by the COVID-19 virus. Businesses operating in Carroll, who were directly impacted will be eligible to apply. These funds are to be administered by Carroll Area Development Corporation (CADC), following approval through a review committee. This assistance is only intended to provide businesses with immediate, short-term cash flow assistance for approximately the next 30 days. The funds are not to be used to pay debts incurred prior to March 17, 2020. While there is a limited amount of funding available, the committee will do their best to distribute funds to provide temporary assistance amid changes to businesses, including partial or full closure.

Who is Eligible?

- Businesses employing under 25 employees prior to March 17, 2020
- Businesses impacted by the COVID-19 virus

Grant Amounts

Grants will be made available to Carroll businesses that fill out complete applications and submit necessary documentation. Applications will be evaluated by a review committee, with approval/denial contacts being made immediately upon determination. Grant amount will vary and be determined by the level of impact including loss in sales revenue, employees, and financial need of the business. The maximum award will be $5,000 per business. The goal is to reach as many businesses as possible with the limited amount of funds available.

Application Process

Along with application form, the applicant needs to submit to CADC the requested sales summary and statement of impact by the owner.

- Application reviews will happen on an ongoing basis. Applications will be accepted until all available funding is exhausted. First review of all submitted applications will occur the afternoon of Thursday, April 2 for all applications received by Noon on Thursday, April 2, 2020.
- Following successful review, applicants will be notified, with payments happening on an ongoing basis. It is the intention of the review committee to do adequate due diligence to make informed decisions, while also acting in an expedited manner to provide relief to our local businesses. Some funds will be available as soon as April 2, 2020.
- While the committee expects applications to exceed available funding, determination will be made on demonstration of financial need, extent of impact and number of employees directly impacted. Criteria may include, but is not limited to: business classification, business type, demonstration of financial need, extent of impact to revenue and other applicable information.

Notification Process

Following decision of the committee, applicant will be contacted of decision by a committee member.

Requested Documentation:

_____Weekly Sales Summary for the last 6 weeks and from February and March 2019
(to demonstrate impact)

_____Statement of Economic Impact by Owner (short narrative of impact)

_____Completed Carroll Business Relief Program Application

Contact Information

All questions, completed applications, etc should be directed to Shannon Landauer at the Carroll Chamber of Commerce at the information provided below. It is the request of the committee that the application process be done in electronic format to the best of our ability given efforts to meet distancing recommendations.

Shannon Landauer
Carroll Area Development Corporation
s.landauer@carrolliowa.com
O-712.792.4383
C-712.790.3584

Carroll Business Relief Program Application

Business Name:	
Federal ID #:	
Contact Name:	
Contact Phone:	
Contact E-mail:	
Business Website:	
Address:	
City, State, ZIP	
Requested Grant Amount:	

Business Classification:

_____Retail _____Service

_____Restaurant _____Tourism

_____Other (If so, explain)_____

Number of Years In Business:_____ Number of Employees Impacted:_____

Currently, are you,

_____Operating on an adapted or limited basis? (Adapted practices, online sales, etc)

_____Temporarily Closed?

Does your business have other sources of revenue?

_____No

_____Yes (If so, explain)_____

Are there other sources of household income (owner)?

_____No

_____Yes (If so, explain)_____

To the best of my knowledge, all information provided in this application is accurate.

I understand that: the information will be distributed to review committee members for consideration, but otherwise will be kept confidential. Information provided may be used in aggregate for tracking purposes, but will never be shared on an individual basis. There is no requirement of follow-up or reporting by the business, but CADC staff will check in with businesses periodically for updates.

Signed:_____ Date:_____