

Presented by: COW
Presented: 6/8/2020
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2019-06(AG)

An Ordinance Appropriating up to \$8,500,000 to the Manager for Phases 2 and 3 of a COVID-19 Business Sustainability Grant Program; Funding Provided by the CARES Act Special Revenue Fund.

WHEREAS, the Economic Stabilization Task Force recommended that the Assembly consider economic support to businesses suffering interruptions due to COVID-19 related business closures; and

WHEREAS, on April 9, 2020, the Centers for Disease Control and Prevention (CDC) renewed the No Sail Order and Other Measures related to cruise ships to prohibit certain cruise ships from transporting passengers to ports in the United States; and

WHEREAS, since early March, 2020, the State of Alaska issued COVID-19 Health Mandates that reasonably restricted travel, gatherings, close personal interactions, schools, and medical and dental procedures; and

WHEREAS, since early March 2020, the Assembly issued COVID-19 directions regarding travel quarantines (Res. 2886), hunkering down (Res. 2885), and cloth face coverings (Res. 2890); and

WHEREAS, the public health mandates and directions protected the health of the people in the City and Borough of Juneau and nearby communities; and

WHEREAS, COVID-19 caused severe economic harm to businesses in the City and Borough of Juneau because people were encouraged to hunker down, businesses were mandated to close or severely limit operations, and nearly all of the forecasted cruise ship tourism has been canceled; and

WHEREAS, failing to protect the economically vulnerable businesses from the severe loss of revenue would result in further adverse impacts to Juneau's economic and social service network; and

WHEREAS, the COVID-19 Business Sustainability Grant Program is necessary due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); and

WHEREAS, the COVID-19 Business Sustainability Grant Program is being created by this ordinance and program expenses were not accounted for in the FY20 budget; and

WHEREAS, the COVID-19 Business Sustainability Grant Program expenses are incurred during the period that begins on March 1, 2020, and ends on December 31, 2020.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is a non-code ordinance.

Section 2. Appropriation. There is appropriated to the Manager the sum of eight million and five hundred thousand dollars (\$8,500,000.00) for Phases 2 and 3 a COVID-19 Business Sustainability Grant Program to be granted to the Juneau Economic Development Council (Grant Administrator) and used consistent with this ordinance.

Section 3. Source of Funds:

CARES Act Special Revenue Fund	\$8,500,000.00
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Section 4. COVID-19 Business Sustainability Grant Program Terms. The program is subject to the following terms and conditions:

- (a) **Administration.** The Manager is authorized to execute a grant agreement with the Grant Administrator for disbursement of COVID-19 Business Sustainability Grant Program funds. The Grant Administrator is responsible for assuring the program funds are disbursed only to eligible businesses. The Grant Administrator shall be provided a reasonable administration fee based on actual expenses. The Grant Administrator shall provide the Manager with program status reports at reasonable intervals. The Manager shall provide updates to the Finance Committee or Assembly.
- (b) **Entity types.** Any business entity is eligible (including a nonprofit), if the business (1) was registered as a business in Alaska on January 1, 2020, (2) had a physical presence in Juneau, Alaska, on February 15, 2020, and (3) continuously operated through the date of application unless the business is seasonal or was subject to a government-mandated shutdown.
- (c) **Grant application.** A business seeking a grant may provide supporting documents electronically but the business owner, managing member, or equivalent person must submit an original grant application form in person to the Grant Administrator.
- (d) **Confidentiality.** Except as provided in this ordinance, all application material submitted for a Business Sustainability Grant and all information contained therein (Grant Data) shall be kept confidential except for inspection by:

- (1) Employees and agents of the City and Borough, including the Grant Administrator, whose job responsibilities are directly related to such applications and information;
- (2) The business owner, managing member, or equivalent person and supplying such application and information; and
- (3) Court order.

However, nothing in this ordinance shall be construed to provide confidentiality to the name of the applicant, address of the applicant, and the amount of grant award, if any.

The Grant Administrator must hold this Grant Data in strict confidence and not disclose, publish, or otherwise reveal the Grant Data to any other person or entity unless expressly authorized by the CBJ in writing. The Grant Administrator must use all reasonable means to safeguard the Grant Data at its own expense. The Grant Administrator is prohibited from making copies or otherwise modifying the Grant Data without express written permission of the CBJ. Upon completion of the phases, the Grant Administrator shall transfer all Grant Data to the CBJ Finance Director. Upon confirmation that the CBJ received the Grant Data, the Grant Administrator shall destroy all copies of the Grant Data.

If the Grant Administrator becomes aware of any possible unauthorized disclosure or use of the data, the Grant Administrator shall promptly advise the CBJ and take all necessary actions to enjoin the dissemination of the data.

- (e) **COVID-19 financial hardship.** An applicant must provide proof of a year over year decrease in revenue starting April 1, 2020, that equals or exceeds twenty percent. Year over year sales tax returns or other similar documentation of substantial revenue decline is required.
- (f) **Assertion of need.** An applicant shall disclose if the business has applied for or received any other grant or forgivable loan. An applicant that has received any other grant or forgivable loan must provide satisfactory documentation that a Business Sustainability Grant is still necessary to sustain business operations.
- (g) **Sales and property tax compliance.** A business with any sales or property tax delinquency as of March 1, 2020, is not eligible for a grant unless the business first executes a confession of judgment with the City and Borough of Juneau for all outstanding taxes. A business that is fully compliant with a confession of judgment payment plan is eligible.
- (h) **Exceptions.** The Grant Administrator, after receiving direction from the Manager or designee, has the authority to make reasonable exceptions that match the intent of this grant program.

- (i) **Phase 2 maximum grant amount.** In anticipation of excess demand for Phase 1 (Ord. 2019-06(AC)), Phase 2 adds an additional \$5,000,000. The maximum grant amount for Phase 2 is dependent on an additional thirty-three percent of the business' average lease/rent, utility, and long-term debt costs between April 1 and August 31 ("fixed costs") but not to exceed \$33,000.00 per business. A business that receives a Phase 1 grant and a Phase 2 grant can receive no more than 66% of the fixed costs but not to exceed \$66,000 per business.
- (j) **Phase 3 maximum grant amount.** In anticipation of excess demand for Phase 2, Phase 3 provides an additional \$3,500,000. Any remaining Phase 1 or Phase 2 funds shall be made available for Phase 3 grants. Phase 3 is anticipated to be disbursed no later than August 15, 2020 and is dependent on an additional thirty-three percent of the business' average lease/rent, utility, and long-term debt costs between April 1 and August 31 ("fixed costs") but not to exceed \$33,000.00 per business. A business that receives a Phase 1 grant, a Phase 2 grant, and a Phase 3 grant can receive no more than 100% of the fixed costs but not to exceed \$99,000 per business.
- (k) **Priority.** If the number of grant applications exceeds the available grants, remaining grants shall be awarded based on when the application was initially submitted. If an application is incomplete, the applicant has a three-day grace period from notice of an incomplete application to cure.

Section 5. Effective Date. This ordinance shall become effective upon adoption. However, Section 2 of this ordinance is conditioned upon the City and Borough of Juneau receiving CARES Act funding from the State of Alaska.

Adopted this _____ day of _____, 2020.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk