



**To:** Rorie Watt, CBJ Manager  
**CC:** Jeff Rogers, CBJ Finance Director  
Mila Cosgrove, CBJ Deputy Manager  
**From:** Brian Holst, JEDC Executive Director  
**Date:** Tuesday, July 7, 2020  
**Re:** Update on COVID19 CBJ Sustainable Business Grant Program per CBJ Ordinance 2019-06 (AC)(b)(am)

**Reporting Period:** Monday, June 6 to Tuesday, July 7

## **1. INTRODUCTION AND OBJECTIVES**

CBJ Assembly adopted Ordinance 2019-06 (AC)(b)(am) which provides for \$3.5 million in grants to Juneau businesses experience financial hardship due to COVID19. Per the Ordinance, businesses must demonstrate Financial Hardship by showing a decline in business of 20% or more from 2019 to 2020. Once the qualify, they can then submit actual and estimated expenses for the period of April through August 2020 in three categories of “fixed” expenses: 1) utilities, 2) long-term debt, and 3) rent/leases. Thirty-three percent of those expenses, up to \$33,000, can be granted to businesses, including non-profits. This program is Phase One of a three phase program. Phases Two and Three may be adjusted to better meet the needs of the business community. An additional \$8.5 million is currently earmarked for these future phases.

This report covers the initial period of the program through the first week of July.

## **2. PROGRAM SECTION**

### ***a. Summary of Main Activities***

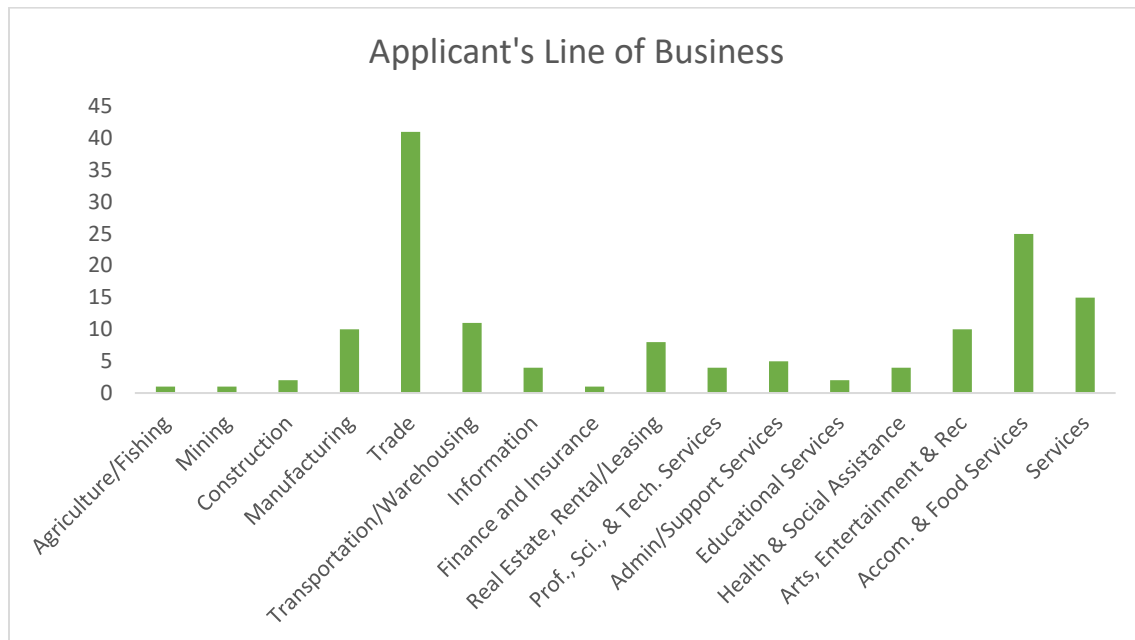
CBJ Assembly adopted Ordinance 2019-06 (AC)(b)(am) on Monday, June 8. On Wednesday, June 17, JEDC received and signed an agreement with CBJ to operate the program. Upon mutual agreement with CBJ Manager’s Office, JEDC opened up the application process on Monday, June 15. On Friday, June 19, JEDC received the first batch of twenty applications back from CBJ after the verification of CBJ reported revenues and tax compliance—a pre-requisite for the program. JEDC received funds for the program from CBJ on Monday, June 22. JEDC began issuing grants to qualified businesses that week.

### ***b. Significant Events and Accomplishments***

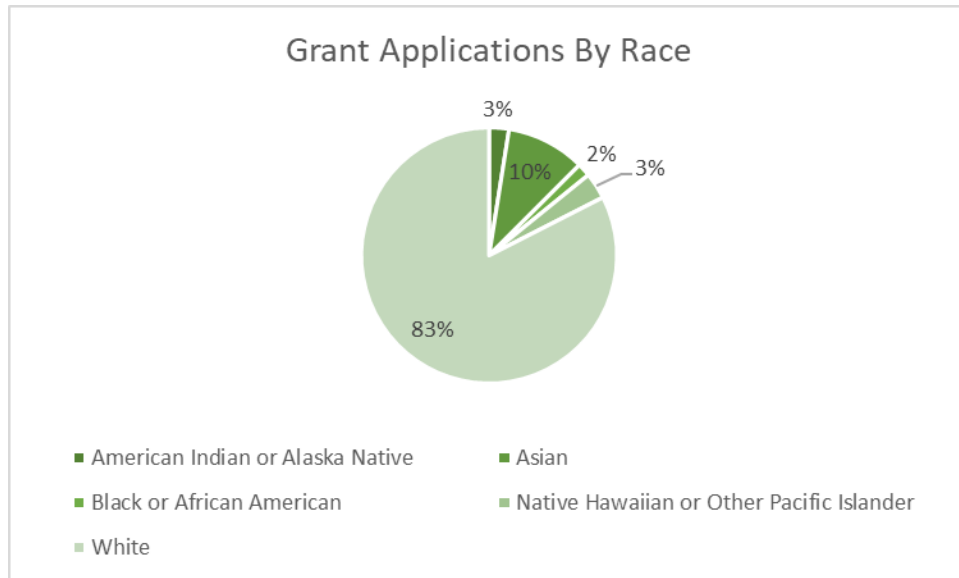
- JEDC has received 156 applications.
- Of that number, no application has been declined or set aside because of tax compliance issues, duplicate, incomplete, or withdrawn application.
- CBJ has reviewed tax compliance for 150 applications.

<b>Covid-19 Business Sustainability Grant Weekly Report: 7/07/20</b>		Applications	Dollars	Full-Time Jobs	Part-Time Jobs
<b>Total</b>		<b>156</b>		<b>633</b>	<b>472</b>
Post-Approval		79	\$ 811,946	226	314
	Money Sent	40	\$ 440,828	108	201
	Documents Sent	13	\$ 108,614	28	41
	Eligibility Report Sent	21	\$ 213,992	75	67
	Approved	5	\$ 48,512	15	5
Pre-Approval		77		407	158
	Final Review	34	\$ 416,721	216	73
	Initial Review	43		191	85

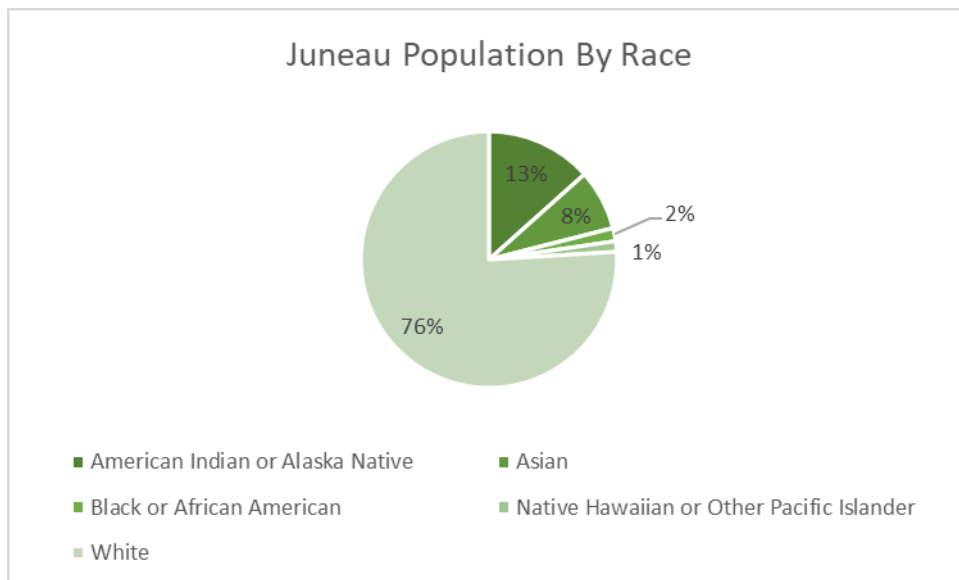
- The 79 businesses with approved grants have 226 part-time and 314 full-time positions during the period of April through August 2020, as reported/estimated by each applicant. This data is voluntary and 133 applicants provided employment information.



- For the grant program, we collected the abbreviated NAICS code (North American Industry Classification System) to determine business sector. See chart below for types of businesses in the application pool to date.



- Grant applicants were asked to voluntarily report their race. One-hundred and twenty applicants replied. The above pie chart shows the self-reported race of the first person listed in each application. Below is the distribution of race in Juneau. Based on these first applicants, it appears that American Indian/Alaska Native are the most under-represented race at this point in the program.



***c. Anticipated Challenges/Problems/Opportunities/Recommendations***

- Of the 79 approved applications, 35 have been approved for an amount less than \$6,000 and 12 have been approved for less than \$2,000.

- Grant size is averaging close to \$10,000 per award in Phase 1, which will require 300+ grants to fully allocate the resources.
- Business that pay high rents and/or have high long-term debt get the highest awards, many of which are located in the downtown area.
- JEDC is recommending changes to the Business Sustainability Grant Program, Phase 2 & 3 in a separate memo. For example, adding an Simplified Business Grant option would both increase the approved amount for many of the smaller grants and decrease the staff time required to process smaller grants.

### **3. ADMINISTRATIVE SECTION**

JEDC has not calculated its administrative costs in detail. Some costs include:

- JEDC personnel has invested 425 hours of effort.
- JEDC acquired HelloWorks software to manage paperless processes for the emergency loan program. We are now using this software also for the grant program, at a relatively small marginal cost.