



To: Rorie Watt, CBJ Manager
CC: Jeff Rogers, CBJ Finance Director
Mila Cosgrove, CBJ Deputy Manager
From: Brian Holst, JEDC Executive Director
Date: Wednesday, August 12, 2020
Re: Update on COVID19 CBJ Sustainable Business Grant Programs

Reporting Period: Wednesday, August 5 to Tuesday, August 11

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.

CBJ Assembly adopted Ordinance 2019-06 (AG)(d) which provides for \$8.5 million in grants to Juneau businesses experience financial hardship due to COVID19. Similar to the Phase One Ordinance, this second ordinance, covering Phase Two, requires that business demonstrate Financial Hardship by showing a decline in business of 20% or more from 2019 to 2020. Some additional expenses qualify and there is a greater period of time for the application. Between Phase One and Phase Two, up to \$99,000 can be granted to businesses, including non-profits. Additionally, an Small Business Express Grant (Phase Three) was including, permitting very small businesses adversely impacted by COVID19 to get awards up to \$5,000 based on 2019 revenues.

Overall, this program represents \$12 million in assistance to Juneau’s small business community.

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.

CBJ Assembly adopted Ordinance 2019-06 (AG)(d) on Monday, August 3. The Ordinance stipulated that a three week application would begin by August 10. JEDC opened a portal for new applications on August 10 that will extend through August 31. Additionally, JEDC has created an abbreviated application for businesses that have already applied for a Phase One award so that they only need to add additional information that might lead to a higher average award.

b. Significant Events and Accomplishments

- JEDC has received 228 applications for Phase One. (JEDC has received ten new applications for Phase Two/Three. We will provide more detail on those applications in a few weeks).
- Of that number, one application has been declined or set aside because of tax compliance issues, duplicate, incomplete, or withdrawn application.
- CBJ has reviewed tax compliance for 227 applications to date.

Covid-19 Business Sustainability Grant Weekly Report: 8/11/20	Applications	Dollars	Full-Time Jobs	Part-Time Jobs
Total	228		859	701
Post-Approval	161	\$ 1,774,655	586	529
Money Sent	130	\$ 1,482,941	390	409
Documents Sent	18	\$ 109,991	31	26
Eligibility Report Sent	10	\$ 158,944	162	92
Approved	3	\$ 22,778	3	2
Pre-Approval	66		273	172
Final Review	37	\$ 224,419	182	121
Initial Review	29		91	51
Not Active (Duplicate, Disqualified, Withdrawn)	1			

- The 161 businesses with approved grants have 529 part-time and 586 full-time positions during the period of April through August 2020, as reported/estimated by each applicant. This data is voluntary for the applicant.

c. Anticipated Challenges/Problems/Opportunities/Recommendations

- Grant size continues to average close to \$11,000 per award in Phase 1.
- On Monday, August 3, the Assembly passed an Ordinance to continue the program with additional resources. A new application was made available on Monday, August 10 for the Expanded Business Sustainability Grant and the Small Business Express Grant.

3. ADMINISTRATIVE SECTION

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

- JEDC personnel has invested 850+ hours of effort.
- JEDC acquired HelloWorks software to manage paperless processes for the emergency loan program