



**To:** Rorie Watt, CBJ Manager  
**CC:** Jeff Rogers, CBJ Finance Director  
Mila Cosgrove, CBJ Deputy Manager  
**From:** Brian Holst, JEDC Executive Director  
**Date:** Wednesday, September 30, 2020  
**Re:** Update on COVID19 CBJ Sustainable Business Grant Programs

**Reporting Period: Wednesday, September 23 to Tuesday, September 30**

## **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. 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 245 applications for Phase One.
- JEDC has rceived 422 application for Phase Two/Three.

## **Phase One Summary**

- CBJ has reviewed tax compliance for all Phase One applications and about 360 of the Phase Two/Three applications to date.
- The 206 businesses with approved grants have 672 part-time and 785 full-time positions during the period of April through August 2020, as reported/estimated by each applicant. This data is voluntary for the applicant.

| CBJ Phase 1 Grant Status as of 9.29.2020        | Applications | Dollars      | Full-Time Jobs | Part-Time Jobs |
|---|--------------|--------------|----------------|----------------|
| Total Active                                    | 245          |              | 827            | 687            |
| Post Approval                                   | 206          | \$ 1,983,414 | 785            | 672            |
| Money Sent                                      | 197          | \$ 1,928,359 | 736            | 646            |
| Documents Sent                                  | 6            | \$ 45,799    | 46             | 26             |
| Eligibility Report Sent                         | 0            | \$ -         | 0              | 0              |
| Approved  | 3            | \$ 9,256     | 3              | 0              |
| Pre Approval                                    | 16           |              | 42             | 15             |
| Not Active (Duplicate, Disqualified, Withdrawn) | 23           |              |                |                |

### Phase Two and Three Summary

The application period for Phase Two/Three closed on Monday, August 31. We are processing those applications. We received a total of 422 applications in this period. We have made initial calculations for the 360 applications that we have tax compliance information from CBJ. Due to a miscommunication, both CBJ and JEDC believed all tax compliance was completed last week. It is still in process.

The total program needs another \$2 million to meet the funding requests. On September 21, the Assembly considered and postponed a decision to add an additional \$2 million to the program until October 1. CBJ Manager authorized JEDC to make partial grant awards on Tuesday, September 22. Later that day, JEDC initiated partial awards and has disbursed \$3.5 million

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

- None.

### 3. ADMINISTRATIVE SECTION

JEDC is tracking its programmatic costs in detail.

- JEDC personnel has invested 2000+ hours of effort to date on Phases One, Two and Three.