

Date: October 7, 2020

To: ESTF

From: Concerned Business Coalition (CBC)

Regarding: **Funding for year-round operations suffering disproportionate extreme hardship**

For many businesses in Juneau, facing the prospect of keeping employees and the doors open during the upcoming winter months in a normal year is hard enough. But for those still open and trying to survive a loss of more than 50% in sales revenue during the summer months of July-Sept 2020 vs. 2019, this will be a winter that requires a lifeline to get through. Businesses that have endured the federal, state and city mandated closures, or even partial closures, are struggling to continue to employ locals and provide services as they enter the fall/winter season. They have suffered the increased costs of PPE and testing to provide Covid safety to staff and customers, as well as the costs of destroying perishable products when the mandates are enacted with no warning. They have experienced the loss of business in our normally thriving time of the year, and they have worked diligently to keep a least a bare skeleton of their businesses operational. But when the normal rate of cash sustaining income is cut by more than 50%, the considerations to remain open become stark. No doubt operations will be cutback, as many already are. But if the Juneau community hopes to keep from having huge swaths of our businesses completely boarded up for the winter, a lifeline will be needed.

**The CBC group is requesting up to \$2 million in CARES community funds to be utilized by those businesses suffering disproportionate extreme hardship, and intending to continue operating and/or employing local residents during the winter ----**

The funds would be distributed to eligible businesses in the form of a grant based on the following criteria:

Extreme Hardship = A minimum of 50% loss of gross receipts during Q3 (July – Sept) 2020 as compared to Q3 2019. This amount would be verifiable using CBJ sales tax returns.

Year-round Operations = Must be able to provide proof of operations in Juneau during Q4 2019 and Q1 2020. This would be verifiable via 941s or sales tax returns (in the case of sole proprietors) for those two quarters.

Business in Good Standing = All local property taxes, sales tax and other fees must be current.

30% Grant to Payroll = Businesses must pledge to spend 30% of their grant proceeds on payroll expenses or employee benefits.

*Grant could be administered directly from CBJ as sales tax data is already within CBJ offices. We suggest a two-week application window. If grant is oversubscribed, grants would be proportionately reduced.*

**Funding levels:**

It is anticipated the grants would be distributed as follows:

Bar businesses w/o food (fully closed mandates) would receive \$20,000 each.  $14 \times \$20,000 = \$280,000$

Restaurants (partially closed mandates) would receive \$15,000 each.  $74 \times \$15,000 = \$1,110,000$

Other affected similarly affected businesses would receive \$15,000 each.  $40 \times \$15,000 = \$600,000$

**Total grants to businesses disproportionately affected by mandated closures = \$1,990,000**

**Total businesses receiving funds = 128**