Economic Stabilization Task Force
Appointed by the City & Borough of Juneau's Mayor

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Date: **May 19, 2020**

To: **CBJ Assembly Finance Committee**

From: **Economic Stabilization Task Force**

Regarding: **Recommendations for CBJ CARES Act Relief Funding**

CBJ CARES Initial Funding Round Business Sustainability Grants

Grant Eligibility:

1. Business must have at least 50% local ownership as of February 15, 2020. Businesses include both for-profit and non-profit entities. Non-profit entities must be headquartered in Juneau.
2. Minimum decrease in revenues is 20% YoY in order to participate. – based on sales tax returns year over year, or financial information acceptable to the City Manager.
3. Eligibility based on prior year actual revenue or expected 2020 revenue.

Task Force recommends three rounds of funding. The grants in the table below are those to be made in the initial round. The initial round is a simplified program that could be introduced relatively quickly. Second and third rounds would follow in future months, in which the CBJ CARES Grant Program would take into account details of each business, and issue grants based on rent/lease and debt costs for the period May 2020 through August 2020. In addition, reimbursement for any documented costs of physical retrofitting their businesses due to COVID-19 safety measures would be made in follow-up rounds.

Grant Amounts by Size of Business:

	Small	Medium	Large
Annual Revenue	$0-$750,000	$750,001-$2,000,000	$2,000,001 +
Calculation based on average lease/rent and debt costs over approximately 5 months	20,000.00	37,500.00	75,000.00
Initial Funding Level	33%	33%	33%
Initial Grant Amounts	7,000.00	12,000.00	25,000.00

Recommended Funding Initial Round: $2,300,000.

We would also request to have a discussion with the Assembly for a range of total funding for relief programs.

Commercial (For-Profit and Non-Profit) Water and Sewer Utility Payor Relief

Businesses are given a discount on their utility bills equal to the percentage decline in year-over-year (YoY) sales as reported on sales tax return. Funding Source is CARES Act. Businesses include both for-profit and non-profit entities. Non-profit entities must be headquartered in Juneau.

1. Business is a commercial utility payor, or a tenant who makes utility payments to a landlord on an allocated basis
2. Business must have at least 50% local ownership as of February 15, 2020.
3. Percentage decrease in YoY revenue is documented by the monthly or quarterly sales tax return results, or financial information acceptable to the City Manager, in equal percentage decrease in utility bill in comparing 2020 to 2019. For tenants who make utility payments to landlords, tenants will be reimbursed for their utility cost by CBJ making a direct payment to the tenant.
4. Minimum decrease in revenue is 20% YoY in order to participate.
5. Program runs from May 2020 through April 2021 (or earlier depending on expiration of CARES funding).

Optionally include AEL&P, Fuel Oil, and Refuse utility costs

- CBJ passes COVID-19 funding on to other utility providers based on above parameters.
- AEL&P able to participate as long as CBJ makes determination of amount and payment for customer account. Other utility payments will also be reimbursed to commercial businesses based on paid amounts reported to the CBJ by the businesses.
- Same calculation as water and sewer utility payments above.