

Presented by: The Manager  
Presented: 12/17/2020  
Drafted by: R. Palmer III

**RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**

**Resolution Serial No. 2930**

**A Resolution Amending the COVID-19 Extreme Hardship Business Grant Program Criteria.**

WHEREAS, the Assembly established the COVID-19 Extreme Hardship Business Grant Program with Ordinance 2020-09(U)(b)(am) on November 23, 2020;

WHEREAS, consistent with the existing appropriation in Ordinance 2020-09(U)(b)(am), the Grant Administrator identified program criteria revisions necessary for the program to be effective;

WHEREAS, the COVID-19 Extreme Hardship Business Grant Program, as amended, is necessary due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); and

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1. Amendment of COVID-19 Extreme Hardship Business Grant Program Criteria.** The program is subject to the following terms and conditions:

- (a) **Intent.** The intent of this program is to provide support, in addition to the COVID-19 Business Sustainability Grant Program, to businesses that were disproportionately harmed by COVID-19 to offset the following expenses from November 1 through December 30, 2020: payroll, inventory, training, license fees, and fixed costs (lease/rent, utility, long-term debt).
- (b) **Administration.** The Manager is authorized to execute a grant agreement with the Juneau Economic Development Council (“Grant Administrator”) for disbursement of COVID-19 Extreme Hardship Business Grant Program funds. The Grant Administrator is responsible for assuring the program funds are disbursed only to eligible businesses. The Grant Administrator shall be provided a reasonable administration fee based on actual expenses. The Grant Administrator shall provide the Manager with program status reports at reasonable intervals. The Manager shall provide updates to the Finance Committee or Assembly.

(c) **Eligible applicants.** The program is open to all qualifying businesses (including a nonprofit), regardless of whether they have applied for or have obtained any other state or federal COVID-19 related assistance if the following is satisfied:

(1) **Business Sustainability or Non-Profit Sustainability Grant**

**Eligible.** The business received a business sustainability grant pursuant to Ordinance 2019-06(AG)(d) or a non-profit sustainability grant pursuant to Ordinance 2020-36, as amended. For a business that did not receive a grant pursuant to Ordinance 2019-06(AG)(d) or Ordinance 2020-36, the business must satisfy one of the following to be eligible for this program:

- (A) Ordinance 2019-06(AG)(d) criteria: (i) the business was registered in Alaska on or before January 1, 2020, (ii) had a physical presence in Juneau, Alaska on February 15, 2020, and (iii) continuously operated through the date of application unless the business is seasonal or was subject to a government mandated shutdown. The program will exclude from eligibility C Corporations traded on a U.S. stock exchange or a corporate-equivalent entity traded on a foreign stock exchange, and businesses owned in whole or majority—owned by such a publicly traded corporation or national chains that own and operate their premises in Juneau; franchisee owned and operated businesses in Juneau would be eligible; or
- (B) Ordinance 2020-36 criteria: (i) The nonprofit entity was registered in Alaska on or before January 1, 2020; (ii) The entity is an Internal Revenue Service certified 501(c)3, 4, 6, 7, 19, or 23 nonprofit; (iii) The nonprofit entity had a physical presence in Juneau, Alaska, on February 15, 2020; (iv) A substantial purpose of the nonprofit entity is to provide services to the general public in the City and Borough of Juneau. Faith-based nonprofits are eligible so long as they provide services that are promoted and available to the general public without regard to religious affiliation; (v) The entity has been or will be adversely affected by loss of revenue, program changes, and direct costs between March 1 and December 31, 2020, due to the COVID-19 public health emergency.

- (2) **Year-round operations.** The business must provide proof of operations during Q4 2019 and Q1 2020, which can be verified with (i) box 1 of IRS form 941 and proof of Juneau-based employee wages for both quarters or (ii) sales tax returns showing sales in both quarters;
- (3) **COVID-19 Extreme Hardship.** The business suffered at least a fifty percent loss in (i) either gross receipts, as reflected on line one of the CBJ sales tax filing, during Q3 2020 as compared with Q3 2019, or net taxable sales, as reflected on line four of the CBJ sales tax filing, during Q3 2020 as compared with Q3 2019, and (ii) the loss is at least ~~\$12,500~~ ~~-\$25,000~~ from Q3 2019 to Q3 2020;
- (4) **Anticipated expenses.** The applicant must estimate and attest that the following expenses from November 1 through December 30, 2020 exceed the grant request amount: payroll, inventory, insurance, training, license fees, and fixed costs (lease/rent, utility, long-term debt);

- (5) **Payroll pledge.** The applicant must pledge to spend at least thirty percent of the grant proceeds on payroll, including employee benefits. An owner draw qualifies for the purpose of calculating payroll; and
  - (6) **Additional information.** The Grant Administrator may request additional information from applicants when the application contains insufficient or contradictory information or the Grant Administrator may deem the application incomplete.
- (d) **Assertion of need.** An applicant shall disclose if the business has applied for or received any other grant or forgivable loan. An applicant that has received any other grant or forgivable loan must attest that a grant from this program is still necessary to sustain business operations through December 30, 2020.
- (e) **Compliance.**
- (1) **Sales and property tax compliance.** A business with any sales or property tax delinquency as of March 1, 2020, is not eligible for a grant. A business that executes a confession of judgment with the City and Borough of Juneau for all outstanding sales tax deficiencies can be eligible for this program. A business that is fully compliant with a confession of judgment payment plan can be eligible for this program.
  - (2) **Federal compliance.** No grant may be issued to an applicant that is engaged in business or conduct that violates federal law and any grant so issued must be immediately returned in full. For example, no grant may be issued to an applicant engaged in or conducting a marijuana related business at the same location.
- (f) **Grant amount.** The grant amount shall be determined by the following formula: grant amount equals the difference in the applicant's Q3 2019 and Q3 2020 ~~net taxable~~ sales divided by the difference in all eligible applicants' Q3 2019 and Q3 2020 ~~net taxable~~ sales multiplied by the appropriation in Section 2. However, no grant shall exceed \$50,000; the Grant Administrator shall either cap any presumptive grant exceeding \$50,000 at \$50,000 or the Grant Administrator may apply a reduction factor so no grant exceeds \$50,000.
- (1) For calculation of sales, the Grant Administrator will use either gross receipts, as reflected on line one of the CBJ sales tax filing, or net taxable sales, as reflected on line four of the CBJ sales tax filing for both quarters, whichever is more favorable to the applicant. In the case of annual sales tax filers, the Q3 2019 and Q3 2020 sales should be estimated based on reliable financial information for purpose of determining grant amount.
- (g) **Exceptions.** The Grant Administrator, after receiving direction from the Manager or designee, has the authority to make reasonable exceptions that match the intent of this grant program.

(h) **Confidentiality.** Except as provided in this legislation, all application material submitted for this program and all information contained therein (Grant Data) shall be kept confidential except for inspection by:

- (1) Employees and agents of the City and Borough whose job responsibilities are directly related to such applications and information;
- (2) The business owner, managing member, or equivalent person supplying such application and information; and
- (3) Court order.

However, nothing in this ordinance shall be construed to provide confidentiality to the name of the applicant, address of the applicant, and the amount of grant award, if any.

(i) **Grant application period.** The grant application period shall be two weeks. The Grant Administrator shall review applications and notify applicants if the application is incomplete. An applicant with an incomplete application has five business days to cure to keep the original application filing date; otherwise the application must be resubmitted, if at all.

**Section 2. Effective Date.** This resolution shall become effective immediately after its adoption.

Adopted this \_\_\_\_ day of December, 2020.

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Beth A. Weldon, Mayor

Attest:

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Elizabeth J. McEwen, Municipal Clerk