

**ASSEMBLY STANDING COMMITTEE
COMMITTEE OF THE WHOLE
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

June 1, 2020, 6:00 PM.

Zoom Webinar & FB Live Stream

Immediately following the 6:00p.m. Special Assembly Meeting. This virtual meeting will be by video and telephonic participation only. To join the webinar click on or paste this URL into your browser. <https://juneau.zoom.us/j/97336424751>. To participate telephonically call: 1-346-248-7799 and enter Webinar ID: 973 3642 4751. The meeting will be broadcast on the CBJ Facebook page at <https://www.facebook.com/cbjuneau/>

AGENDA

I. ROLL CALL

II. APPROVAL OF AGENDA

III. APPROVAL OF MINUTES

IV. AGENDA TOPICS

A. CARES Act Funding - Big Picture

B. COVID-19 Business Sustainability Grant Program

Ordinance 2019-06(AC): \$3.5M Phase 1

Emergency Appropriation Resolution 2896: New \$8.5M Phase 2/3

(Emergency Appropriation Resolution 2888am: \$3M Small Business Loan, Adopted April 1, 2020).

C. Restaurant Tables and Chairs Outside in Right-of-Way (ROW) [Verbal Report Only]

V. SUPPLEMENTAL MATERIALS

A. RED FOLDER Item: CARES Act Funding Chart

VI. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org



City and Borough of Juneau
City & Borough Manager's Office
155 South Seward Street
Juneau, Alaska 99801
Telephone: 586-5240 | Facsimile: 586-5385

TO: Mayor & Assembly

DATE: May 28, 2020

FROM: Rorie Watt, City Manager

RE: CARES Act Funding/Economic Support

In early April, the Assembly tasked the Economic Stabilization Task Force advising the body on several issues (attached). The ESTF has provided the body with a number of recommendations on how to use CARES funds to support the business community. The ESTF has forwarded a number of very good "how" ideas, many of them "how" to support small businesses.

In order to productively move forward, I recommend that the Assembly spend some time focusing on the "why." It appears that the Assembly process will go quicker and smoother if the body shares views on the philosophical purpose of the proposed programs. Based on the questions that members asked the other night, some discussion and agreement of purpose is necessary. The bigger picture includes small businesses, employees, and non-profits (including social service providers) who face increasing need and reducing support.

Ordinance 2019-06 (AC) proposes a first phase of support to small businesses in the amount of \$3.5M, subsequent phases would increase that support to a total of \$12M. However well merited, the CBJ has never engaged in a program like this, or of this scale. The Assembly should balance the need to act in a timely manner with the need to optimally use the CARES Act funds in the best interests of the community. The context of programmatic support to other activities will frame consideration of this Ordinance.

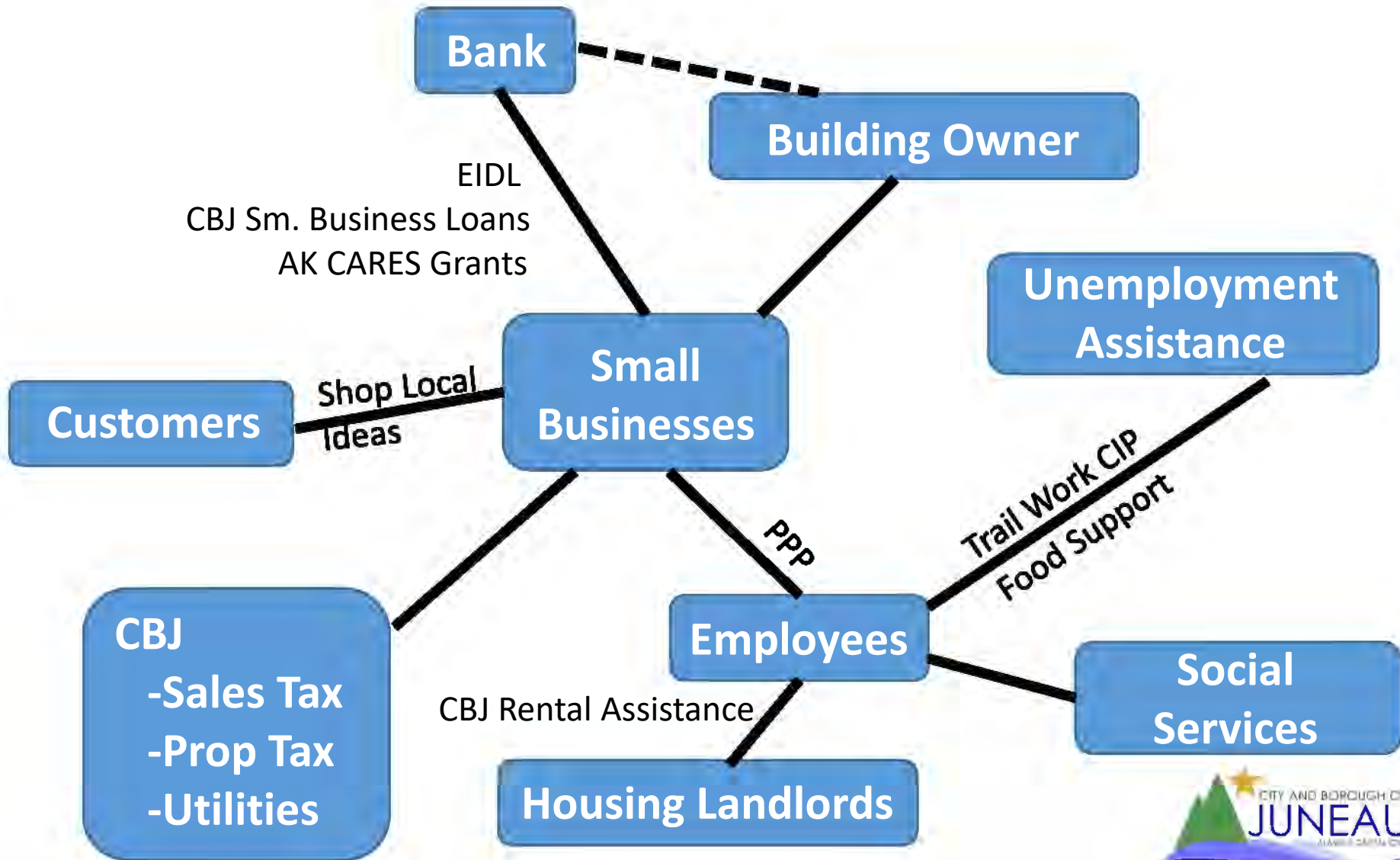
To achieve philosophical alignment, the Assembly may wish to guide that discussion by looking at the very generalized (and imperfect) attached diagram which roughly shows some of the financial relationships that businesses have. Other State, local and Federal programs are designed to support, replace or enhance one or more of the financial linkages. The diagram is lacking detail on social service needs.

You may wish to consider whether it is possible to assist, or save, all types of business and non-profits or whether it is more prudent to target the availability of the funding to a more limited public purpose definition. We face a long revenue and economic activity dry spell and next year's cruise ship season (however robust the economic effects) is a year away.

I would anticipate that while the demand on rental assistance funds right now is low, that the need (and needs of the food bank) will escalate over time. I would anticipate that businesses that need support now, will likely need support again before next summer. I also anticipate great need in the non-profit world. And be advised that while the Assembly discusses and appropriates CARES Act funds, there is an increasing likelihood that the Congress will allow the funds to be used to replace lost revenue, dramatically broadening expenditure authority.

The ESTF can and has given ideas, but they can't stand in the Assembly's shoes and determine the public purpose for the expenditure of the funds.

(Simplified) Business Relationship Diagram



Presented by: AFC
Introduced: 05/28/2020
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2019-06(AC)

An Ordinance Appropriating up to \$3,500,000 to the Manager for Phase 1 of a COVID-19 Business Sustainability Grant Program; Funding Provided by the CARES Act Special Revenue Fund.

WHEREAS, the Economic Stabilization Task Force recommended that the Assembly consider economic support to businesses suffering interruptions due to COVID-19 related business closures; and

WHEREAS, on April 9, 2020, the Centers for Disease Control and Prevention (CDC) renewed the No Sail Order and Other Measures related to cruise ships to prohibit certain cruise ships from transporting passengers to ports in the United States; and

WHEREAS, since early March, 2020, the State of Alaska issued COVID-19 Health Mandates that reasonably restricted travel, gatherings, close personal interactions, schools, and medical and dental procedures; and

WHEREAS, since early March 2020, the Assembly issued COVID-19 directions regarding travel quarantines (Res. 2886), hunkering down (Res. 2885), and cloth face coverings (Res. 2890); and

WHEREAS, the public health mandates and directions protected the health of the people in the City and Borough of Juneau and nearby communities; and

WHEREAS, COVID-19 caused severe economic harm to businesses in the City and Borough of Juneau because people were encouraged to hunker down, businesses were mandated to close or severely limit operations, and nearly all of the forecasted cruise ship tourism has been canceled; and

WHEREAS, failing to protect the economically vulnerable businesses from the severe loss of revenue would result in further adverse impacts to Juneau's economic and social service network; and

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

WHEREAS, the COVID-19 Business Sustainability Grant Program is being created by this ordinance and program expenses were not accounted for in the FY20 budget; and

WHEREAS, the COVID-19 Business Sustainability Grant Program expenses are incurred during the period that begins on March 1, 2020, and ends on December 31, 2020.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is a non-code ordinance.

Section 2. Appropriation. There is appropriated to the Manager the sum of three million and five hundred thousand dollars (\$3,500,000.00) for Phase 1 of a COVID-19 Business Sustainability Grant Program to be granted to the Juneau Economic Development Council (Grant Administrator) and used consistent with this resolution.

Section 3. Source of Funds:

CARES Act Special Revenue Fund	\$3,500,000.00
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Section 4. COVID-19 Business Sustainability Grant Program Terms. The program is subject to the following terms and conditions:

- (a) **Administration.** The Manager is authorized to execute a grant agreement with the Grant Administrator for disbursement of COVID-19 Business Sustainability 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 an administration fee of up to \$25,000.00 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.
- (b) **Entity types.** Any business entity is eligible (including a nonprofit), if the business (1) was registered as a business in Alaska on January 1, 2020, (2) had a physical presence in Juneau, Alaska, on February 15, 2020, and (3) continuously operated through the date of application unless the business is seasonal or was subject to a government-mandated shutdown.
- (c) **Grant application.** A business seeking a grant may provide supporting documents electronically but the business owner, managing member, or equivalent person must submit an original grant application form in person to the Grant Administrator.
- (d) **Confidentiality.** Except as provided in this ordinance, all application material submitted for a Business Sustainability Grant and all information contained therein (Grant Data) shall be kept confidential except for inspection by:
 - (1) Employees and agents of the City and Borough, including the Grant Administrator, whose job responsibilities are directly related to such applications and information;
 - (2) The business owner, managing member, or equivalent person and 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.

The Grant Administrator must hold this Grant Data in strict confidence and not disclose, publish, or otherwise reveal the Grant Data to any other person or entity unless expressly authorized by the CBJ in writing. The Grant Administrator must use all reasonable means to safeguard the Grant Data at its own expense. The Grant Administrator is prohibited from making copies or otherwise modifying the Grant Data without express written permission of the CBJ. Upon completion of Phase 1, the Grant Administrator shall transfer all Grant Data to the CBJ Finance Director. Upon confirmation that the CBJ received the Grant Data, the Grant Administrator shall destroy all copies of the Grant Data.

If the Grant Administrator becomes aware of any possible unauthorized disclosure or use of the data, the Grant Administrator shall promptly advise the CBJ and take all necessary actions to enjoin the dissemination of the data.

- (e) **COVID-19 financial hardship.** An applicant must provide proof of a year over year decrease in revenue that equals or exceeds twenty percent. Year over year sales tax returns or other similar documentation of substantial revenue decline is required.
- (f) **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 provide satisfactory documentation that a Business Sustainability Grant is still necessary to sustain business operations.
- (g) **Sales and property tax compliance.** A business with any sales or property tax delinquency as of March 1, 2020, is not eligible for a loan unless the business first executes a confession of judgment with the City and Borough of Juneau for all outstanding taxes. A business that is fully compliant with a confession of judgment payment plan is eligible.
- (h) **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.
- (i) **Phase 1 maximum grant amount.** The maximum grant amount for Phase 1 is dependent on thirty-three percent of the business' average lease/rent, utility, and long-term debt costs between April 1 and August 31 ("fixed costs") but not to exceed \$33,000.00 per business.
- (j) **Priority.** If the number of grant applications exceeds the available grants, remaining grants shall be awarded based on when the application was initially submitted. If an application is incomplete, the applicant has a three-day grace period from notice of an incomplete application to cure.

Section 5. Effective Date. This ordinance shall become effective upon adoption. However, Section 2 of this ordinance is conditioned upon the City and Borough of Juneau receiving CARES Act funding from the State of Alaska.

Adopted this _____ day of _____, 2020.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager
Presented:
Drafted by: R. Palmer III

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2896 COWv1

An Emergency Appropriation Resolution Appropriating up to \$8,500,000 to the Manager for Phases 2 and 3 of a COVIC-19 Business Sustainability Grant Program; Funding Provided by the CARES Act Special Revenue Fund.

WHEREAS, consistent with Charter 9.10(b), upon declaration by the Assembly that a public emergency exists and describing the emergency in clear and specific terms, the Assembly by resolution may make an emergency appropriation upon approval by all Assemblymembers present or by seven of its membership, whichever is the lesser number; and

WHEREAS, the Economic Stabilization Task Force recommended that the Assembly consider economic support to businesses suffering interruptions due to COVID-19 related business closures; and

WHEREAS, on April 9, 2020, the Centers for Disease Control and Prevention (CDC) renewed the No Sail Order and Other Measures related to cruise ships to prohibit certain cruise ships from transporting passengers to ports in the United States; and

WHEREAS, since early March, 2020, the State of Alaska issued COVID-19 Health Mandates that reasonably restricted travel, gatherings, close personal interactions, schools, and medical and dental procedures; and

WHEREAS, since early March 2020, the Assembly issued COVID-19 directions regarding travel quarantines (Res. 2886), hunkering down (Res. 2885), and cloth face coverings (Res. 2890); and

WHEREAS, the public health mandates and directions protected the health of the people in the City and Borough of Juneau and nearby communities; and

WHEREAS, COVID-19 caused severe economic harm to businesses in the City and Borough of Juneau because people were encouraged to hunker down, businesses were mandated to close or severely limit operations, and nearly all of the forecasted cruise ship tourism has been canceled; and

WHEREAS, failing to protect the economically vulnerable businesses from the severe loss of revenue would result in further adverse impacts to Juneau's economic and social service network; and

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

WHEREAS, the COVID-19 Business Sustainability Grant Program is being created by this resolution and program expenses were not accounted for in the FY20 budget; and

WHEREAS, the COVID-19 Business Sustainability Grant Program expenses are incurred during the period that begins on March 1, 2020, and ends on December 31, 2020.

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

Section 1. Appropriation. There is appropriated to the Manager the sum of eight million and five hundred thousand dollars (\$8,500,000.00) for Phases 2 and 3 a COVID-19 Business Sustainability Grant Program to be granted to the Juneau Economic Development Council (Grant Administrator) and used consistent with this resolution.

Section 2. Source of Funds:

CARES Act Special Revenue Fund	\$8,500,000.00
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Section 3. COVID-19 Business Sustainability Grant Program Terms. The program is subject to the following terms and conditions:

- (a) **Administration.** The Manager is authorized to execute a grant agreement with the Grant Administrator for disbursement of COVID-19 Business Sustainability 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 an administration fee of up to \$xx,000.00 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.
- (b) **Entity types.** Any business entity is eligible (including a nonprofit), if the business (1) was registered as a business in Alaska on January 1, 2020, (2) had a physical presence in Juneau, Alaska, on February 15, 2020, and (3) continuously operated through the date of application unless the business is seasonal or was subject to a government-mandated shutdown.
- (c) **Grant application.** A business seeking a grant may provide supporting documents electronically but the business owner, managing member, or

equivalent person must submit an original grant application form in person to the Grant Administrator.

- (d) **Confidentiality.** Except as provided in this ordinance, all application material submitted for a Business Sustainability Grant and all information contained therein (Grant Data) shall be kept confidential except for inspection by:
- (1) Employees and agents of the City and Borough, including the Grant Administrator, whose job responsibilities are directly related to such applications and information;
 - (2) The business owner, managing member, or equivalent person and 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.

The Grant Administrator must hold this Grant Data in strict confidence and not disclose, publish, or otherwise reveal the Grant Data to any other person or entity unless expressly authorized by the CBJ in writing. The Grant Administrator must use all reasonable means to safeguard the Grant Data at its own expense. The Grant Administrator is prohibited from making copies or otherwise modifying the Grant Data without express written permission of the CBJ. Upon completion of the phases, the Grant Administrator shall transfer all Grant Data to the CBJ Finance Director. Upon confirmation that the CBJ received the Grant Data, the Grant Administrator shall destroy all copies of the Grant Data.

If the Grant Administrator becomes aware of any possible unauthorized disclosure or use of the data, the Grant Administrator shall promptly advise the CBJ and take all necessary actions to enjoin the dissemination of the data.

- (e) **COVID-19 financial hardship.** An applicant must provide proof of a year over year decrease in revenue that equals or exceeds twenty percent. Year over year sales tax returns or other similar documentation of substantial revenue decline is required.
- (f) **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 provide satisfactory documentation that a Business Sustainability Grant is still necessary to sustain business operations.
- (g) **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 unless the business first executes a confession of judgment with the City and Borough of Juneau for all outstanding taxes. A business that is fully compliant with a confession of judgment payment plan is eligible.

- (h) **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.
- (i) **Phase 2 maximum grant amount.** In anticipation of excess demand for Phase 1 (Ord. 2019-06(AC)), Phase 2 adds an additional \$5,000,000. An entity that has received a Phase 1 grant is prohibited from receiving a Phase 2 grant. The maximum grant amount for Phase 2 is dependent on thirty-three percent of the business' average lease/rent, utility, and long-term debt costs between April 1 and August 31 ("fixed costs") but not to exceed \$33,000.00 per business.
- (j) **Phase 3 maximum grant amount. In anticipation of excess demand for Phase 2, Phase 3 provides an additional \$3,500,000.** Any remaining Phase 1 or Phase 2 funds shall be made available for Phase 3 grants. Phase 3 is anticipated to be disbursed no later than August 15, 2020 and is dependent on thirty-three percent of the business' average lease/rent, utility, and long-term debt costs between April 1 and August 31 ("fixed costs") but not to exceed \$33,000.00 per business.
- (k) **Priority.** If the number of grant applications exceeds the available grants, remaining grants shall be awarded based on when the application was initially submitted. If an application is incomplete, the applicant has a three-day grace period from notice of an incomplete application to cure.

Section 4. Effective Date. This resolution shall become effective upon adoption. However, Section 1 of this resolution is conditioned upon the City and Borough of Juneau receiving CARES Act funding from the State of Alaska.

Adopted this _____ day of _____, 2020.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk

Presented by: Mayor, Triem

Presented: 03/31/2020

Drafted by: R. Palmer III

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Emergency Serial No. 2888(b)(am)

An Emergency Appropriation Resolution Appropriating \$3,000,000 to the Manager for Small Business Loans Administered by the Juneau Economic Development Council Related to COVID-19; Funding Provided by the Budget Reserve Fund Balance.

WHEREAS, consistent with Charter 9.10(b), upon declaration by the Assembly that a public emergency exists and describing the emergency in clear and specific terms, the Assembly by resolution may make emergency appropriation upon approval by all Assemblymembers present or by seven of its membership, whichever is the lesser number; and

WHEREAS, COVID-19 is a respiratory disease that can result in serious illness or death and is easily transmittable person to person; and

WHEREAS, on March 11, 2020, the World Health Organization (“WHO”) declared the virus a pandemic; and

WHEREAS, on March 11, 2020, the State of Alaska declared a public health emergency in response to the anticipated outbreak of the virus in Alaska; and

WHEREAS, on March 13, 2020, President Donald J. Trump declared a national emergency in response to the virus pandemic; and

WHEREAS, on March 16, 2020, the Assembly declared a local emergency in response to COVID-19; and

WHEREAS, on March 22, 2020, the City and Borough of Juneau (“CBJ”) received its first positive case of COVID-19; and

WHEREAS, small business owners are experiencing financial hardship as the public adheres to the social distancing requirements, including mandatory quarantine for travelers from other states, to “flatten the curve” of the COVID-19 pandemic; and

WHEREAS, protecting small businesses from some of the adverse impacts of the COVID-19 pandemic is in the public interest; and

WHEREAS, federal and state resources may be available too late to be of assistance to small businesses that need immediate cash flow; and

WHEREAS, failing to protect the economically vulnerable businesses from the severe loss of revenue would result in further adverse impacts to Juneau's economic and social service network; and

WHEREAS, the Juneau Economic Development Council has offered their services to administer a small business loan for this COVID-19 public emergency.

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

Section 1. Emergency Appropriation. There is appropriated to the Manager the sum of three million dollars for a grant to the Juneau Economic Development Council (JEDC) that can only be used for administering small business loans consistent with this legislation.

Section 2. Source of Funds:

Budget Reserve Fund \$ 3,000,000.00

Section 3. Loan Purpose and Terms.

- (a) **Intent.** The purpose of the loans administered by JEDC are to provide small businesses with working capital to bridge the time before federal or state monies are available. The absence of State or Federal assistance does not absolve the business owner for the responsibility to repay the loan.
- (b) **JEDC Loan Administration.** The Manager is authorized to allocate an amount for administrative expenses to the JEDC for direct expenses not to exceed one percent of the loan amount. Loans may only be disbursed through December 31, 2020. Any CBJ grant funds made available to JEDC for this loan program but not loaned by December 31, 2020, shall be returned to the City and Borough of Juneau no later than February 16, 2021. JEDC shall return all loan payments collected no later than December 31, 2023. In addition to the JEDC and its assignees, if any, the City and Borough of Juneau also reserves a right to collect on any defaulted loan. The Manager shall provide updates to the Finance Committee or Assembly.
- (c) The small business loans are subject to the following conditions:
 - (1) **Term.** The maximum loan term is 30 months.
 - (2) **Interest.** The interest rate for a loan shall not exceed 2%. Loans paid back within twelve months, will pay zero percent interest (interest payments will be refunded).
 - (3) **Loan amount.** A business with ten or fewer employees is eligible for a maximum loan amount of \$25,000. A business with eleven or more employees is eligible for a maximum loan amount of \$50,000. Employee count comes from the first quarter report of 2020. Loans may be made in one or two

disbursements. Second disbursement will be subject to basic assessment of borrower capacity to pay/financial need.

- (4) **Small business.** A business with more than 25 employees during the first quarter of 2020 is not eligible for a loan.
- (5) **COVID-19.** A business must demonstrate it is adversely impacted by COVID-19 pandemic.
- (6) **Entity types.** Any business entity is eligible, including but not limited to a for profit, a nonprofit, and a limited liability company, if the business was registered as a business in Alaska on January 1, 2020, and had a physical presence in Juneau, Alaska, on March 1, 2020.
- (7) **Multiple loans.** No more than one loan may be extended to a business. A loan provided to a parent or subsidiary business disqualifies all other related parent or subsidiary businesses from qualifying for a loan.
- (8) **Collateral.** No collateral is required to secure the loan.
- (9) **Sales and property tax compliance.** A business with any sales or property tax delinquency as of March 1, 2020, is not eligible for a loan. A business that is fully compliant with a confession of judgment payment plan is eligible.
- (10) **Exceptions.** JEDC, after receiving direction from the Manager, has the authority to make reasonable exceptions that match the intent of this emergency loan program.
- (11) **Loan payment deferral.** A business may elect to defer the first twelve months of payments.

Section 4. Effective Date. This resolution shall be effective immediately after its adoption.

Adopted this 1st day of April, 2020.



Beth A. Weldon, Mayor

Attest:



Elizabeth J. McEwen, Municipal Clerk

CARES Act Funding Chart (6/1/2020)

Appropriation	Amount
FY20 COVID-related Emergency Operations	\$ 8.0
Housing Assistance - Phase 1	\$ 0.2
FY21 COVID-related Emergency Operations	\$ 12.0
Childcare Support	\$ 1.0
Business Sustainability Grants - Phase 1	\$ 3.5
Workforce Development - Trails	\$ 0.3
Conservation Corp Program	\$ 1.0
Business Sustainability Grants - Phase 2 & 3	\$ 8.5
Remaining to be Disbursed	\$ 18.5
Total	\$ 53.0

