



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: OCTOBER 21, 2020

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Consideration of the Reallocation of up to \$1.5 Million in Federal CARES Funding for Round 2 of Small Business Assistance Grants and for Winterization and Outdoor Activation Grants.

ISSUE: How to assist Alexandria small businesses during the COVID-19 Pandemic?

RECOMMENDATION: That City Council approve the allocation of federal CARES funding to the following business support activities:

1. Allocate up to \$995,000 in additional funding towards the second round of small business assistance grants to be administered by the Alexandria Economic Development Partnership (AEDP); and
2. Allocate \$500,000 to initiate a Winterization and Outdoor Activation grants program for restaurants, retail and fitness businesses with permits/permission to operate outdoors, to be administered by the AEDP.

DISCUSSION: It is proposed that a portion of the second tranche of CARES monies be re-allocated at this time in the following manner by City Council:

- (1) Allocate up to \$995,000 additional CARES funds towards the second round of small business assistance grants to be administered by the Alexandria Economic Development Partnership (AEDP):**

After significant outreach throughout the City, and the provision of two additional days for businesses to submit applications, Round 2 of the *ALX B2B* (Back to Business) grant program closed on October 7, 2020 with more than 400 completed applications. This is almost 100 more applications than received during Round 1.

Thorough review of the applications by staff teams is currently underway, to assure each application's eligibility and adherence to program criteria as well as verification of all materials submitted. Once complete, expected by the end of October, it is likely that the total possible award amount will exceed the amount allocated by City Council in September- \$2.4 million plus \$190,000 for businesses in the Braddock Metro

Neighborhood Small Area Plan boundaries.

In order to assist as many small businesses as possible, it is recommended that City Council allocate up to an additional \$995,000 to the program- for a total maximum of \$3,585,000 in awards for Round 2. With this allocation, the City and AEDP will be in a position to award every eligible applicant to the B2B grant program with funding.

The use of funds would remain unchanged- purchase of PPE, equipment/supplies to promote health and safety, technology to facilitate e-commerce, actual costs of and professional services related to the design/construction/alteration of the built business environment to promote physical distancing, initial cleaning and disinfection services and rent or mortgage costs required to be made in order to reopen. The expanded criteria and commitment to continued outreach and awareness in Round 2 has maximized the reach and impact of CARES funding to help as many businesses in need of assistance in reopening/re-scaling as the pandemic continues.

As a reminder, the initial CARES funding allocation of \$2.4 million made by City Council to assist small businesses in the Spring allowed for the creation of the Alexandria Back to Business (B2B) grant program and execution of Round 1. Combined with other City funding, that round of the B2B program ultimately awarded \$3.495M in grants to more than 300 businesses in amounts ranging from \$10,000 - \$20,000, based on number of employees.

Once Round 2 is completed, and with this additional funding allocation, the cumulative investment and assistance to small businesses will be around \$6.5 million to more than 600 small, independently-owned businesses in every part of Alexandria; including restaurants, retail, daycare, entertainment, fitness, and personal services.

(2) \$500,000 to initiate an All Weather and Outdoor Activation grant program for businesses approved by the City to use outdoor space, to be administered by the Alexandria Economic Development Partnership (AEDP):

Through the course of this pandemic, City staff and AEDP, in coordination with the Alexandria Health Department and the Virginia Alcoholic Beverage Control Authority, have been working with restaurants, retail and other storefront-based businesses to help them access and activate outdoor space to serve customers while complying with [Forward Virginia guidelines](https://www.virginia.gov/coronavirus/forwardvirginia/) <<https://www.virginia.gov/coronavirus/forwardvirginia/>>. As the pandemic continues, and residents and customers are advised to continue to use social distance, separation and spend as little time as possible in indoor, confined spaces, businesses likely need to maintain and expand outdoor operations to remain viable.

Earlier this month, staff prepared and shared “*Guidelines for Winterizing Outdoor Business Activities*” with the business community (attached), in an effort to help small businesses navigate the various health, life and safety measures that must be considered when utilizing structures and heaters in the City. As part of these ongoing discussions it has become evident that there is additional financial need in the business community required to support the acquisition and deployment of this ‘all-weather’ or winterization equipment and materials, and to help safely activate outdoor spaces during the colder weather months.

With the allocation of \$500,000, the AEDP staff will quickly launch a new grant program, *ALX B2B- All Weather grants*, to deploy to small businesses in the City. Each business will be eligible for a maximum \$5,000 grant to be used to cover eligible expenses, as long as those items are allowable per the City Guidelines noted

above. Eligible expenses may include the purchase or rental of:

- Tents or other structures that provide cover, such as awnings
- Propane or electric heaters
- Outdoor furniture
- Lighting
- Other items for use in an outdoor setting

There are currently more than 90 businesses in the City who have received temporary permits to expand outdoor dining, vending or conduct classes and many businesses with permanent or regular permission to use outdoor space as part of their Special Use Permits (SUPs) or King Street Outdoor Dining Program permits. Any business who has not yet applied for the temporary expansion permit must do so before applying for grant funding. Grant funds will only be awarded to those businesses permitted to use outdoor space by the City. Full eligibility criteria will include:

- Licensed in the City of Alexandria
- Hold one of the following City-issued permits or approvals:
 - [Temporary expansion of outdoor dining](https://www.alexandriava.gov/uploadedFiles/planning/info/Outdoor%20dining%20request%20permit)
<<https://www.alexandriava.gov/uploadedFiles/planning/info/Outdoor%20dining%20request%20permit>>
 - [Temporary expansion of a retail business](https://www.alexandriava.gov/uploadedFiles/planning/info/Outdoor%20retail%20request%20permit)
<<https://www.alexandriava.gov/uploadedFiles/planning/info/Outdoor%20retail%20request%20permit>>
 - [Temporary outdoor expansion of fitness uses](https://www.alexandriava.gov/uploadedFiles/planning/info/Outdoor%20fitness%20request%20permit)
<<https://www.alexandriava.gov/uploadedFiles/planning/info/Outdoor%20fitness%20request%20permit>>
 - [King Street Outdoor Dining Program](https://www.alexandriava.gov/uploadedFiles/planning/info/2011Application2.pdf)
<<https://www.alexandriava.gov/uploadedFiles/planning/info/2011Application2.pdf>> permit
 - SUP that allows outdoor dining or vending
- Current on all local business taxes or on a payment plan with the City
- Not currently in bankruptcy proceedings
- Intend to remain operating in Alexandria through December 31, 2020
- Locally owned and operated

Unlike the Rounds 1 and 2 of the *ALX B2B* grant program, the *ALX B2B - All Weather* program grant is proposed to be made available on a first-come, first-serve basis, until funding is depleted. Businesses who received grants through the Rounds 1 and 2 of ALX B2B will be eligible for this new grant as long as they can demonstrate need (ie, provide receipts for allowable expenses for both grants without “double dipping”).

Following the allocation and approval by City Council of this new funding, the AEDP team will formalize application and grant materials, and will begin outreach prior to the opening of the application portal. The goal will be to deploy these funds to approved businesses in time to meet the demands of changing weather, and to assure funds can be expended before the end of the calendar year.

FISCAL IMPACT: As part of the second \$13.9 million tranche of CARES funding, \$4.23 million was allocated for City government CARES eligible expenses (staffing costs, PPE, hotel costs, etc). Based on rate of spend at this time, up to \$1.5 million can be reallocated from the City government CARES allocation to the proposed business grant programs.

ATTACHMENT: Guidelines for Winterizing Outdoor Business Activities

STAFF: Stephanie Landrum, President/CEO, AEDP
Ryan Touhill, Chief of Staff, AEDP