

MEMORANDUM

To: City Council

From: Alfred D. Lott, ICMA-CM, CPM
City Manager

Subject: Resolution R-37-20 and the Bowie COVID-19 Business Recovery Assistance Program

Date: June 11, 2020

INTRODUCTION: After direction from the City Council to develop an assistance plan for businesses impacted by COVID-19, the City's Economic Development Committee (EDC) met and prepared a report. On May 18, 2020 Council received that report from the EDC and directed City staff to review it and prepare for a public hearing and consideration for adoption.

BACKGROUND AND DISCUSSION:

The implemented Program will assist our residents and businesses in recovering from the adverse economic impacts of the coronavirus pandemic (COVID-19). The enacted Resolution will establish the Program.

There are three elements of the Program:

Assistance for individuals and families to be provided through the Bowie Interfaith Food Pantry and Emergency Aid Fund. Funding is requested at \$50,000 to continue to provide assistance to Bowie residents and families under the same terms and conditions of their existing funding from the City.

Assistance for Bowie businesses to be provided through grants and additional optional training and temporary relaxation of sign enforcement. The grants will be administered for the City by FSC First via an existing financial management agreement for our revolving loan fund. With grants at \$5,000 per business there would be assistance for 300 businesses. The training will be provided by the Bowie Business Innovation Center (Bowie BIC) and a partnership they will establish with the Greater Bowie Chamber of Commerce. Funding is requested at \$1,950,000 with \$1.5 Million to be used for the grants, \$150,000 for grant administration and servicing, and \$300,000 for business training.

Guidelines for these direct grants:

- The business may currently have no more than 250 employees and no fewer than 1 employee. Businesses as used here include corporations, LLCs, non-profit corporations, sole proprietors, 1099 contractors, and co-ops.
- The business must currently be located within the corporate limits of the City of Bowie and must agree to maintain its operations in the corporate limits of the City of Bowie. For the purpose of this program any businesses that is a resident client of the Bowie Business Innovation Center (Bowie BIC) located at Bowie State University shall be considered as "in the corporate limits of the City of Bowie" for the purpose of this program.

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- The business must retain jobs (certified to County and City) with a goal of hiring City residents for future vacancies. Certification is required every 90 days through December 31, 2021.
- The business must provide evidence that application has been submitted to either the U.S. SBA, State of Maryland, or the Prince George's County COVID Relief Funding Programs.

Specific documents needed to apply:

1. Completed Application (Submitted Electronically Through Grant Portal).
2. 2018 Business Tax Return as filed with IRS.
3. Completed IRS 4506T form.
4. 2019 Income Statement or Business Tax Return.
5. Payroll/Employee Rosters (for weeks of March 2, 2020 and May 18, 2020) and a Signed Employment Certification.
6. 2020 Year to Date Income Statement (January – May).
7. Evidence of Business Disruption caused by COVID-19 pandemic.
8. Evidence COVID-19 Relief sought from Federal, State of Maryland, Prince George's County.
9. Personal Financial Statement for each owner with 20% or more ownership interest.
10. Articles of Incorporation/Organization/Formation.
11. Electronic Funds Transfer Form.
12. Department ID Number issued by the Maryland Department of Assessments and Taxation to the business and a signed statement from the business owner that the business is in good standing with the State of Maryland.
13. Copy of City of Bowie business personal property tax bill for 2017 and 2018 with subsequent confirmation by City staff of payments.
14. City staff verification with SDAT of the filing of their 2019 personal property tax.

\$150,000 fee to FSC First for the purpose of administering the City of Bowie COVID-19 Relief Program under the existing agreement for the Bowie Revolving Loan Fund;

\$300,000 grant to the Bowie Business Innovation Center (Bowie BIC) to use in partnership with the Greater Bowie Chamber of Commerce for the purpose of providing training and assistance for Bowie based small businesses through the next 12 months. This grant will be issued using the existing City procedure for providing the annual operating grant to the Bowie BIC.

Ongoing sustainability of support efforts to begin with a survey of our businesses and continue with improved efforts to collect and maintain an accurate database of our businesses for ongoing contact and information exchange. Previous efforts have been limited due to factors such as the City not licensing businesses and State business registration data being formatted in a way that requires more labor to use than our resources can routinely provide. Funding is requested at \$30,000 to implement this effort to inform Bowie's businesses about the program and to improve the City's database of businesses within the City. Costs include set up to collect business responses and will include off-the-shelf software, mailing service to produce and distribute informational mailings, door-to-door canvassers to gather responses not received online, and computer equipment for use in field collection and data update efforts.

The total amount needed to implement the Program is \$2,030,000. The funding is requested via Ordinance O-6-20 which is also before Council for review and action at the June 15, 2020 meeting.

RECOMMENDATION: We recommend that Council adopt Resolution R-37-20 establishing the Program.

Attachment:

1. Resolution R-37-20

RESOLUTION
OF THE COUNCIL OF THE CITY OF BOWIE, MARYLAND
ESTABLISHING THE BOWIE COVID-19 BUSINESS RECOVERY
ASSISTANCE PROGRAM

WHEREAS, the current COVID-19 pandemic has adversely impacted the fiscal and operational health of businesses in the City of Bowie (“the City”); and

WHEREAS, the City Council desires that businesses in the community recover and reopen as quickly as possible under current restrictions imposed at the State or County level in order to combat the further spread of the virus; and

WHEREAS, the City Council believes that the establishment of a program to provide assistance to speed the recovery and reopening of business in Bowie will further the aforementioned goal.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Bowie, MD that the Bowie COVID-19 Business Recovery Assistance Program, consisting of the actions listed below, be and hereby is established and the City Manager is authorized and directed to implement the Program, subject to funding by separate Council action, as follows:

There shall be \$50,000 grant to the Bowie Interfaith Pantry and Emergency Aid Fund, Inc. (commonly called the Bowie Food Pantry) to continue to provide assistance to Bowie residents and families under the same terms and conditions of their existing funding from the City.

There shall be a grant program funded with \$1.5 million to be used for grants of \$5,000.00 apiece to Bowie businesses, in accordance with the following guidelines:

- The business may currently have no more than 250 employees and no fewer than 1 employee. Businesses as used here include corporations, LLCs, non-profit corporations, sole proprietors, 1099 contractors, and co-ops.

- The business must currently be located within the corporate limits of the City of Bowie and must agree to maintain its operations in the corporate limits of the City of Bowie. For the purpose of this program any businesses that is a resident client of the Bowie Business Innovation Center (Bowie BIC) located at Bowie State University shall be considered as “in the corporate limits of the City of Bowie” for the purpose of this program.
- The business must retain jobs (certified to County and City) with a goal of hiring City residents for future vacancies. Certification is required every 90 days through December 31, 2021.
- The business must provide evidence that application has been submitted to either the U.S. SBA, State of Maryland, or the Prince George’s County COVID Relief Funding Programs.

Applicants for business grants shall submit the following documents:

1. Completed Application (Submitted Electronically Through Grant Portal).
2. 2018 Business Tax Return as filed with IRS.
3. Completed IRS 4506T form.
4. 2019 Income Statement or Business Tax Return.
5. Payroll/Employee Rosters (for weeks of March 2, 2020 and May 18, 2020) and a Signed Employment Certification.
6. 2020 Year to Date Income Statement (January – May).
7. Evidence of Business Disruption caused by COVID-19 pandemic.
8. Evidence COVID-19 Relief sought from Federal, State of Maryland, Prince George’s County.
9. Personal Financial Statement for each owner with 20% or more ownership interest.
10. Articles of Incorporation/Organization/Formation.
11. Electronic Funds Transfer Form.

12. Department ID Number issued by the Maryland Department of Assessments and Taxation to the business and a signed statement from the business owner that the business is in good standing with the State of Maryland.
13. Copy of City of Bowie business personal property tax bill for 2017 and 2018 with subsequent confirmation by City staff of payments.
14. City staff verification with SDAT of the filing of their 2019 personal property tax.

FSC Frist shall be paid a fee of \$150,000 for the administration of the Bowie COVID-19 Relief Program under the existing agreement for the Bowie Revolving Loan Fund;

There shall be a \$300,000 grant to the Bowie Business Innovation Center (Bowie BIC) to use in partnership with the Greater Bowie Chamber of Commerce for the purpose of providing training and assistance for Bowie based small businesses through the next 12 months. This grant will be issued using the existing City procedure for providing the annual operating grant to the Bowie BIC.

The City shall use \$30,000 to implement a City business outreach effort to inform Bowie's businesses about the program and to improve the City's database of businesses within the City. Costs are to set up and collect business responses and will include off-the-shelf software, mailing service to produce and distribute informational mailings, door-to-door canvassers to gather responses not received online, and computer equipment for use in field collection and data update efforts.

INTRODUCED AND ADOPTED, by the Council of the City of Bowie, Maryland at a Regular Meeting on June 15, 2020

WITNESS:

Awilda Hernandez, City Clerk

Timothy J. Adams, Mayor