



**ECONOMIC
DEVELOPMENT
CORPORATION**

MEMORANDUM

To: Mayor Don Keil
Seguin City Council

CC: Steve Parker, City Manager
Andy Quittner, City Attorney

From: Josh Schneuker, Executive Director/Director of Economic Development
Kyle Kramm, Main Street/CVB Director

Date: 4/30/2020

Subject: Seguin Strong Stimulus Program

The Seguin City Council is being asked to establish the Seguin Strong Stimulus Program, a Small Business Emergency Grant aimed to assist businesses negatively impacted by the ongoing COVID-19 pandemic. Over the past month, emergency declarations and orders from the City, County, and State, along with executive orders issued by Governor Greg Abbott, have resulted in closures and limitations on local business operations within Seguin. In response, the Seguin Economic Development Corporation and the Seguin Main Street Program have been working together to identify ways to assist small businesses during this time of need. Staff is requesting that \$250,000 be allocated from the City's utility fund to establish the Seguin Strong Stimulus Program. The program will be structured using Chapter 380 of the Texas Local Government Code, which authorizes municipalities to offer incentives designed to promote economic development such as commercial and retail projects. Specifically, it provides for offering loans and grants of city funds or services at little or no cost to promote state and local economic development and to stimulate business and commercial activity. A budget amendment will follow the approval of the grant program as a separate action item.

Eligibility & Qualifications

To keep businesses running through a time of social distancing, staff has developed framework for the Seguin Strong Stimulus Program, a Small Business Emergency Grant aimed to assist Seguin small businesses that are independently owned and operated with a minimum of 2 and a maximum of 75 employees. Eligible industries may include, but are not limited to, retail (storefront), food and beverage; personal care (barber shop, nail salons, spas, etc.), health/wellness, and entertainment venues. **National chains, regional chains with more than 5 locations within the State of Texas, financial institutions, RV parks, apartment complexes, home-based businesses, permanently closed businesses, and non-profit**

organizations are not eligible for the grant. Grants awarded to businesses will not exceed \$5,000. All applications must include a signed W-9 form.

Small businesses wishing to apply for the grant must meet the following minimum criteria:

- Business has 75 Full Time Employee's (FTE's) or less
- Physical and publicly accessible location within the City of Seguin city limits (no home-based businesses)
- Must be a City of Seguin Utility Customer (Electric, Water and/or Wastewater)
- Experienced or projected to experience a decline in revenue as a result of COVID-19 pandemic
- Experienced or projected to experience a decline in employment as a result of the COVID-19 Pandemic
- Meet program technical requirements including ability to provide financial records and other relevant documents to support grant request
- In good standing with the City of Seguin regarding licensing and permits
- Must be registered with the Texas Comptroller's Office as a sales tax revenue generating business for the City of Seguin
- Engaged in activities that are legal under city and state law

Eligible expenses allowed under the grant program include:

- Rent/Mortgage
- Employee support (salaries, insurance, paid leave, etc.)
- Utilities (electricity, phone/internet, etc.)
- Purchase of supplies to offer alternative business access (curbside pickup, delivery, shipping)
- Purchase of COVID-19 supplies for business/customer protection/cleaning
- Additional expenses as a result of increased cost from suppliers or alternate suppliers
- Other business needs as approved by the Seguin Strong Stimulus Program Application Review Team

Application Review Process

SEDC and Main Street will begin accepting the first round of grant applications starting May 6th and ending May 13th at the close of business. Applications will be reviewed internally by the Seguin Strong Stimulus Program Application Review Team. This team will include the Director of Economic Development, Assistant Director of Economic Development, Main Street/CVB Director, Main Street/CVB Assistant Director, Director of Finance, and City Attorney. Applicants will be notified of the status of their application within 5-7 business days after grant application period closes. If funding is not exhausted in the first round, a second round will be opened to accept new applications. Application rounds will continue to be opened as needed, until all grant funds have been exhausted. Staff has developed a

scoring matrix that will be used to evaluate applications. Businesses classified within industry groups considered “non-essential” during Stay Home, Work Safe orders, that can demonstrate a higher level of impact to their typical operations, have frequent and/or close contact with customers, have seen a reduction in revenue and employment, and have sought additional assistance will score higher.