



Benbrook Economic Development Corporation

DATE: 05/04/20

REFERENCE NUMBER:

SUBJECT:
Approve Converting the BEDC Storefront Grant to a Disaster Relief Grant with a Corresponding Budget Adjustment to Fund Emergency Grants for Small Businesses.

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BACKGROUND

The Benbrook Economic Development Corporation (BEDC) promotes a diverse and vital economy by attracting new business, retaining and supporting existing businesses, facilitating desired development, and by promoting Benbrook to new residents and visitors.

On March 16, 2020, Benbrook Mayor Jerry Dittrich signed a declaration of local disaster in response to the March 11, 2020 World Health Organization (WHO) declaration of a pandemic related to the COVID-19 virus, and the March 13, 2020 State of Texas proclamation certifying that COVID-19 poses an imminent threat of disaster in the state; and declaring a state of disaster for all counties in Texas, signed by Governor Greg Abbott.

In response to the COVID-19 pandemic, federal, state, and local governmental entities and other organizations have initiated legislation and programs designed to assist small businesses who have been negatively impacted by stay-at-home orders and subsequent loss of income. Many Texas cities and economic development corporations are crafting programs tailored to the needs of their business community.

In support of Benbrook’s existing businesses, and as aligned with the BEDC mission, the BEDC board of directors has asked staff to propose a disaster grant program to address the current needs of small businesses impacted by the COVID-19 pandemic, and to recommend appropriate criteria and funding.

After much review, staff is proposing that the BEDC board of directors consider converting the current BEDC Storefront Grant Program to a temporary **Disaster Relief Grant** program. The Storefront Grant fund is currently near depletion for the remainder of the fiscal year, and the **Disaster Relief Grant** can be funded and made available until the end of fiscal year 2020. The BEDC may revisit the new program, its impact, and possible future funding at any time.

SUBMITTED BY:
Cathy Morris

DISPOSITION BY BEDC BOARD:
 APPROVED OTHER (DESCRIBE)

PROCESSED BY:

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DISASTER RELIEF GRANT

The **BEDC Disaster Relief Grant** program is solely intended to assist Benbrook commercial (retail/service/office) small businesses by funding mortgage and lease payments due. The grant will be available on a first-come, first-serve basis, until grant funds are depleted, or as determined otherwise by the BEDC board.

The goal of the program is to provide financial assistance in the form of a one-time, one-month mortgage or lease payment, up to \$5,000 per eligible local business. BEDC reserves the right to review and approve an applicants' eligibility for a second month of mortgage/rental assistance, by making available any remainder of the \$5,000 original cap per business, and assuming all other eligibility criteria applies. A single business will not be eligible to receive more than a total of two months mortgage/lease grant assistance under this program, and no more than \$5,000 total per business.

To be eligible to participate in the **BEDC Disaster Relief Grant** program, a business must meet all the criteria below (A-K):

- A. Be a storefront commercial (retail sales, service, or office) business within the city limits of Benbrook, Texas.
- B. Currently pay a mortgage or lease/rent payment for the business.
- C. Have a financial need as a result of lost income due to the COVID-19 pandemic.
- D. Employ no more than 100 employees.
- E. At the time of grant application, have received no funding from the *Coronavirus Aid, Relief, and Economic Security* (CARES) Act - Small Business Administration (SBA) Paycheck Protection Program (PPP).
- F. Not be a home-based business.
- G. Have been in operation in Benbrook prior to January 1, 2020.
- H. Have no outstanding code violations.
- I. Be in good standing, and up-to-date on all property taxes owed.
- J. Agree to provide requested mortgage/lease documentation to confirm current arrangement and verify mortgage/lease amount due.
- K. Agree to provide requested documentation to verify that **BEDC Disaster Relief Grant** assistance was used to pay mortgage/lease payments, per the terms of the mortgage/lease documentation provided.

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BEDC reserves the right to request additional documentation as needed to confirm eligibility. The City attorney has reviewed and approved the grant application material.

RECOMMENDATION

Staff recommends that the BEDC board of directors find that converting the BEDC Storefront Grant to a temporary emergency grant is a project that aligns with their mission, and as defined by their authority under Section 505.157 of the Texas Local Government Code, and that the board approve the creation of a **Disaster Relief Grant** to support business expansion and retention by providing financial assistance in the form of mortgage or lease payments to eligible small businesses per application criteria, and to seek a budget adjustment of \$500,000 to fund the **Disaster Relief Grant** program, and to recommend that Benbrook City Council conduct a public hearing and ratify the project.