

RESOLUTION NO. 2020-09

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE WORTH, TEXAS, ESTABLISHING A SMALL BUSINESS ASSISTANCE PROGRAM TO PROVIDE IMMEDIATE, SHORT-TERM FINANCIAL AID TO QUALIFIED SMALL BUSINESS IN THE CITY OF LAKE WORTH; PROVIDING A PROGRAM AND APPLICATION ELIGIBILITY CRITERIA AND OTHER REQUIREMENTS; APPROPRIATING \$65,000 TO ESTABLISH THE PROGRAM; DELEGATING AUTHORITY TO THE CITY MANAGER TO ADMINISTER THE PROGRAM; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Lake Worth, Texas is a Texas municipality operating under the home-rule charter; and

WHEREAS, in December 2019, a novel coronavirus, now designated SARS-CoV2 which causes the disease COVID-19, was detected in Wuhan, China; and

WHEREAS, President Donald J. Trump declared a State of National Emergency for the United States of America on March 13, 2020 in response to the spread of COVID-19; and

WHEREAS, on March 18, 2020, Mayor Walter Bowen issues a declaration of local disaster for public health emergency for the City of Lake Worth for a period of seven (7) days; and

WHEREAS, on March 20, 2020 the Lake Worth City Council approved to continue and extend the Mayor's amended declaration of local disaster for public health emergency to help abate the public health threat resulting from the COVID-19 pandemic; and

WHEREAS, the COVID-19 pandemic has caused closures of and limitations on local businesses; and

WHEREAS, some local businesses in the City of Lake Worth do not currently have an online presence which would assist in commercial activity during this state of disaster; and

WHEREAS, Chapter 380 of the Texas Local Government Code allows municipalities to establish economic development programs for making grants of public money to promote local economic development and to stimulate business and commercial activity in the municipality; and

WHEREAS, the City Council of the City of Lake Worth, Texas recognizes the economic strain the COVID-19 pandemic is causing its local businesses, and desires to establish a stimulus program to provide limited financial assistance to small businesses location within the city limits; and

WHEREAS, the City Council finds that establishing this program and awarding grants to such small businesses promotes local economic development and stimulates business and commercial activity in the municipality; and

WHEREAS, the City Council further finds that establishing this program and awarding grants to such small businesses will serve the public health, safety and welfare of the citizens of the City of Lake Worth and the interests of the City of Lake Worth and its small business community.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAKE WORTH, TEXAS:

SECTION 1: That a small business assistance program pursuant to Chapter 380 of the Texas Local Government Code is established to provide immediate, short-term financial assistance in the form of grants to qualified businesses located within the city limits of the City of Lake Worth.

SECTION 2: That the criteria set forth in "Exhibit A" establishes program and application requirements and determines a business's eligibility to receive financial assistance under the program.

SECTION 3: That the City Manager of the City of Lake Worth, Texas is directed to administer the small business assistance program and is authorized to make grants to businesses that comply with the program requirements, as set forth herein, and is authorized to take any and all other actions she deems necessary to administer the program consistent with the program requirements set forth herein. The City Manager is further authorized to negotiate and enter into Chapter 380 economic development program agreements with selected businesses.

SECTION 4: That the City shall appropriate the sum of \$65,000 in the General Fund budget to establish the small business assistance program.

SECTION 5: That each qualified small business is eligible to receive a one-time grant of up to \$5,000.

SECTION 6: That should any section, subsection, sentence, clause or phrase of this Resolution be declared unconstitutional and/or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of the Resolution shall remain in full force and effect. The City Council hereby declares that it would have passed this Resolution, and each section, subsection, clause and phrase thereof regardless of whether any one or more sections, subsections, sentences, clauses or phrases may be declared unconstitutional and/or invalid.

SECTION 7: That this Resolution shall take effect immediately from and after its passage.

DULY PASSED AND APPROVED BY THE CITY COUCNIL OF THE CITY OF LAKE WORTH, TEXAS, on this the 9th day of June, 2020.

CITY OF LAKE WORTH

By: Walter Bowen

Walter Bowen, Mayor

ATTEST:

Monica Solko
Monica Solko, City Secretary



EXHIBIT A

ELIGIBILITY CRITERIA:

Each qualified small business:

1. Must have 50 or fewer FTE (full-time equivalent) employees for payroll as of April 1, 2020.
2. Must have a physical location within the City of Lake Worth city limits with a valid Certificate of Occupancy.
3. Must have been in continuous operation for a period of at least six (6) months prior to the application date.
4. Must be in good standing with the City of Lake Worth with respect to taxes, fees, utility payments and other financial obligations to the City.
5. Must have a current or anticipated revenue decline beginning March 1, 2020 resulting from COVID-19 impacts.
6. Must be local, independent business responsible for all revenues and expenses.
7. Must have sustained a financial loss as a result of the COVID-19 pandemic.

EXCLUSIONS:

1. Home-based businesses and non-profit organizations are specifically excluded from and ineligible to receive grants under the program.
2. A business is ineligible if it has received assistance from the Paycheck Protection Program or an Economic Injury Disaster Loan.
3. An eligible franchise must be responsible on a local level for all revenue and expenses of the business.
4. A business is ineligible if it has 51 or more employees.

DESCRIPTION OF GRANT TYPES:

Lease/Mortgage Assistance

Each qualified applicant is eligible for a grant of up to \$5,000 in lease or commercial mortgage payment assistance. Applicants must show proof of a lease or commercial mortgage, and the monthly amount due. Lease/mortgage assistance grants will only be disbursed for future or current lease or mortgage payments. Past-due lease or mortgage

payments are not an allowable expense under this grant. An applicant awarded a grant lease/mortgage assistance is ineligible to receive a grant for payroll assistance.

Payroll Assistance

Qualified applicants may be eligible for a grant of up to \$500 per FTE (full time equivalent) employee as of April 1, 2020, but the total amount of the grant shall not exceed \$5,000 per qualified applicant. Applicants must show proof of payroll for the payroll closest to April 1, 2020. Payments will only be made to the business name on the City-issued Certificate of Occupancy. Payroll assistance grants may only be used for future payroll obligations. Past-due payroll obligations are not an allowable expense under this grant. An Applicant awarded a grant for payroll assistance is ineligible to receive a grant for lease/mortgage assistance.

APPLICATION PROCESS:

Applicants may apply via e-mail at salmond@lakeworthtx.org. **Applications will be reviewed, and grant funding will be approved on a first-come, first-served basis.** Grants will be awarded until approved funding is exhausted or the grant program is ended by the City Council, whichever comes first. Applications will be accepted during a 14-day open period beginning June 29, 2020 at 9:00 am.. Qualifications will be verified by a four-person panel made up of representatives from the City Manager's office, City Finance Department, City Building and Development Department, and the City Planning and Zoning Department. The City Council reserves the right to modify, amend, or terminate the program and/or the program requirements at any time. The City Manager is authorized to take any and all actions she deems necessary to administer the program consistent with the program requirements by the City Council. Continued funding of this grant program is not guaranteed. **Nothing herein shall imply or suggest that the City is under any obligation to provide financial incentives at any time to any applicant.**

SUSTAINABILITY:

Applicant agrees that, if awarded, the Applicant's business will remain open with the same or greater amount of staffing and business operations for a minimum period of three (3) months following the date of the grant payment. Failure to comply with this condition may result in an obligation to repay all or a portion of the grant payment, as determined by the City Council.

REQUIRED DOCUMENTATION:

1. Completed application form. The small business must be the applicant, but the application form must be signed by an authorized agent of the small business.
2. Documents enough to evidence Taxable Retail Sales in March 2020 and March 2019, or other evidence of gross revenue decline beginning March 13, 2020.

3. Lease, Mortgage or other documentation enough to prove existence of current Lease or Mortgage for the applicant's location in the City of Lake Worth city limits (if applying for the Lease/Mortgage Assistance Grant).
4. Documents sufficient to evidence the applicant's payroll for period closest to April 1, 2020.
5. IRS Form 941.
6. Documents sufficient to evidence receipt of or application for forms of federal aid related to the COVID-19 disaster.
7. Other information, documentation, or clarification as required by City staff administering the program.

PUBLIC DISCLOSURE OF APPLICATIONS AND SUPPORTING DOCUMENTS:

By submitting an application under the program, the applicant consents to submitting all required or supporting documentation and information to the City of Lake Worth and to the potential public disclosure of such documentation and information by the City of Lake Worth in response to any request submitted pursuant to the Texas Public Information Act and/or other applicable law.

AGREEMENT:

In order to receive grants under this program, the selected applicant must execute a Chapter 380 economic development program agreement on a form acceptable to the City Manager and City Attorney. Failure to execute the agreement within seven (7) days of receipt may result in the revocation of the application selection and potential entitlement to the grant.