



**TOWN OF BOWLING GREEN
ECONOMIC DEVELOPMENT AUTHORITY MEETING**

A G E N D A

**Monday, January 25, 2021
6:30 PM**

CALL TO ORDER AND QUORUM ESTABLISHED:

UNFINISHED BUSINESS:

1.

NEW BUSINESS:

2. Welcome new Board Member, Jerry Covington
3. Mayor Mark Gaines - EDA Objectives
 1. Marketing the Rt. 301 Commercial Corridor
 - A. Tax incentives (Opportunity Zone)
 - B. Environmental study
 - C. Partnering with Caroline County ED & Tourism
 - D. Renderings of a Planned Community
 - E. Establish relationship with Dahlgren
 - F. Networking events
 - G. Education/Certification
4. Northview Property - Jason Manns
5. EDA Meeting Schedule

INFORMATIONAL ITEMS

6. CARES Act Press Release

[7.](#) COVID-19 Relief Bill - Small Business Assistance/PPP

[8.](#) Outdoor Refreshment Areas (ORA)

CLOSED SESSION:

RECONVENE:

ADJOURNMENT

**TOWN OF BOWLING GREEN
ECONOMIC DEVELOPMENT AUTHORITY
MINUTES**

November 23, 2020

CALL TO ORDER AND QUORUM ESTABLISHED: Chairman, John Lane called the meeting to order at 6:30 PM and noted that a quorum of the EDA board was present.

MEMBERS PRESENT: Chairman John Lane, David Storke, Jean Davis, Dan Webb and Jason Manns.

PRESENT BY VIRTUAL/TELECONFERENCE: Glenn McDearmon

MEMBERS ABSENT: Donny Cutlip

OTHERS PRESENT: Jo-Elsa Jordan, Economic Development Coordinator

A motion was made by Jean Davis and seconded by Jason Manns to allow for Glenn McDearmon's participation via virtual teleconference. The motion passed unanimously by the board.

UNFINISHED BUSINESS:

1. Approval of October 26, 2020 meeting minutes; Motion by David Storke and seconded by Jean Davis. The meeting minutes were approved unanimously by the board.
2. CARES Act Grant Program application review
 - a. Site-specific estimates, totaling \$42,110.00 by Performance Air were reviewed by the board. A motion was made by Jason Manns and seconded by David Storke to approve payment to Performance Air in the amount of \$42,110.00. The motion passed unanimously by the board.
 - b. CARES Act applications for small business assistance were reviewed by the board. A motion was made by Dan Webb and seconded by David Storke to distribute the balance of CARES Act funds, totaling \$64,585.00, equally to all businesses that applied in the amount of \$2,800.00 each. The motion passed unanimously by the board.

* See attached (Page 2)

Chairman, John Lane, informed the board that no meeting would be held in December and that the board would reconvene on Monday, January 25, 2021 at 6:30 p.m.

There being no further business to come before the board, John Lane adjourned the meeting.

Respectfully submitted:
Jo-Elsa Jordan, Econ. Dev. Coordinator

Approved:
John Lane, Chairman



**TOWN OF BOWLING GREEN
TOWN COUNCIL MEETING
AGENDA ITEM REPORT**

AGENDA ITEM: EDA CARES Act Small Business Assistance
ITEM TYPE: Action Item
PURPOSE OF ITEM: Decision - By Motion
PRESENTER: Jo-Elsa Jordan, edacoordinator@townofbowlinggreen.com
PHONE: (804) 633-6212

BACKGROUND / SUMMARY:

The EDA Board met on Monday, November 23, 2020 at 6:30 p.m. to review CARES Act Small Business Assistance grant applications and to determine details on distribution of funds.

Small Business Assistance balance: \$106,695.00

(27) Applicants

- 4/27: HVAC Filtration ONLY
- 23/27: Small Business Assistance Stimulus

Estimate from Performance Air for HVAC Filtration System: \$42,110.00

Small Business Assistance Stimulus Balance: \$64,585.00

(23) Businesses: \$2,808.04 each

A motion was made by Jason Manns and seconded by David Storke to approve the HVAC filtration system installation by Performance Air in the amount of \$42,110.00. The motion passed unanimously by the board.

A motion was made by Dan Webb and seconded by David Storke to approve all CARES Act grant applications for small business assistance stimulus funds in the amount of \$2,800.00 each for a total of \$64,400.00. The motion passed unanimously by the board.

ATTACHMENTS:

- Applicant list
- Estimate from Performance Air

REQUESTED ACTION:

Decision required by Town Council to appropriate \$42,110.00 to the Economic Development Authority to pay Performance Air for the installation of cold plasma ionization air filtration for small businesses and an additional \$64,400.00 to be

distributed equally to small businesses in the amount of \$2,800.00 each, for a total of \$106,510.00.

MOTION: To appropriate \$106,510.00 of CARES Act funds to the Economic Development Authority, with \$42,110.00 to be paid to Performance Air and \$64,400.00 to be distributed equally to applicable small businesses.



FOR IMMEDIATE RELEASE

EDA Offers CARES Act Relief and COVID Mitigating HVAC Filtration To Small Businesses

Economic Development Authority
Town of Bowling Green
P.O. Box 468
Bowling Green, VA 22427
(804) 633-6212

Contact: Jo-Elsa Jordan, Town of Bowling Green; Economic Development Coordinator
edacoordinator@townofbowlinggreen.com
(804) 516-5045 (Office/Cell)

Bowling Green, VA. – January 11, 2020; The Economic Development Authority of the Town of Bowling Green (EDA) recently expended CARES Act funds through a grant application process to 23 small businesses by issuing checks totaling \$2,800.00 each, along with the installation of air filtration systems designed to mitigate COVID-19. Federal funding for the CARES Act was distributed to states, counties and municipalities based on population, giving Bowling Green a total of \$209,390.00 to be used for small business assistance, personal protective equipment (PPE) and technology to support virtual meetings and telework for employees. At its December meeting, the Bowling Green Town Council voted to appropriate \$64,400.00 to the EDA for small business grant funds and \$42,110.00 to be used for cold plasma ionization air filtration systems to be fitted to existing HVAC units in commercial spaces.

Jessica Beale, owner of The Mix House, a boutique coffee shop located in the heart of Bowling Green’s downtown business district said, “Receiving the CARES Act Grant Funds enabled us to continue our day-to-day operations while also navigating the ever changing world of running a small business in a pandemic.” She added, “We are grateful for the support of our town, both in the way of grant funds as well as those who continue to be patrons of our small business.”

John Lane, Chairman of the EDA, stated, “Our board was happy to have an opportunity to receive

(more)

CARES Act funds to pass onto small businesses in Town.

The money can help businesses improve their online presence, put plastic barriers in place to promote safe shopping and not to mention, the filtration systems that will be installed in 27 businesses. The EDA is offering tangible support to our small business community and that is our primary purpose.”

Offering cold plasma ionization air filtration systems to commercial spaces in Bowling Green as a tool to mitigate COVID-19 was suggested by EDA board member, Glenn McDearmon, an employee of ABM, a company focused on improving infrastructure for a variety of industries. Being knowledgeable about the technology, McDearmon expressed to the EDA that offering this to the small business community could be beneficial to consumers and business owners alike. After surveying businesses in town, 27 businesses expressed interest in having the air filtration system installed. Performance Air, a local HVAC company familiar with the technology, surveyed all interested businesses and offered site-specific estimates to the EDA. “The filtration system is an easy installation and it’s effective at killing air born germs,” stated McDearmon. “Thinking outside of the box is critical these days. This will not only give patrons a sense of comfort when shopping or dining in Bowling Green, it can be used as a great marketing tool for business owners.”

The remaining funds were used for PPE and technology to support Bowling Green residents and local government operations.

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retail strategies

2021 COVID-19 Relief Bill:

What it Means for Your Community and Small Businesses

Jenn Gregory, President, Downtown Strategies
Lacy Beasley, President, Retail Strategies



retail strategies



Lacy Beasley

President, Retail Strategies

Lacy currently serves as President and formerly as COO. She has been involved in retail real estate since 2005. Her experience with The Shopping Center Group and the Dickson County Chamber of Commerce prior to joining Retail Strategies provides her with the insight to understand the connections needed from the public and private side of the conversation.

Her articles have been published in Shopping Centers Today, Site Selection Magazine and AL Retail Federation. She has spoken on retail trends and best practices in retail recruitment at more than 75 events including ICSC, American Association of Retirement Communities, American Public Power Association, Tennessee Valley Authority, ElectriCities of NC, Georgia Power, Southeastern Economic Development Council and state-wide economic development and municipal associations in Canada, AZ, LA, OK, TX, TN, AL, NM, MS, KY and GA.



downtown strategies



Jenn Gregory

President
Downtown Strategies

Jenn comes to Retail Strategies with a 10-year career in community development and downtown revitalization. She was the Founding Principal of a consulting firm specializing in downtown rejuvenation with clients throughout the Southeast and served as CEO of a community development agency in Mississippi where she strategically transformed their Downtown. Jenn also brings extensive governmental affairs expertise from her tenure as Assistant Director of a Federal legislative-branch agency on Capitol Hill.

Jenn was named a "Top 50 under 40" professional by *Mississippi Business Journal* in 2016. She serves as President of Parents for Public Schools Starkville and is the Executive Director/Vice President of Operations for Bully Bloc, a non-partisan political action committee supporting Mississippi State University alumni in political positions within Mississippi. She is a board member of the non-profit group Mississippi 30 Day Fund, an organization focusing on the private sector supporting small businesses the state.

Who We Are



Pre-Submitted Question Topics

- Community broadband
- PPP for sole proprietorship, microbusinesses, business owners with no employees, second time applicants, non-profits, new businesses, home-based businesses
- PPP eligibility; How to apply?; which banks are lenders
- PPP forgiveness
- Save our Stages / entertainment industry relief
- Direct relief to local governments
- Overall summary

Outline

- Direct payments to Americans
- Tax provisions
- Enhanced unemployment benefits
- **Small business support (including non-profit eligibility)**
- Housing & rental assistance
- Other provisions
- What's next?
- Q&A



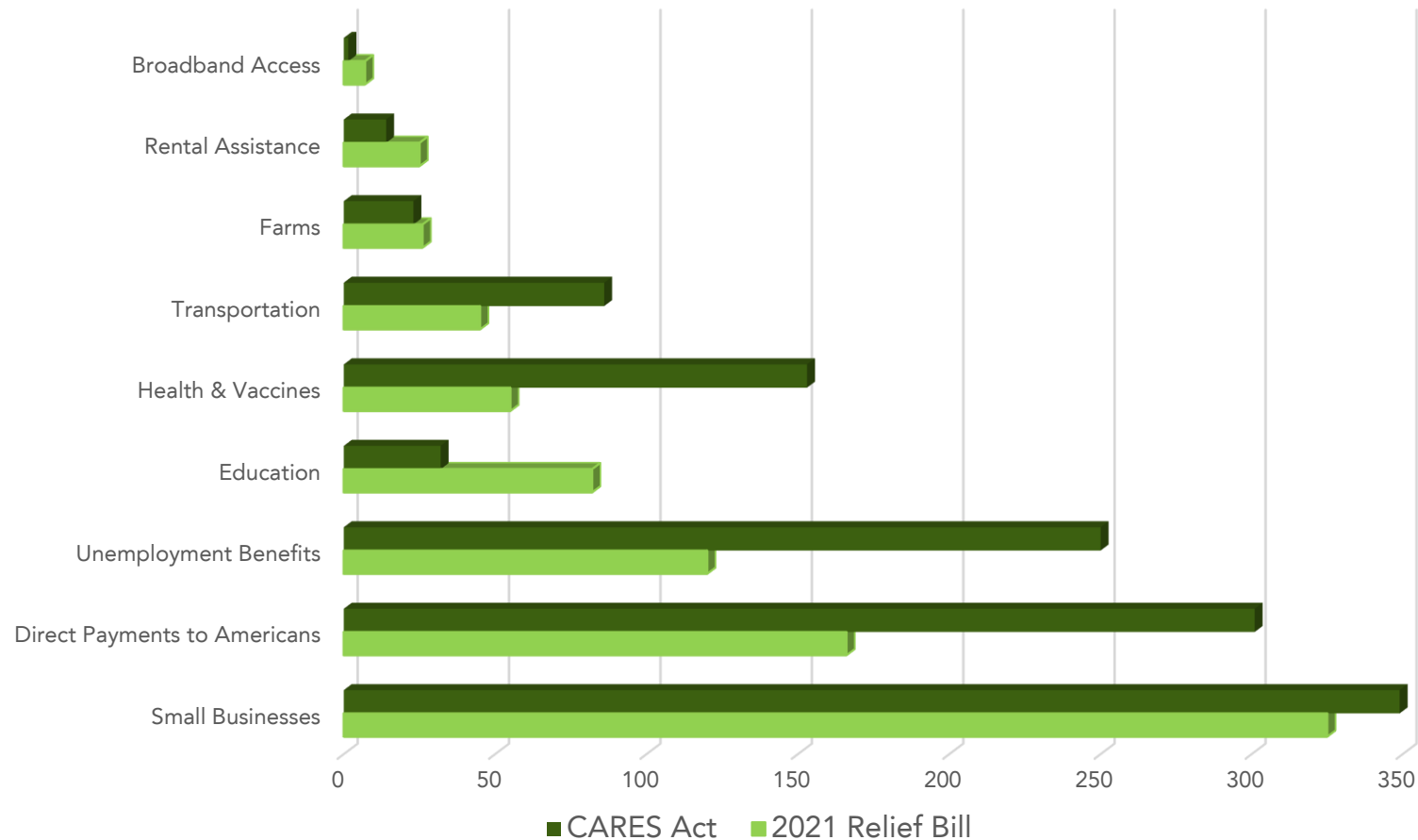
Overview

Overview

- **December 21, 2020**, Congress passed a **\$900 billion COVID-relief** and \$1.4 trillion government funding package, Coronavirus Response & Relief Supplemental Appropriations Act (H.R. 133,) that gives critical pandemic aid to Americans, while securing federal agency operations through September 2021.
- **December 27, 2020**, President Trump signed the bill into law, allowing relief funds to begin to be distributed.
- While no additional state and local aid was provided, an extension of the deadline by which the Coronavirus Aid, Relief, and Economic Security (CARES) Act Coronavirus Relief Fund (CRF) resources must be spent was **extended to Dec. 31, 2021**.
- The mammoth measure will provide another round of direct payments, enhanced unemployment benefits, education funding, and aid to sectors still reeling from the economic fallout of the pandemic.

Overall Allocations

How does the 2021 COVID Relief Bill Compare to CARES Act of 2020?





Direct Payments to Americans

Direct Payments to Americans

- Direct economic relief via stimulus checks of \$600 for individuals making up to \$75,000 per year. \$1,200 for couples making up to \$150,000, and an extra \$600 for dependent children that are under 17 years old.
- It would apply the similar income limits and phase-out as the CARES Act, reducing the payments by 5% for individuals with adjusted gross incomes of more than \$75,000. Filers with an adjusted gross income (AGI) greater than \$87,000 (or \$174,000 if filed jointly) would not receive a payment.
- Payments would be based on 2019 taxes. Payments could be issued for certain beneficiaries who did not file 2019 returns, including retired and disabled workers, Supplemental Security Income recipients, and veterans receiving VA benefits.
- You can check the status of your payment at the IRS [Get My Payment](#) portal.



Tax Provisions

Tax Provisions

Payroll Tax Deferral

Workers whose payroll taxes have been deferred since September would be given until Dec. 31, 2021, to pay back the government, instead of through April 30, 2021, as originally directed by the Treasury Department.

Paid Leave Credits

The measure would extend credits for paid sick and family leave provided under the second coronavirus relief package through March 31, 2021.

Tax Provisions

Employee Retention Tax Credit (ERTC)

Extends the refundable tax credit starting January 1, 2021 through July 1, 2021 and significantly expands access:

- Increases the limit on per-employee creditable wages from \$10,000 for the year to \$10,000 for each quarter;
- Increases the credit rate from 50% to 70% of qualified wages;
- Expands eligibility by reducing the required year-over-year decline in gross receipts from 50 percent to 20 percent

Businesses that previously did not apply for the **Employee Retention Tax Credit** to do so before the end of the year as many entities may qualify due to the new law.

Tax Provisions

- Temporarily extends tax breaks for renewable energy, including incentives for wind energy and carbon capture and includes deductions for business meals.
- Lower excise taxes on beer, wine and spirits that were set to expire Dec. 31 will be permanently extended, and tax incentives for investing in low-income areas and hiring workers from disadvantaged groups would be extended for five years.

The background of the slide is a dense, overlapping pattern of US dollar bills, including one-dollar and five-dollar denominations. The entire image is overlaid with a semi-transparent green filter. The text 'Enhanced Unemployment' is centered in a large, white, sans-serif font.

Enhanced Unemployment

Enhanced Unemployment Benefits

- Provides \$120 billion in unemployment insurance (UI).
- Extends the Federal Pandemic unemployment Compensation (FPUC) program through March 14, 2021, providing **\$300 per week** for all workers receiving unemployment benefits.
- Extends and phases out the Pandemic Unemployment Assistance (PUA) to March 14 (after which no new applicants) through April 5, 2021.
- Extends and phases out the Pandemic Emergency Unemployment Compensation (PEUC), which provides additional weeks when state unemployment runs out, to March 14 (after which no new applications) through April 5, 2021.
 - Provides additional weeks for those who would otherwise exhaust benefits by increasing weeks available from 13 to 24—with all benefits ending April 5, 2021

Enhanced Unemployment Benefits

- Increases the maximum number of weeks an individual may claim benefits through regular state unemployment with the additional PEUC program, or through the PUA program, to **50 weeks**.
- Provides an additional **\$100 per week** for certain workers who have both wage and self-employment income but whose UI benefit calculation does not take their self-employment into account.
- Extends the interest-free loans to states, flexible staffing and nonprofit relief to March 14, 2021.
- Requires documentation of employment, rather than the self-certification that is currently in use and requires states to verify applicant identity.

Enhanced Unemployment Benefits

- Requires states to have a place to report when someone turns down a job and must notify claimants of the requirement to accept suitable work.
- States may opt to provide an extra benefit of **\$100 per week** for up to 11 weeks through March 14, 2021, for certain workers who have both wage and at least \$5,000 of self-employment income in most recent taxable year ending prior to application.

The background is a solid green color. In the center, there is a white sign with a hole at the top right corner, hanging from a white string. The sign has the text 'Come on in' written in a cursive font at the top. Below that, there are two arrows pointing left towards the word 'Support'. At the bottom of the sign, the word 'OPEN' is written in large, bold, block letters. The overall theme is business support and openness.

Small Business Support

Small Business Support

Paycheck Protection Program (PPP)

Overview

- \$325 billion allotted to help small businesses includes **\$284 billion** for first and second forgivable Paycheck Protection Program loans and expands eligibility for local newspapers and TV and radio broadcasters. The bill also includes \$20 billion for Economic Injury Disaster Loans.
- The bill requires the Small Business Administration (SBA) to establish regulations on small-business support no later than 10 days after the legislation is signed into law, which would be Wednesday, January 6. **Clearly that has not been met.**
- Bill provides \$12 billion for Community Development Financial Institutions and Minority Depository Institutions that provide credit and financial services to low-income and minority communities.

Small Business Support

Paycheck Protection Program (PPP)

Differences from CARES Act PPP and Second Round

- This time around, eligible businesses can use the loan for a greater number of expenses, including **operations, utilities, mortgage, supplier costs and worker protection equipment costs**, which were previously not allowed in the first round.
- Also included in the eligible expenses in this new PPP are **property damage costs resulting from looting related to protests** as seen across the nation over the summer.
- Publicly traded companies are no longer eligible for the loan.

Small Business Support

Paycheck Protection Program (PPP)

Differences from CARES Act PPP and Second Round

- Businesses that received PPP loans **would** be able to take tax deductions for the expenses covered by forgiven loans.
- Previously, entities had to choose between taking advantage of the PPP or the Employee Retention Tax Credit. Now, businesses may benefit from both.
- An additional \$25 billion will be set aside for **employers with 10 or fewer employees**, as well as for loans less than \$250,000 for minority-owned businesses and entities in low-income neighborhoods. For first-time borrowers, \$35 billion has been set aside for them.

Small Business Support

Paycheck Protection Program (PPP)

Included are several provisions for first – and second – PPP applicants

- Loans are available until March 31, 2021 (i.e., deadline to apply for PPP).
- The loan forgiveness process is simplified for loans of \$150,000 or less.
- Eligibility extended only to organizations with 300 or fewer employees that can demonstrate a revenue decline of at least 25-percent in any quarter in 2020 over the same quarter in 2019 can receive a PPP loan of **up to \$2 million**.
- \$35 billion of PPP funds are reserved for first time loan recipients.
- Forgiven PPP loans will not be classified as income and tax deductions are now allowed for expenses paid with proceeds of forgiven PPP loans.

Small Business Support

Paycheck Protection Program (PPP)

Eligibility Formula

- The maximum amount is calculated based on the **average monthly payroll costs** for the entity either during the 12 months prior to the loan or in some cases, 2019 payroll costs, multiplied by 2.5.
- Employers in the accommodation and **food service industries** can multiply their costs by 3.5.
- Seasonal employers' loan amounts will be calculated using the average monthly payroll costs for a 12-week period between Feb. 15, 2019, and Feb. 15, 2020.

Small Business Support

Paycheck Protection Program (PPP)

Non-profit Eligibility

Beginning early 2021, 501(c)(6) nonprofits can apply for **PPP loans** under the following criteria:

- The organization does not receive more than 15 percent of receipts from lobbying activities
- The lobbying activities do not comprise more than 15 percent of total activities
- The cost of lobbying activities of the organization did not exceed \$1,000,000 during the most recent tax year that ended prior to February 15, 2020; and
- The organization has 300 or fewer employees

Small Business Support

Paycheck Protection Program (PPP)

Self-employed & Sole Proprietor Eligibility

- Bill permits sole proprietors, independent contractors, and eligible self-employed individuals as first-time borrowers.
- Also eligible are second-time borrowers who meet the same PPP requirements, including a substantial revenue reduction in at least one quarter of 2020, as compared to 2019.
- The maximum PPP loan amount that a sole proprietor or self-employed individual can borrow is \$20,833, unless the business has other employees.
- The maximum amount that a sole proprietor or self-employed individual can claim as Owner Compensation Replacement (OCR) is \$20,833 which could make their entire PPP loan 100% forgivable.

Small Business Support

Paycheck Protection Program (PPP)

Forgiveness

- This bill will overturn the previous IRS ruling, and **PPP loans will now be eligible for tax deductions.**
- The period for which expenses count toward loan forgiveness will now begin on the **date the loan is given and must be completed on a chosen date that is between eight and 24 weeks after origination.**
- Entities that previously received an Economic Injury Disaster Loan from the Small Business Administration will no longer have their loan forgiveness amount be reduced by the amount of the grant.

Small Business Support

Paycheck Protection Program (PPP)

Where do I begin?

- Community Development Financial Institutions (CDFI) began lending money to minority owned businesses and businesses in low-income communities yesterday. Find a CDFI [here](#).
- Small Business Association (SBA) approved lenders *should* begin lending PPP tomorrow.
 - Find a list of required documents for first time PPP applicants [here](#) (page 13)
 - First time PPP [application](#)
 - Find a list of requirements for second-draw PPP applicants [here](#) (pages 5-6)
 - Second-draw PPP [application](#)

An aerial photograph of a residential neighborhood, showing houses, trees, and streets, overlaid with a semi-transparent green filter. The text 'Housing & Rental Assistance' is prominently displayed in white on the left side of the image.

Housing & Rental Assistance

Housing & Rental Assistance

- Provides a temporary extension to the current CDC eviction moratorium and an additional \$25 billion in emergency rental assistance.
- Extends eviction moratorium until Jan. 31, 2021.
- Eligible renters will receive the assistance to pay for rent, utility payments, any unpaid rent and/or unpaid utility bills.

Housing & Rental Assistance

- A household may receive up to 12 months of assistance, however, an additional three months may be added if it is necessary to ensure the family remain housed.
- Establishes a 4% floor for calculating housing tax credits related to acquisitions and housing bond-financed developments.
- Treasury will distribute funds to states and localities using the same formula used to distribute the CRF. Small states will receive a minimum of \$200 million in emergency rental assistance. Localities with populations over 200,000 may request to receive their allocation of emergency rental assistance directly. Under the program, D.C. is treated as a state. The U.S. territories would share a set-aside of \$400 million (with a small territory set-aside), while \$800 million would be set aside for Native Americans, Alaska Natives and Native Hawaiians.



Other Provisions

Other Provisions

Broadband Expansion

\$7 billion to expand broadband access for students, families and unemployed workers. It includes:

- A new \$3.2 billion Emergency Broadband Benefit that will provide **\$50 per month for broadband** for low-income families.
- \$300 million for rural broadband.
- \$250 million for Federal Communications Commission's telehealth program.
- \$285 million to fund a pilot program to assist with broadband issues for historically Black colleges and universities.
- \$1.9 billion for "rip and replace" efforts related to Huawei and ZTE equipment in U.S. networks.
- \$1 billion in grants for tribal broadband programs.
- \$65 million to improve broadband mapping.

Other Provisions

Entertainment Venues

- Grants for Shuttered Venue Operators Bill—also known as the **Save Our Stages Bill**
- \$15 billion grant program for eligible live venue operators, promoters, theatrical producers, live performing arts organizations, museums, movie theaters or talent representatives.
- Eligible entities must show at least a 25% drop in revenue.
- Grants are equal to \$10 million or less, issued by Small Business Association.
- The money must be used for specific expenses such as payroll, rent, utilities and personal protective equipment.

Other Provisions

Entertainment Venues

- Grant Amounts
- The lesser of 45% of an entity's gross revenue in 2019 or \$10 million.
- At least \$2 billion in initial grant funds will be set aside for entities with 50 or fewer employees.
- Grants will be prioritized for entities with significant revenue losses.
- Entities with recent quarterly revenue losses of at least 30% as of April 1, 2021, could qualify for supplemental grants, which would be half the amount of initial grants. They could cover costs incurred through June 30, 2022.
- Entities will not be able to receive more than \$10 million in total grant funds.

Other Provisions

Health & Vaccines

\$69 billion for vaccines, testing, tracing, and to support community health and health care providers.

Child Care and Development Block Grants (CCDBG)

\$10 billion in federal grants to provide childcare subsidies for low-income families with children under age 13. The CCDBG also allows for flexibility to pair state and federal funds to improve the overall quality of childcare available to families within existing state and local systems. This includes \$250 million for the Head Start program.

Banks

\$12 billion in support to small lenders focused on low-income and minority communities.

Other Provisions

Farms

\$12 billion to crop farmers, cattle ranchers and rural communities. This includes funds through USDA to growers that may sell goods at local farmers markets for the purpose of expanding SNAP accessibility and supporting mobile payment technologies.

Postal Service

\$10 billion forgivable grant to the United States Postal Service, and previous conditions imposed by the Treasury in the CARES Act would no longer apply.

Other Provisions

Disaster Relief

- Provides a 40% tax credit of wages (up to \$6,000 per employee) to employers in disaster zones (areas where individual and public assistance is mandated). The credit will apply to wages paid without regard to whether services associated with those wages were performed.
- Increases the low-income housing tax credit allocations in states that experienced disasters in 2020—the increase is equal to \$3.50 multiplied by the number of residents in qualified disaster zones and is capped at 65% of the state's 2020 credit allocation.

Other Provisions

Other

- Transportation: \$45 billion
- Education: \$82 billion
- Nutrition and agriculture: \$26 billion
- Community development: \$12 billion
- Broadband access: \$7 billion



What's Next?

What's Next?

There could be a third stimulus check coming Spring 2021, as well as an additional relief package.

- President-elect Joe Biden has described the \$900 billion stimulus bill passed last month as a "down payment" on a more comprehensive relief package. That could translate into a new package ranging from \$1 trillion to \$1.5 trillion
- A third stimulus package would likely come in March 2021, which is when newly passed provisions, especially unemployment, expire, putting pressure on Congress to act on additional financial support by that cutoff to continue jobless benefits for millions of unemployed Americans.



retail strategies

Questions?

Jenn Gregory, jgregory@retailstrategies.com
Lacy Beasley, lacy@retailstrategies.com

VIRGINIA'S LOCAL OUTDOOR REFRESHMENT AREAS

A local option to help drive investment and economic activity
back into our community centers across Virginia

BACKGROUND

Shortly after the 2020 General Assembly Session adjourned, the coronavirus made its way around the world. In order to stop the potential spread of this virus, Virginia employed social distancing measures and placed varying restrictions on certain types of businesses in the Commonwealth. The Federal Government and Virginia have been working together to administer unemployment assistance and the payroll protection program (PPP), but we have yet to figure out a proactive way to revitalize our local economies and the businesses that have been hurt.

This document will lay out a tool that Virginia localities can use to recover revenues lost from coronavirus; namely, the creation of **Outdoor Refreshment Areas** (ORAs). This new tool proposed in [HB1738](#) will not only help local governments and the state government stabilize and increase tax revenues but can also serve as a long-term community and economic development tool, **if a locality chooses to utilize it.**

CORONAVIRUS FISCAL IMPACT

At this point, the financial impact on Virginia's state budget and our local governments has yet to fully reveal itself. We can anticipate that certain tax revenues will be down, the question is by how much? And secondly, will there be another pandemic-related shutdown in the future? We don't know. However, we already have some idea of the economic effect the virus has had on several business sectors. Take a look at the following national data and Virginia-specific data to help understand the need for this policy change.

DATA POINTS

Restaurants, local shops, hotels, and other small businesses were among the hardest hit throughout the coronavirus pandemic thus far.

VIRGINIA DATA - Restaurants and Hotels

- In Virginia, **more than 237,000 restaurant employees have been laid off or furloughed since the beginning of the coronavirus outbreak in March.**
National Restaurant Association
- In Virginia, pre-COVID, the hotel industry employed 52,382 people directly and an additional 192,936 indirectly. **As of September, 64,525 Virginia hotel-related jobs have been lost** (19,957 direct and 44,568 indirect). **In addition,**

an estimated 1,026 of the total 1,532 hotels may close without additional aid from Congress.

- On average, **restaurant operators reported a seventy-seven (77%) percent decline in sales on a year-to-year basis (April 2019-2020).** *VRTLA Survey April 2020*
- With business conditions deteriorating, more federal government assistance is critical for the survival of many restaurants. **Thirty-nine (39%) percent of Virginia operators say it is unlikely their restaurant will still be in business six months from now,** if there are no additional relief packages from the federal government. *VRTLA Survey December 2020*
- Most restaurant operators do not expect business conditions to improve in the coming months. **Seventy-seven (77%) percent of Virginia operators expect their sales to decrease from current levels during the next 3 months.** Only 3% of operators expect their sales will increase from current levels during the next 3 months. *VRTLA Survey December 2020*
- **Eighty-five (85%) percent of Virginia operators say their current staffing level is lower than what it would normally be in the absence of COVID-19.** Forty-eight (48%) percent of restaurants are currently more than twenty (20%) percent below normal staffing levels. *VRTLA Survey December 2020*

NATIONAL DATA

- One in four (24%) small businesses have **shut down temporarily** in response to COVID-19. *USChamber Special Report on Small Business*
- Nation-wide hotel room occupancy **was down to 21%** in April of 2020. *USChamber Special Report on Small Business*
- Hotel **revenue per room has dropped 84% year-over-year** from April of 2019 to 2020. *USChamber Special Report on Small Business*

THE WRITING ON THE WALL. Virginia businesses are suffering, which means Virginia's localities are going to suffer. Our localities will likely see reduced revenues from meals taxes, lodging taxes, and transient occupancy taxes, which will squeeze already strained local budgets. This means significant cuts to operating and capital

budgets. It is up to the state legislature to respond to these challenges by finding new ways to support local businesses and our local governments in a post-coronavirus world. If we are looking for new ways to support our localities as we continue to deal with this pandemic, we should consider the creation of local outdoor refreshment areas across Virginia.

What is an outdoor refreshment area (ORA)?

An outdoor refreshment area is a place, designated and designed by a local governing body of a Virginia locality where individuals of all ages can gather and help rebuild our communities and local businesses – restaurants, hotels and small (retail) businesses in particular.

What will draw people to Virginia’s local outdoor refreshment areas?

Outdoor Refreshment Areas (ORAs) will help encourage local economic activity and community development by providing a designated space where any ABC restaurant licensee, brewery, distillery, or winery can let patrons leave their establishments with food and beverage and walk around inside the ORA, without fear of being prosecuted for public consumption of alcohol or an open container violation, as long as they are within boundary of the outdoor refreshment area and are of legal drinking age. This change in policy will fit in nicely as our local governments, planning commissions, restaurants, and businesses are already trying to figure out how to operate in this “new normal.” In many cases, businesses have already taken to the streets, sidewalks, and parking lots to safely operate their restaurant or small business.

The legislative intent is by allowing ORAs, our communities can create vibrant community centers that are cognizant of social distancing measures, but still allow our businesses to survive, and let our people gather more safely. The intent is for this to be a tool for Virginia localities to utilize in their jurisdictions, *if they want to*.

Local Control of Outdoor Refreshment Areas

Under HB1738, local governments are empowered to design the parameters of their respective outdoor refreshment area(s) as they see fit. Localities can determine ORA size and boundary lines; limit consumption to only certain times, if desired; and incorporate as many unique community assets as possible (farmers markets, venues,

parks, etc.] Additionally, localities can use this as a tool for re-development of certain areas in their jurisdictions that they wish to see more economic activity in.

Under HB1738 Virginia localities must:

- Develop a “**public safety plan**” as defined in the bill, *prior to adopting an ordinance that establishes an ORA*
- The “**public safety plan**” must: (1) Detail local strategies for managing pedestrian and motor vehicle traffic within the outdoor refreshment area; (2) Identify and designate at least one TNC partner vehicle pickup area within or near each outdoor refreshment area to help facilitate efficient and safe travel to and from the outdoor refreshment area; (3) Incorporate local law-enforcement agencies to provide for the safety and welfare of individuals and businesses located within the outdoor refreshment area; and (4) Provide for the management of any additional locality-specific public safety concerns.

Once the public safety plan has been established, the locality may adopt an ordinance to establish up to three Outdoor Refreshment Areas, with a **maximum size of one-half square mile** for each refreshment area designated [the bill allows for up to three ORAs in each local jurisdiction, which may be contiguous].

Not every locality will want to adopt an outdoor refreshment area, but many will. Think of all the places across Virginia that could benefit from this type of policy change:

Northern Virginia: creating even more activity in community centers/neighborhoods across the region, there is a significant opportunity to develop an environment that sets us apart from California, and New York when it comes to what we offer our tech workers/HQ2 recruits. Virginia will become even more competitive, building off the existing communities that are set up perfectly to adopt something like this (Old Town, Crystal City, Loudon County etc...)

Richmond: The obvious examples for incorporating ORAs are Scott’s Addition, Carytown, The Fan, Shockhoe Slip/Bottom, and Rockets Landing – but even outside the city, our suburban restaurants and businesses would thrive from a smaller ORA designation thus allowing further development and retention of talent.

Charlottesville: Imagine the Charlottesville Historic Downtown Mall and other areas, but with ORA permissions.

Petersburg/Hopewell: Significant opportunity to help redevelop parts of these communities where investment levels and community activity levels are less than desired by local and state leaders. Petersburg has some of the best bones of any downtown in Virginia - imagine if it was once again filled with significant economic activity.

Hampton Roads (and Tidewater Localities) : VA Beach Boardwalk and/or Downtown; Downtown Norfolk, Portsmouth, Newport News + other surrounding communities (Chesapeake, Suffolk, Smithfield, Sandbridge, Eastern Shore, others + Casino(s))

Historic Triangle (Jamestown, Yorktown, Williamsburg): Dog Street (Williamsburg), Water Street (Yorktown)

Rural Virginia (and everywhere in-between): One of the biggest issues that impedes economic development in rural Virginia is the *lack of vibrant downtowns and town centers - it makes young people want to move out and keeps new business prospects from coming in.* Across Virginia, our rural communities understand that a major piece of economic development is *becoming a place where people want to be and live.* With outdoor refreshment areas as a potential tool, we could see a major shift in our rural downtown revitalization efforts. Instead of empty, unused buildings, we will see new investment in otherwise stagnate areas of town. There will be rehabilitation and renovation projects, and likely new entrepreneurship efforts stemming in the communities.

No matter where you find yourself in Virginia, there is significant potential to create outdoor refreshment areas to help rebuild our local economies and thus, the state's economy as we recover from this virus.

If you have any questions, please reach out to delwwampler@house.virginia.gov