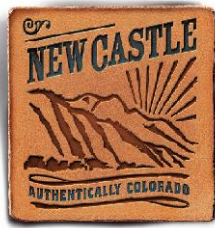


Posted: _____

Remove:



Town of New Castle

450 W. Main Street
PO Box 90
New Castle, CO 81647

Administration Department

Phone: (970) 984-2311

Fax: (970) 984-2716

www.newcastlecolorado.org

Agenda

New Castle Town Council Work Session

Tuesday, May 05, 2020, 6:15 PM

Business Assistance Grant Program



Town of New Castle
450 W. Main Street
PO Box 90
New Castle, CO 81647

Office of the Town Administrator
Phone: (970) 984-2311
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Memorandum

To: Mayor & Council
From: David Reynolds
RE: Workshop Item – New Castle Business Assistance Grant Proposals
Date: May 5, 2020

As a direct result of the current COVID-19 pandemic many businesses in the Town of New Castle have suffered revenue losses. While some businesses have seen relatively minor changes to their revenues, others have been forced to temporarily close and have suffered very significant losses. Whether large or small, home-based or brick & mortar based, each New Castle business owner has a story to tell about how this crisis has transformed their business and forced them to rethink how to wisely move forward.

Town Staff is aware that State and Federal resources may be available to our hometown business owners. We are also aware that navigating this world of State and Federal aid is a formidable task for most business owners.

Staff has been looking at ways for New Castle to provide some type of support to our business owners during this time. While the Town needs to protect its capital resources during uncertain times, it also needs to lend support and some degree of comfort to those that have worked hard to serve our community. Staff has identified budget savings which may be considered by Council in order to contribute to local business assistance.

The purpose of this workshop is to identify the following:

Shall the Town of New Castle dedicate funds toward a Business Assistance Grant Program?

If Council agrees that a grant program is appropriate, how much money will be offered in total?

What is the maximum funding that will be available to each grant recipient?

What type of grant program shall be used?

Proposal #1 Town of New Castle Business Assistance Grant

The elements of this grant proposal are similar to the Town's traditional outgoing grants. This method identifies eligible applicants, eligible qualified expenses, an application process, an approval process, a distribution process and a reporting process.

With a proposed budget of \$25,000 this grant program can be targeted to assist a varying number of applicants at a varying degree of assistance. The total number assisted will depend on the number of qualified applicants. The dollar amount granted to each applicant will be determined by a review board as a recommendation for Council approval.

(Example: 12 business owners at just over \$2,000 each, or varying amounts of assistance to a varying number of businesses depending on applications and need)

Eligible Applicants:

- ✓ Must hold a current New Castle Business License.
- ✓ Must be current on all sales tax, lodging tax and use tax payments to the Town of New Castle.
- ✓ Must have a physical (non-home-based) location within the Town of New Castle.
- ✓ Must have experienced a financial hardship due COVID-19.
- ✓ Businesses need to be privately owned and managed, major corporations may be excluded.

Application Process:

- ✓ *All applicants shall apply to the Town of New Castle using the forms provided no later than May 15, 2020.*
- ✓ *Applications will be considered by the Town based on demonstrated need and hardship.*
- ✓ *Grant funds will be awarded no later than June 3, 2020.*
- ✓ *Grant recipients will be asked to report how funds were used to offset the effects of the pandemic no later than August 30, 2020.*

Eligible Qualified Expenses:

- ✓ Rent
- ✓ Mortgage
- ✓ Utility Payments
- ✓ Staff salaries
- ✓ Other Overhead
- ✓ Lost revenues

Proposal #2 Town of New Castle Business Assistance Grant

This grant option is nontraditional; it asks very little of our business owners, but instead seeks to thank them each for being an important segment of our community. This grant method recognizes that all of our business owners have somehow been affected by this crisis.

With a proposed budget of \$25,000 this grant program would be targeted to help each licensed business owner in the Town of New Castle.

Grant funding of \$350.00 is suggested for all Brick and Mortar Businesses which are located within the corporate limits of the Town of New Castle, and who held a valid Town of New Castle Business License as of March 1, 2020.

Grant funding of \$200.00 is suggested for all Home-Based Businesses which are located within the corporate limits of the Town of New Castle, and who held a valid Town of New Castle Business License as of March 1, 2020.

Funds shall be distributed to properly licensed business owners without obligation or expectations.

Distribution of funds is intended to show the Town's support to our licensed business owners and may be used in any manner that the business owner may determine provides financial relieve to their business.

Businesses who feel that they have not been affected significantly by this pandemic may wish to decline this grant funding or pass it onto another business in need.

Eligible Applicants:

- ✓ Must hold a current New Castle Business License.
- ✓ Must have a physical location within the Town of New Castle.

Application Process:

- ✓ *Applicants will fill out a very basic form indicating that they are still doing business in the Town of New Castle.*
- ✓ *Applicants will provide a brief description of how their business has been affected by the pandemic.*
- ✓ *To be eligible, all applicants shall respond to the Town of New Castle using the forms provided no later than May 30, 2020.*

Eligible Qualified Expenses:

- ✓ All business losses due to COVID-19

Program Budget Assumptions for Business Assistance Grants:

Total Budget \$25,000

- \$ 4500 from Elections line item
- \$ 6000 from Downtown Group line item
- \$ 5000 from Events line item
- \$ 4000 from Outgoing Grants line item
- \$ 3000 from Economic Development line item
- \$2500 to be determined