

SECOND-ROUND COVID-19 SMALL BUSINESS SUPPORT GRANT PROGRAM

OCTOBER 6, 2020
TOWN COUNCIL



ABOUT THE GRANT PROGRAM

- Council on Sept. 1 authorized the program – which offers \$5,000 grants to eligible local small businesses (fewer than 25 FTEs)
- Applications were open Sept. 8-25 – a total of 54 businesses submitted applications
- A business had to be operating one year – as determined by the date of Town business license issuance – to be eligible
- Franchises located within Castle Rock and whose franchisees also reside within Town are eligible
- Ineligible businesses were to include:
 - Regional businesses with more than five locations in Colorado
 - Professional service businesses

ADDITIONAL CRITERIA

- The business must have a physical and publicly accessible location in the Town of Castle Rock that is not based in a residence or coworking space.
- Eligible businesses must provide evidence that the business has suffered interruptions to include a loss of revenue totaling at least \$5,000 that can be attributed to the COVID-19 pandemic when comparing May-August 2020 to May-August 2019.
- To be eligible, a business must be in good standing with the Town in regard to Town business licensure and sales tax and use tax returns. The business must further be operating in accordance with applicable laws and registered with the Colorado Secretary of State's Office.
- The business must meet all established program criteria and agree to submit to program audit upon the Town's request.
- The business must have applied for a federal SBA loan and provide proof of application.

GRANT RECOMMENDATIONS

- Staff from the Town Manager's Office and Finance Department, along with members of the Castle Rock Chamber and EDC, screened the applications and make the following recommendations:
 - 36 businesses applied and met all required criteria
 - The review team did not audit the financial information provided by rather took at face value businesses' stated financial losses and verified supporting documentation was supplied
 - 24 of these businesses received grants during the first-round program
 - 18 businesses applied and were deemed ineligible for one or more reasons
 - The most common reason for ineligibility was being a professional service business, with nine businesses disqualified by that criteria
- To fund the recommended grants would cost \$180,000, which staff anticipates would be reimbursed by the federal CARES Act



RECOMMENDED MOTION

"I move to direct staff to award grants as recommended by the review committee."