



PLANNING AND DEVELOPMENT

400 LA CROSSE STREET | LA CROSSE, WI 54601 | P: (608) 789-7512

Memorandum

To: Common Council of the City of La Crosse
From: Department of Planning and Development
Date: **March 31, 2020**
Re: Small Business Relief Program

In the wake of the COVID-19 pandemic, staff began to have contact with local businesses and listen to the concerns that restrictions would have on their operations. As the days went on and additional businesses were forced to close, the need for assistance grew. In solidarity with the business owners, the City of La Crosse wants to help employers retain staff, pay their vendors, keep their lights on, and help restaurants dealing with expensive, perishable inventory during this pandemic and also help them ensure a reopening when they are able. We recognize there are resources available at the State and Federal levels, but our businesses need immediate reassurance that the City is a partner in this and we are here to help them continue to contribute to our community's economy.

There are programs offered at the State and Federal level. Under the current guidelines of the Wisconsin Economic Development Corporation's (WEDC) SB 20/20 program, a business needs to already be in a Community Development Financial Institution's (CDFI) loan portfolio to be eligible. To our knowledge, only one business in the City of La Crosse would qualify under this guideline. The Small Business Administration is also offering a forgivable loan but it is unclear exactly who would benefit from this program, and when the funds would be distributed. With so many small businesses in our community that are owned and operated by our local citizens, it is imperative that we assist them through our local resources.

The application for this program will be available online with a submission deadline to staff of April 24, 2020. We will work with the IS Department on options for this being an online application, otherwise electronic applications will be accepted. Planning and Development staff will review the applications and provide funds. Updates on program and funding will be given to the Common Council, Economic Development Commission and the Community Development Committee. We anticipate this being a one-time grant opportunity but will evaluate as the closure restrictions change. Any future funding consideration would also be presented to the Common Council.

Program funding will be based on documented need, loss of revenue and total employees. There is a minimum of a \$1,000 request and a maximum of \$25,000, with a benchmark of \$5,000 for every 10 employees. We will request payroll statements to determine the number of employees and any other proof to document their request. We will request evidence that they were able to retain employees as a result of this funding.

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Funding from this program will be allocated through \$150,000 Community Development Block Grant funds and \$200,000 from Tax Incremental Financing funds supported through administration fees and economic development objections in the Project Plans.

To date, staff has received inquiries from over 70 local businesses in need of help via email, phone calls, and through the City's website. Their need is urgent. We appreciate the Common Council's support to help these businesses that are a great part of our community.