



## NEWS RELEASE FROM THE OFFICE OF THE MAYOR

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### **Following Outreach to Small Business Owners, Mayor Durkan Announces Initial Recovery Package to Ease Financial Impacts of COVID-19 Outbreak**

*Mayor Durkan Announces a New Small Business Recovery Task Force*

**Seattle** (March 10, 2020) – Following robust outreach to small business owners and community stakeholders, Mayor Jenny A. Durkan today announced new initial actions to provide immediate relief for small businesses impacted by COVID-19. Her actions build off Governor Inslee's [announcement to help individuals](#) whose employment has been impacted by COVID-19. The initial support package is broken down into five components and will be solidified through an Executive Order later this week:

1. **Deferral of B&O Taxes.** Effective immediately, the department of Finance and Administrative Services (FAS) will defer business and occupation (B&O) tax collections for eligible business owners, allowing small business owners increased flexibility during a period of financial duress caused by the COVID-19 outbreak.
2. **Expansion of Small Business Stabilization Fund.** OED is expanding their Small Business Stabilization Fund to support income-qualified microbusinesses.
3. **Assistance to Access SBA Loans.** OED will provide direct technical assistance to local small businesses and nonprofits to ensure they can immediately access the Small Business Administration's (SBA) federal loan program once it becomes available.
4. **Relief for Utility Payments.** As announced earlier by Mayor Durkan, all SPU and SCL customers can set up [deferred payment plans](#) if their financial stability has been jeopardized by COVID-19.
5. **New Small Business Recovery Task Force.** The Mayor has appointed former Governor Gary Locke and former Council President Bruce Harrell to lead the COVID-19 Small Business Recovery Task Force, which will advise on long-term policy recommendations and provide technical assistance and outreach.

"My administration is looking into every resource at our disposal to help support small businesses during this challenging time. Our small businesses are the economic workhorses of America, particularly in Seattle, where they make up 95 percent of our establishments and provide nearly 200,000 jobs," said Mayor Durkan. "The next few months will be tough. The City is taking some initial actions by deferring utility and B&O payments and working to directly provide businesses with loans and grants, and we know our actions must continue to support both our workers and our small businesses. Every day, we will be evaluating how we can support our workers and keeping our businesses afloat in this public health emergency. Ultimately, we know that the federal government must take the lead and keep our small businesses and workers at the forefront of our assistance and relief."

"The worries for small businesses in my district and across Seattle are real, and they will become far more pronounced as the region continues to battle the spread of COVID-19," said [Councilmember Andrew J. Lewis](#) (District 7, Pioneer Square to Magnolia). "I appreciate the Mayor's concern and swift action to provide relief to our small businesses and their employees. Now more than ever, we must support our small businesses and provide them the flexibility and resources they need to mitigate the economic impacts of the coronavirus."

#### **Deferral of B&O Taxes**

FAS will offer deferred Business and Occupation (B&O) tax filing and payment options for businesses impacted by COVID-19. Eligible businesses include those that have annual taxable income of \$5 million or less and currently pay City taxes on a quarterly basis. Businesses will have until late 2020 to pay their B&O under this plan. The City estimates that 20,000 businesses could be eligible for this, based on B&O reporting.

“We in FAS are working every angle we can to support our small businesses. These businesses are vital to not only our economy, but to our community. The impact of this crisis creates a razor-thin margin for error for our small businesses, and Mayor Durkan has called on us to be bold in our response. By offering deferred Business & Occupation tax payments, we hope to provide our small businesses with a little more breathing room during this unsettling time,” said Calvin W. Goings, Director of the Department of Finance and Administrative Services.

### **Expansion of Small Business Stabilization Fund and Small Business Administration Loans**

During the City’s outreach, community leaders recommended that the City develop an independent small business fund to supplement federal SBA loans. To this end, the City is expanding our existing Small Business Stabilization Fund to support income-qualified microbusinesses who have been financially impacted by COVID-19. To supplement the federal government’s relief effort, the City’s fund will target outreach to micro-businesses in areas at high risk of displacement. Eligible business owners can access these funds regardless of immigration status. The City Budget Office (CBO) is developing accompanying budget legislation, which will be transmitted to the City Council for consideration in the coming days.

“OED is working to support our small business community during this difficult and unstable time. We know that so many of our small businesses are skating on a thin profit margin, and so many don’t have enough cash in the reserves to withstand a prolonged economic slump,” said OED Director Bobby Lee. “We’re doing everything we can to keep our small businesses open and thriving, and we’re targeting our outreach towards historically underserved communities, including undocumented workers, and communities that speak a language other than English. These initiatives will provide important and immediate relief, but ultimately, we need the federal government to be an engaged and active partner.”

In addition, the City has been working with the Small Business Administration (SBA) to expedite disaster assistance loans approved as part of the Congressional package. Once SBA releases further guidance, OED is prepared to offer technical assistance to Seattle’s small businesses.

### **New Small Business Recovery Task Force**

The Mayor has appointed former Governor Gary Locke and former Council President Bruce Harrell to lead a COVID-19 Small Business Recovery Task Force. Effective immediately, the Task Force will convene weekly to provide an update on current impacts to small businesses, craft policy recommendations at the local, state and federal level, and support OED’s outreach and education efforts to small businesses. The Task Force will also coordinate technical assistance workshops so that small business owners, particularly immigrant and refugee owned businesses, can quickly apply for and access Small Business Administration funds as they become available.

The Task Force will be supported by staff from the Mayor’s Office, OED, and DON.

“It is great that the City of Seattle is stepping up and providing immediate financial relief for residents and businesses,” said former Governor Locke. “But we know that the long-term strength of our economy is being challenged. We need to devise policies and solutions to help our small business owners and workers weather this storm.”

“I look forward to working in partnership with Mayor Durkan, Governor Locke, and our small business owners to ensure we’re meeting their needs during this difficult time,” said former Council President Bruce A. Harrell. “Successful solutions will be community-driven, and we’re going to ensure small business owners are leading the way on the City’s economic response.”

The current membership of the Task Force is as follows:

Andrew Lewis, Seattle City Council	Marie Kurose, Workforce Development Council of Seattle-King County
Bruce A. Harrell, former City Council President	Markham McIntyre, Seattle Metropolitan Chamber of Commerce
Chris Levenson, Build Lake City Together	
Donna Moodie, Majorie Restaurant	Mary Bacarella, Pike Place Market PDA
Erin Goodman, SODO BIA	Molly Moon, Molly Moon Ice Cream
Gary Locke, former Washington State Governor	Monisha Singh, Chinatown-International District BIA
Joe Fugere, Tutta Bella	Nicole Grant, MLK Labor
John Lane, Seattle Hotel Association & Seattle Restaurant Alliance	Olga Sagan, Piroshky Piroshky
Joey Burgess, Queer/Bar	Solomon Dubie, Café Avole
Jon Scholes, Downtown Seattle Association	Taylor Hoang, Ethnic Business Coalition
Josh Labelle, STG Presents	Todd Biesold, Merlino Foods
Louise Chernin, Greater Seattle Business Association	Tracy Taylor, Elliot Bay Book Company
Maiko Winkler Chin, SCIDpda	

Initial analysis from the Office of Economic Development (OED) shows that small businesses are being significantly impacted by COVID-19. According to Visit Seattle, average hotel occupancy rates last week dropped as low as 30 percent or less. Normally, they would be above 70 percent. In addition, many restaurants are reporting 40 percent drops in business last week. According to data from the [JP Morgan Chase Institute](#) on small business resiliency, the median small business only holds 27 cash buffer days in reserve in the case of economic shock, and that number is significantly lower for labor-intensive and low-wage industries.