



**CITY OF WAUKESHA**

**Administration**

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<b>Committee:</b> Finance	<b>Date:</b> 4/27/2020
<b>Common Council Item Number:</b> CC _____	<b>Date:</b> 4/27/2020
<b>Submitted By:</b> Jeff Fortin, Senior Planner	<b>City Administrator Approval:</b> Kevin Lahner, City Administrator
<b>Finance Department Review:</b> Diane Gard, Finance Director	<b>City Attorney's Office Review:</b> Brian Running, City Attorney
<b>Subject:</b> Authorize the creation, funding and implementation of the Waukesha Works Economic Recovery Grant program	

**Details:**

The Waukesha Works Economic Recovery Grant Program is being created to provide rent, mortgage, utility bill and extraordinary cost assistance for small businesses in the City that have been impacted by COVID-19. The grant funds can also be used to fund capital improvement projects in business spaces such as interior repair/remodel, painting, and maintenance projects.

In order to create the program, staff created an online survey which was distributed to businesses via the City's website, City Newsletter, City social media (Facebook and Twitter), staff contacts, the Waukesha Business Alliance, Waukesha Center For Growth, Waukesha Chamber, Waukesha Downtown Business Association, UW Extension, Small Business Development Center, and an article in the Waukesha Freeman. As of Thursday, April 23, there have been 174 responses. The proposed Waukesha Works Economic Recovery Program was created with the input from businesses on what types of assistance they feel would benefit them the most. The grant funds could be used for the following:

- **Rent/mortgage and/or utility reimbursement or assistance for the months of April, May and June.** This would be used to reimburse businesses for mortgage or rent payments and/or utilities in these months. If payments have not or cannot be paid, the program would pay bank/lending institution, landlords and utilities directly. Mortgage payments made only on properties and the spaces in those properties that house the main operations for the business.
- **Marketing, advertising, signage, and special equipment needed to modify business during and after Safer At Home order.** This includes paid social media promotions, print advertising, temporary signage, or any special equipment purchased to continue business operations during the Safer At Home Order. This grant will be reimbursable or paid by the City directly to the vendor.
- **Physical improvements to business space while closed/partially closed (includes correcting code violations).** This 50 percent matching grant can include interior repair/remodel, painting, improving ADA accessibility, and maintenance projects done while your business is closed due to the safer at home order. Projects can either be reimbursed with paid invoices or the City can pay contractors directly after



confirmation that the work is complete and lien waivers received. All applicable permits must be pulled, and inspections completed or funds will not be dispersed. These funds can be also used to remedy any outstanding code violation orders.

Grant application scoring criteria will be determined by a grant committee. The Community Development Department will review applications using this criteria.

The proposed funding for the Waukesha Works program will be \$500,000 from undesignated fund balance. Understanding the demand for funds will be high, we are also proposing the following requirements and limitations:

1. If applicant has received any funding through other programs to offset rent, mortgage payments, or utility payments, such as the Small Business Administration Paycheck Protection Program (PPP) or Economic Injury Disaster Loan (EIDL) Program, that amount must be disclosed on the application form.
2. Mortgage reimbursement/payment shall be done on a pro-rated basis if the building contains residential units or other unused/unoccupied space or leasable space not used by the applicant's business.
3. Per business maximum grant of \$10,000.
4. Applicants will be required to submit verification of number of employees, costs, and other information depending on grant type. This includes but is not limited to mortgage/bank loan information, tenant lease, invoices, 1st quarter IRS Form 941, and any other documents requested to verify costs.
5. Grants are reimbursable when the business has already paid eligible costs and have provided paid invoices for verification. Grants where the eligible costs have not been paid by the business will be paid directly to the bank, landlord, contractor, etc. by the City of Waukesha.

The Mayor would create a committee to administer this grant. It would be comprised of two Council members, a member of the Redevelopment Authority, who is also with the Waukesha Business Alliance, a representative from the Waukesha Center for Growth, and City staff. The committee will create the grant scoring criteria, which Community Development Department staff will apply to the applications. Once the criteria are applied Community Development will bring that information and a recommendation to the committee for approval. Once the funds have been allocated staff will prepare a report to the Common Council with a program update.

**Options & Alternatives:**

1. Approve the request and staff will move forward with program creation.
2. Deny the request and the program will not be created.

**Financial Remarks:** The program will be funded with \$500,000 of undesignated fund balance. Pre-audit calculations indicate that the 2019 budget will end with an approximately \$1 million surplus. This is due in part to higher than budgeted returns on investments, one-time sales of City property, and higher than budgeted hotel/motel tax receipts. Additionally, some departmental expenditures are projected to finish the year under budget. Use of \$500,000 of undesignated fund balance will still result in a net increase to our reserve funds while also providing economic relief to a major segment of our local economy. If approved a Special Revenue Fund will be created and account numbers assigned.

**Staff Recommendation:** Staff recommends the Common Council approve the creation of and funding for the Waukesha Works Economic Recovery Grant Program.

