

A Resolution

NO. _____

**APPROVING THE
“PRESERVE THE FORT” BUSINESS STABILIZATION GRANT PROGRAM
AND EXECUTION OF AN AGREEMENT
WITH UNITED WAY OF TARRANT COUNTY
TO ASSIST IN MANAGEMENT OF THE PROGRAM**

WHEREAS, the City of Fort Worth (“City”) has received certain funding under the Coronavirus Aid, Relief, and Economic Security Act (the “**CARES Act**”); and

WHEREAS, funding received by the City pursuant to Title V, Section 5001 of the CARES Act (the Coronavirus Relief Fund) (the “**Title V Funds**”) may be used only to cover costs of the City that “(1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); (2) were not accounted for in the budget most recently approved as of the date of enactment of this section (March 27, 2020) for the State or government; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020”; and

WHEREAS, on April 22, 2020 the United States Department of the Treasury released written guidance for state, territorial, local, and tribal governments as to what types of payments would be eligible for expenditure from Title V Funds (the “**April 22, 2020 Circular**”); and

WHEREAS, the April 22, 2020 Circular stipulates that Title V Funds may be used for, among other things, “expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as: Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures; Expenditures related to a State, territorial, local or Tribal government payroll support program; Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise”; and

WHEREAS, on May 4, 2020 the United States Department of the Treasury released a set of Frequently Asked Questions to supplement the April 22, 2020 Circular (the “**May 4, 2020 Circular**”); and

WHEREAS, the May 4, 2020 Circular stipulates that “a program (of the local government) that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance”; and

WHEREAS, the May 4, 2020 Circular further stipulates that, “Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures

are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency”; and

WHEREAS, on March 13, 2020 the Governor of Texas issued a State of Disaster for all Texas counties and the President of the United States declared a State of National Emergency for the United States of America due to the COVID-19 public health emergency; and

WHEREAS, on that same day, Mayor Betsy Price ordered a Declaration of Public Health Emergency, which has been approved, amended, and extended by the City Council, and the Governor of Texas and numerous County Judges have issued various Executive Orders, all of which have closed or limited operations of certain businesses and restricted activities of the public in order to reduce the opportunity for transmission of the COVID-19 virus; and

WHEREAS, smaller businesses in particular have suffered great economic hardship due to closures and other impacts caused by the COVID-19 public health emergency; and

WHEREAS, the City Council wishes to establish a business stabilization grant program (to be called “Preserve the Fort”) (the “**Program**”) under which the City will make certain grants to small businesses located in the City with some of the Title V Funding, taking into account the restrictions on use of the Title V Funding and guidance from the United States Department of the Treasury set forth in the April 22, 2020 Circular and the May 4, 2020 Circular; and

WHEREAS, due to the need for expediency in providing grant assistance to small businesses located in the City that have incurred economic setbacks due to closures and other impacts caused by the COVID-19 public health emergency, the City Council approves the City’s intention to enter into a contract with United Way of Tarrant County to assist City staff in the administration and management of this business stabilization program;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS, THAT:

1. Taking into account the Recitals above, as well as all other available information, the City Council hereby finds that businesses located in the City, and in particular, small businesses, have suffered economic hardship due to closures and other impacts caused by the COVID-19 public health emergency.
2. Taking into account the Recitals above, as well as all other available information, the City Council hereby finds that it is necessary and appropriate to establish a business

stabilization grant program (to be called “Preserve the Fort”) (the “**Program**”) under which the City will provide or cause to be provided grant funding from certain Title V Funding received by the City to small businesses located in the City that have suffered economic hardship due to closures and other impacts caused by the COVID-19 public health emergency.

3. The City Council hereby approves the eligibility criteria and other aspects of the Program substantially in accordance with the terms and conditions outlined in **Exhibit “A”**, attached hereto.

4. The City Council hereby acknowledges that, pursuant to authority granted to the City Manager by the City Council under Section 2-9(d)(11) of the City Code, the City will enter into a contract with United Way of Tarrant County to assist City staff in the management and administration of the Program, on terms and conditions approved by the City Manager and consistent with the provisions of this Resolution and finds that payment of an administrative fee not to exceed \$25,000.00 for United Way’s assistance in rapidly implementing the Program constitutes a necessary expense of Title V Funding in responding to the COVID-19 public health emergency.

Adopted this 19th day of May, 2020.

ATTEST:

By: _____

Mary Kayser, City Secretary

EXHIBIT “A”

PRESERVE THE FORT

City of Fort Worth Business Stabilization Grant Program

INTRODUCTION

The City of Fort Worth has received a direct allotment of funds through the CARES Act and desires to allocate a portion of that funding to support small businesses impacted by Covid-19. The City plans to establish and provide for the administration of a Small Business Stabilization Grant Program to promote local economic development by maintaining small business operations and retaining employment within the City, pursuant to 42 U.S.C. §5305 and the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The public purpose of the Fund is to ensure continued operations of small businesses impacted by the COVID-19 Pandemic.

The Fund will be administered by the Economic Development Department through a partnership with United Way of Tarrant County, the Fort Worth Chamber of Commerce, the Fort Worth Metropolitan Black Chamber and the Fort Worth Hispanic Chamber to promote and implement the grant program.

PROGRAM OVERVIEW

The proposed Grant Program would provide up to \$10.0 M in funding to be provided as grants of up to \$50,000. The program will dedicate \$2.5 M to minority-owned businesses and \$2.5 M to businesses located within the City’s established Neighborhood Empowerment Zones (NEZ) and Designated Investment Zones. The remaining \$5.0 M allocation will be for city-wide support. Grants will be processed until budgeted funds are exhausted.

The program provides funding for small businesses, sole proprietorships, independent contractors and self-employed persons as well as non-profit organizations serving the business community (excluding ineligible entities listed below).

FUNDING LEVELS

- Microenterprise business owners (less than 5 employees) will be eligible for a grant of \$5,000
- Small businesses with between 6 - 25 employees will be eligible for a grant of \$7,500
- Small businesses with between 26 - 50 employees will be eligible for grants of \$10,000
- Small Businesses with between 51 – 250 employees will be eligible for grants of \$50,000

ELIGIBLE ACTIVITIES

Funding under the grant program must be used to reimburse the costs of business interruption experienced by small businesses as a result of required closures, small businesses that close voluntarily to promote social distancing measures or small businesses that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

The types of eligible activities that could be covered under this program include: working capital, machinery & equipment, payroll expenses, health care benefits, contract labor, supplier payments, rent, lease or mortgage payment (for real property used for business purposes, like storefront or warehouse, excluding personal residence), rent, lease or purchase payment for business property (e.g., delivery vehicle; food truck; kitchen equipment; technology, payment, and communications systems and equipment), utility payments for business properties, (excluding personal residence), cost of critical business operations (raw materials, marketing expenses, etc. payments), Personal Protective Equipment (PPE) and sanitation supplies and equipment.

BASE ELIGIBILITY

- Businesses must be located in the City of Fort Worth
- Business must have been operating as of September 1, 2019
- Business must be registered to do business in the State of Texas.
- Businesses must demonstrate a reduction in sales/revenue or employment during the period of March 17, 2020 through December 30, 2020 as a result of the COVID-19 pandemic.

PRIORITY ELIGIBILITY

- Priority will be given to applicants that meet the following criteria:
 - For-Profit Businesses that operate out of a physical “brick and mortar” location within the City of Fort Worth (excluding personal residence)
 - Businesses that did not receive funding through either the Paycheck Protection Program (PPP) or the Emergency Injury Disaster Loan (EIDL) Program
 - Businesses that were closed to the Covid-19 public health emergency

INELIGIBLE BUSINESS ACTIVITIES

- Franchisors
- Real Estate developers/Investors
- Governmental/taxing agencies/departments
- Hobby businesses as defined by federal law
- Multi-level marketing concerns
- Gambling Concerns, including casinos, racing operations or other activities whose purpose involves gambling
- Lobbying organizations and political organizations subject to Internal Revenue Code 527

- Sexually Oriented Businesses (live performances, product sales, items or materials)
- Businesses primarily engaged in lending, investments, or to an otherwise eligible business engaged in financing or factoring.
- Pawn Shops
- An individual who employs household employees such as nannies or housekeepers
- Concerns engaged in illegal activities under federal, state or local laws
- A business that is otherwise prohibited by federal or Texas law
- A business that is ineligible or precluded to receive federal or State of Texas funding due to federal laws (including but not limited to the CARES Act) or Texas laws

Fort Worth City Council Members, City of Fort Worth Employees and their immediate family members are not eligible for this program. Owners of multiple businesses will only be eligible for one award. Locally owned businesses with more than three locations in the City of Fort Worth are ineligible for the program.

DOCUMENTATION REQUIRED

Eligibility for funding under this program will include review of the application and supporting documentation including but not limited to:

- Included with Application
 - A completed Form W-9
 - Documentation of going concern or business which would consist of one of the following:
 - Secretary of State Texas File number; State of Texas License number; DBA, 2018 or 2019 tax return (return only, schedules not required); Employer Identification Number or Individual Taxpayer Identification Number, Certificate of Filing. If sole proprietor, please provide documentation on when you started your business. Ex. Include Occupational license, Sales Tax Certificate
 - For Sole Proprietor Applicants provide 2018 or 2019 Schedule C
 - Most recent payroll report and number of employees – 1st QTR 941 for 2020
 - Profit & Loss Statement as of March 2020 and 2019 P&L
- Signature on Application required:
 - Good Faith Certification as to truth and accuracy of information provided
 - That the grant request is necessary due to conditions caused by COVID-19
 - Agreement to audit of the use of grant funds received

REPORTING

- Grantee will be required to outline in the application the eligible activities that the grant money will be used for.

PROCESS

- Application Period will open May 26, 2020 and close June 8, 2020
- All applications and documentation will be submitted on-line through a portal developed by the City of Fort Worth and the United Way
- The Fort Worth Chamber, Fort Worth Metropolitan Black Chamber of Commerce and Fort Worth Hispanic Chamber of Commerce will promote the program and direct/support their membership in the application/documentation process
- City staff, along with one representative from each of the Chambers, will review the applications and eligibility requirements
- Final grant eligibility will be made by the review committee, and if met, a funding recommendation will be sent to the United Way
- United Way will cut the check to businesses owners and track all grants made under the program