

CITY COUNCIL REGULAR SESSION

Ordinance 1) authorizing execution of a grant agreement with King County to accept \$221,909 in Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) funding to fund economic relief and recovery activities in response to the COVID-19 public health emergency; 2) amending the 2019-2020 Operating Grants, Donations, and Special Reserves Fund to increase the appropriation by \$221,909; and 3) authorizing the expenditures of said funds.

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EXECUTIVE SUMMARY

This Ordinance will authorize the execution of an Interagency Agreement with King County for acceptance of \$221,909 in CARES Act funding to provide small business grants to local businesses and amend the 2019-2020 Operating Grants, Donations, and Special Reserves Fund to increase the appropriation by \$221,909.

RECOMMENDATION

Move to adopt Ordinance No. 6522

BACKGROUND/ANALYSIS

On May 12, 2020, King County Council passed Ordinance 19103, which allocated a total of \$1.95 million of CARES Act funding for a grant program to support King County cities’ economic relief and business recovery activities in response to the COVID-19 public health emergency. This grant program is intended to help alleviate the significant adverse economic impact of COVID-19 on businesses in incorporated municipalities of King County.

In late June, the City of Bellevue was notified that it is eligible to receive \$221,909. In order to disburse the funds, King County will enter into a subrecipient agreement with the City that complies with all federal requirements. Bellevue City Code Section 4.28.200 requires this grant in excess of \$90,000 must receive Council approval for acceptance and allocation.

These grants are funded by the CARES Act and must comply with all regulations and requirements associated with this funding source. The grant funds must be used for the City’s economic relief and development activities in response to COVID-19 and may fall in any of the following broad categories:

1. City internal operational expenditures
2. City direct expenditures for small businesses
3. Passthrough grants to small businesses to reimburse the costs of business interruption caused by required closures not previously satisfied by any other funding source.

Funding Allocation Recommendation

Small Business Support Grants (\$185,000)

Due to anticipated high demand for these business grant and administrative capacity, staff recommends awarding thirty-seven \$5,000 grants through a lottery system based on businesses meeting minimum eligibility requirements. This method for distributing small business grant funding has been used in several other municipalities, including Issaquah. Based on Treasury Department guidelines, the application can be a simple form with a low eligibility threshold. Staff will invest efforts to communicate funding opportunity to all eligible businesses in Bellevue with targeted communication efforts to reach diverse businesses, including providing notices of funding opportunities in multiple languages.

City Internal Operational Expenditures (\$36,909)

This funding will support the City's economic development operations in the relief efforts and enable increased outreach and marketing, quicker response to inquiries from businesses, and additional technical support for impacted business.

POLICY & FISCAL IMPACTS

Policy Impact

Bellevue City Code 4.28.200 requires Council approval to execute grant agreements in excess of \$90,000.

Recommendations for acceptance and use of the CARES Act funds are supported by the following goals and policies of the City of Bellevue Comprehensive Plan, Economic Development Element:

ED-1. Maintain a business climate that supports the retention and expansion of the city's economic base.

ED-2. Promote local businesses and locally-produced goods and services.

ED-17. Develop an environment that fosters respect for all individuals and groups and promotes equal opportunity.

ED-20. Recognize retail strength as an engine of economic activity and a magnet for visitors.

ED-21. Support economic development in the city's commercial areas.

ED-22. Support efforts that promote tourism, hotel, retail and arts businesses.

ED-37. As part of on-going Economic Development strategic planning, consider the use of organizational and financial tools or investments, including public-private partnerships where appropriate, to catalyze or leverage private sector and other resources to accomplish the city's economic development and land use vision.

Fiscal Impact

Adoption of this Ordinance will authorize the City to accept \$221,909 in King County CARES Act dollars, amend the 2019-2020 Operating Grants, Donations, and Special Reserves Fund to increase the appropriation by \$221,909, and allocate \$185,000 to small business pass through grants and \$36,909 to COVID-related operations expenses.

OPTIONS

1. Adopt the Ordinance 1) authorizing execution of a grant agreement with King County to accept \$221,909 in Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") funding to fund economic relief and recovery activities in response to the COVID-19 public health emergency; 2) amending the 2019-2020 Operating Grants, Donations, and Special Reserves Fund to increase the appropriation by \$221,909; and 3) authorizing the expenditures of said funds.
2. Do not adopt the Ordinance and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

Proposed Ordinance No. 6522

AVAILABLE IN COUNCIL LIBRARY

N/A