

## **PUBLIC HEARING MONDAY, APRIL 13, 2020**

A public hearing was held at 5:00 p.m. April 13, 2020 to discuss proposed the proposed Downstate Small Business Stabilization Program.

City Clerk Dave Bartley called the meeting to order.

In attendance at the hearing were, Mayor Harl, City Clerk Dave Bartley, Aldermen Ferrari, Waldorf, Lukosus, Radtke, Payton Corporate Counsel Scott Schweickert and Finance Office Justin Miller. Others in attendance were Russell Guynn and twenty-five people remotely.

Corporate Counsel Scott Schweickert provided the following overview regarding the proposed program:

### **Illinois Small Business Development Center at Starved Rock Country Alliance**

- Amy Lambert, Executive Director
- Information on various grant/loan programs
- Alliancesbdc.org

### **Illinois Department of Commerce & Economic Opportunity – Downstate Small Business Stabilization Program Website:**

<https://www2.illinois.gov/dceo/CommunityServices/CommunityInfrastructure/Pages/DownstateSmBizStabilization.aspx>

**TOTAL FUNDING AVAILABLE: \$20,000,000**

### **PROGRAM DETAILS:**

- The Economic Development Downstate Small Business Stabilization component has been established to provide working capital funds to community businesses economically impacted by the COVID-19 virus. The program component makes funds available for 60 days of verifiable working capital up to a grant ceiling of \$25,000.
- Must apply through a unit of local government; business cannot apply directly to DCEO.
- Funds may be used to assist private for-profit small businesses considered non-essential by the Governor's Executive Order without the ability for employees to work remotely.

### **BUSINESS REQUIREMENTS:**

- Must have been operating continuously with the same ownership since at least 1/1/17 and provide documentation on the financial health of the business in 2017, 2018, 2019, and currently. (documentation will be available to public as part of application process and is subject to FOIA).
- Business must have at least one full-time equivalent employee other than the owner(s) but must not exceed 50 employees.
- Ineligible businesses include:
  - o Businesses that have both essential and non-essential activities.
  - o Not-for-profit businesses.
  - o Independent contractors.
  - o Franchises or chain businesses.
  - o As this grant is federally funded, businesses that involve the use of cannabis for medical and/or recreational purposes are not eligible to apply.
  - o Private club or business that limits membership for reasons other than capacity.
  - o A business that derives at least 33% of its gross annual revenue from legal gambling activities, unless, subject to the Department's approval, the business is a restaurant with gaming terminals.
  - o Business engaged in manufacturing or selling at wholesale, tobacco products, vaping, liquor or sexually explicit materials or in the business of manufacturing or selling firearms at wholesale or retail.
  - o Liquor store, an adult bookstore, non-therapeutic massage parlor, strip club or nightclub

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- Pawn Shops
  - Storage facility, trailer-storage yard or junk yard
  - A business in which a majority owner or member of the immediate family is an elected official of the unit of local government making the application and receiving the grant.
  - An establishment similar to any enumerated above; or
  - Any other business subsequently deemed ineligible by the U.S. Department of Housing and Urban Development.
- Funds are available to all eligible applicants meeting program component requirements until all funds allocated to this component have been distributed. All awards in this category are predicated upon a demonstrated need for funds. This will include a review of all sources and uses of funds, an analysis of the recipient's ability to comply with the terms of the program, and a determination that CDBG participation is appropriate.

### **USE OF FUNDS:**

- The business may use funds for working capital expenses (employee salaries, general operating expenses, inventory and advertising/marketing expenses).
- Can use funds for sanitizing to reopen business.

### **WHAT IS NEEDED FROM BENEFITING BUSINESS:**

- A Certificate of Good Standing from the Illinois Secretary of State.
- **Project Summary** – The benefiting business must provide a summary of their present situation. This should include a brief description of the Business, e.g., type of firm, its product or service, and how long they have been in business. Describe how the CDBG funds will be used and reasons why they are needed for the Business to be in a position to retain jobs. Specific needs need to be identified. Explain what circumstances make this project necessary, in maintaining adequate permanent working capital to sustain operating needs.
- **Net Income Verification** - The business must identify their net income for the last three fiscal years beginning January 1, 2017 and ending December 31, 2019. Net income can be obtained from the Profit and Loss statement, generally the last item on that statement. In the event that the Profit and Loss statements cannot be found, net income can be derived from total sales minus total expenses. In addition, cash balances must be provided. This will be either the first line item on the balance sheet or bank statements as of the last day of each fiscal year. Three years of ending cash balances must be provided for each fiscal year, as well as the current cash balance.
- A copy of the most current bank statement for the business.
- If available, other forms of documentation to demonstrate the lack of permanent working capital in support of operating expenses. Such evidence may include shutoff utility notices, delinquent bills, denied loan applications, etc.
- **Employment Documentation** - A listing of all employees as of January 1, 2020, employees hired since then, and their status.
- **Participation Agreement** - A Participation Agreement between the unit of local government and the business that will receive funding.
- **Council Resolution of Support**

### **PUBLIC COMMENT**

Alderman Lukosus asked if business can apply for other state/federal benefits such as the Payroll Protection Program along with program

### **ADJOURNMENT**

Hearing adjourned 5:30 p.m.

