

RESOLUTION NO. ____ - 2020

A RESOLUTION CREATING A LOCAL SMALL BUSINESS ECONOMIC STIMULUS PROGRAM TO PROVIDE FUNDING OF UP TO \$2,500,000 TO QUALIFYING LOCAL SMALL BUSINESSES BY NO LATER THAN DECEMBER 31, 2020 AND PROVIDING FOR ITS PURPOSE, A GOAL OF 50% FUNDS DISTRIBUTED TO MINORITY OR WOMEN OWNED BUSINESSES OR BUSINESSES LOCATED WITHIN LOWER INCOME AREAS, GRANTS NOT TO EXCEED A MAXIMUM OF \$25,000 EACH, ELIGIBILITY REQUIREMENTS, BUSINESS IMPACT CRITERIA, APPLICATIONS AND AUTHORIZATION TO EXECUTE NECESSARY AGREEMENTS WITH GRANT RECIPIENTS; AND AUTHORIZING AND DIRECTING THE MAYOR, ON BEHALF OF THE URBAN COUNTY GOVERNMENT TO EXECUTE AN AGREEMENT WITH COMMERCE LEXINGTON, INC., FOR A FEE IN AN AMOUNT NOT TO EXCEED \$125,000.00 TO ADMINISTER THE PROGRAM, INCLUDING APPLICATION REVIEW AND COMPLIANCE, AND FURTHER AUTHORIZING THE MAYOR OR HER DESIGNEE TO TAKE ANY OTHER ADDITIONAL NECESSARY ACTIONS; ALL EFFECTIVE UPON PASSAGE OF COUNCIL.

WHEREAS, Lexington-Fayette County has experienced an unprecedented health pandemic related to COVID-19, which has resulted in the closing of many businesses and the loss of income to those businesses; and

WHEREAS, the Urban County Council budgeted \$2,500,000 in the Lexington-Fayette Urban County Government's Fiscal Year 2021 Budget for the creation of a Local Small Business Economic Stimulus Program (the "Program") to assist businesses in their recovery from the pandemic; and

WHEREAS, at least fifty percent (50%) of the Program funds are desired to be spent on minority or women owned businesses and/or on small business located in lower income areas of Lexington-Fayette County; and

WHEREAS, the Lexington-Fayette Urban County Government needs to establish the minimum criteria for qualifying for Program funding and operating the Program; and

WHEREAS, the Lexington-Fayette Urban County Government has determined that the Program established herein fulfills a public purpose by providing for economic development and recovery from the current public health emergency and other public purposes.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 - That the preamble set forth following the title to this resolution is incorporated herein as if set out in full.

Section 2 - There is hereby established the Local Small Business Economic Stimulus Program (the "Program") a local economic development program to provide funding to certain qualified local small businesses as further provided herein.

Section 3 - The purpose of the Program is to provide certain qualified local small businesses with local funding through grants of up to \$25,000.

Section 4 - The maximum current amount of funding available under the Program is \$2,500,000 and will only be available for distribution prior to December 31, 2020. There is a goal of distributing at least fifty percent (50%) of the funds to qualifying minority or women owned business and/or to businesses located within lower income areas of Lexington-Fayette County.

Section 5 - All funds awarded pursuant to the Program shall be solely at the discretion of the Urban County Government or its contract administrator and shall be in the form of a grant or similar agreement with requirements that the recipient fully comply with any applicable certification or documentation requirements. The maximum amount that may be provided to any business under this Program is \$25,000. A business is not guaranteed to receive funding and may not necessarily receive funding in the amount that it has requested.

Section 6 - In order to be eligible to receive funding, a business must, at a minimum, meet and/or agree the following requirements:

(a) A nexus to or situs in Lexington-Fayette County with employees currently working in Lexington-Fayette County and/or providing goods or services to the general public;

(b) A current business license(s) from the Lexington-Fayette Urban County Government, with licensure since at least January 1, 2020;

(c) A maximum of no more than fifty (50) full-time equivalent employees if a non-restaurant, restaurants may have a maximum of no more than one hundred (100) full-time equivalent employees, as applicable;

(d) Current on the filing of returns and payments on all occupational license fees, licensing and registration and otherwise be in good standing with the Lexington-Fayette Urban County Government;

(e) Compliance with all applicable federal, state and local laws and regulations, including but not limited to those pertaining to employment and discrimination; and

(f) Compliance with and documentation or reporting requirements related to the receipt or expenditure of the funds.

The term “business” is intended to be broad and includes a sole proprietorship, partnership, limited liability corporation, not-for-profit, or non-profit organization or any other business entity form recognized under Kentucky law.

Section 7 - All funding awards must be used by a recipient as reimbursement for its costs incurred from March 8 to December 31, 2020 that were necessary expenditures incurred due to the public health emergency with respect to COVID-19. Eligible expenses, include, but are not necessarily limited to:

- (a) Costs of business interruption caused by required closures;
- (b) Expenses the business has incurred related to COVID-19 including the purchase or installation of Personal Protective Equipment (PPE);
- (c) Payroll related expenditures relating to COVID-19; and
- (d) Actions to facilitate compliance with COVID-19 related to public health measures.

Section 8 - In establishing the amount of the award to each recipient the Lexington-Fayette Urban County Government or its contract administrator will consider, at a minimum, the following factors:

- (a) The economic impact of the business on the community; and
- (b) The importance and vitality of the business to the community.

Section 9 - The application and any agreement with a funding recipient must be in a form approved by the Mayor’s Office of Economic Development, the Department of Law, and the contract administrator, and shall contain, at a minimum, any necessary requirements as provided herein or as reasonably determined to be necessary in the administration and operation of the Program that are consistent with this Resolution. In order to expedite the distribution of funds, the Mayor or her designee is hereby authorized and directed to execute any agreements that meet the criteria provided in this resolution if the government is required to execute the agreement.

Section 10 - That Commerce Lexington, Inc., by and through its Access Loan Program, be and hereby is retained to administer the Program including application review and compliance, and the Mayor, on behalf of the Lexington-Fayette Urban County Government, be and hereby is authorized to execute an agreement, which is attached hereto and incorporated herein by reference, with Commerce Lexington, for the administration of the \$2,500,000 Local Small Business Economic Stimulus Program with the administrative fee payable to Commerce Lexington, Inc., not to exceed \$125,000.00.

Section 11 – That an aggregate amount not to exceed \$2,500,000.00 be and hereby is approved for payment to Commerce Lexington, Inc., from account #1144-136102-78112, with Commerce Lexington, Inc., retaining an amount not to exceed a maximum amount of \$125,000.00 pursuant to the terms of the agreement.

Section 12 - That the Mayor or her designee is hereby authorized to take any additional necessary actions related to the Program which are consistent with the Program as provided for in this Resolution.

Section 13 - If any section, subsection, sentence, clause, phrase, or portion of this resolution is for any reason held invalid or unlawful by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions hereof.

Section 14 - That this resolution shall become effective upon the date of its passage.

MAYOR

ATTEST:

CLERK OF THE URBAN COUNTY COUNCIL

PUBLISHED:

00689904