

Clifford Cross, Director of Planning & Development stated earlier this week, staff presented the Forgivable Loan proposal to the EDRST Board who issued their recommendation for approval and submission to the Mayor and Council. The program consists of two funding cycles. The first cycle is based on an applicant's ability to demonstrate their approval for state or federally funded programs, and the second cycle is based on their ability to meet a specific set of criteria.

Councilmember Smotherson stated while he understands the purpose of this program, and that technically, the use of these EDRST Funds may be somewhat unrelated to his concerns, he is still a little uncomfortable with the concept of this being an unforgivable loan. The City is struggling, too. And in anticipation of a 3.7million-dollar deficit, this administration has furloughed 15 employees. In his mind, this is critical because it places the City in the same situation as some of the businesses this loan is designed to help. Councilmember Smotherson stated no one knows when this pandemic will end or what the City's next steps are going to entail, and for those reasons, he would like this proposal to be structured like a standard loan requiring repayment sometime in the future.

Mr. Rose stated Councilmember Smotherson is correct in that the proposed use of these funds is restricted to economic development. Therefore, any policy decisions related to amending this proposal would be entrusted to the Mayor and Council.

Mayor Crow questioned whether Council had the discretion to make such an amendment? Mr. Rose stated applicants must comply with the guidelines established for this program for the loan to be designated as unforgivable. And all those guidelines are tied closely to the restoration of jobs. The rationale is that if a business can restore jobs, that helps to spur the economy, and the funding this program has provided will be recaptured through the existence of a more robust economy.

Mr. Cross stated the intent of this loan is to allow businesses to apply for a forgivable loan based on what they have put into the fund through their annual fees. So, while whether to make this a forgivable or non-forgivable loan is a policy decision, in theory, it's simply a reimbursement of the contributions they've made to the 2019 Fund.

Councilmember Cusick asked if a company could be eligible for both the federal PPP Program and the City's program? Mr. Rose stated they would be eligible for both. In fact, the first cycle of funding will be focused on businesses that have already been approved for these state or federal programs. The idea is that if a business has been successful in securing one of these loans it demonstrates their viability in this economic environment and reduces the number of resources the City will have to dedicate towards oversight.

Councilmember Cusick questioned whether some of the larger employers would be eligible to participate based on the reimbursement aspect of the program? Mr. Rose stated the program is structured to target small businesses. So, it excludes those employers who are part of a chain consisting of more than four units, or part of a franchise system based on the belief that they could take advantage of state or federal programs on a much larger scale than smaller businesses. He stated even though the initial focus is on businesses that have been approved it does not necessarily mean they will receive any funding.

Councilmember Carr asked whether a business would be eliminated from the City's program if they have already received state or federal funding?

Mr. Rose stated the way the City's program is structured a business would still be eligible to participate if they have received or anticipate receiving state or federal funding.

Councilmember Carr asked why Council was being asked to consider this policy by executing a simple vote as opposed to a Resolution or an Ordinance? Mr. Rose stated he would have to defer that question to Mr. Mulligan.

John Mulligan, City Attorney stated in the past items of this nature have been presented under the City Manager's Report where Council is asked to vote on their approval. So, this is similar to a Resolution and legally it has the same effect; it's an order authorizing the appropriation of EDRST Funds for the purpose being requested. But an Ordinance would be unnecessary.

Councilmember Carr asked if this was similar to when the EDRST Board submits their budget? Because at that point, she thought Council needed a Resolution to grant approval if it had not been included in the general budget. Mr. Mulligan stated the EDRST Fund is separate, and the practice has been; which he believes is consistent with the City's regulations, is to obtain Council's approval for the allocation of that fund by way of a motion. Technically, you could add the appropriation of these funds to your Annual Budget, but that won't be addressed until several months from now. So, by doing it this way, in effect, you're appropriating this money and amending the budget concerning this specific fund.

Councilmember Clay posed the following questions to Mr. Rose:

Q. We've heard there are going to be various modalities used to reach out to businesses, and that one of those methods would include the translation of these communications into foreign languages. Could you give an update on the modalities that will be used to communicate this program?

A. Once approved, a press release will go out either tonight or tomorrow morning. Next, postcards will be sent out to businesses in both Mandarin and English to ensure we are reaching the broader market. This information will also be disseminated in the City's electronic business newsletter as well as our electronic newsletter that goes out to the general public. And based on concerns that some businesses might be closed, staff will be utilizing emailed correspondence, and perhaps, even robocalls.

Q. I think emails and calls are going to be critically important because folks may not be picking up their mail. Did you mention anything about social media?

A. This information will be posted on all of the City's social media platforms, which is a standard means of communication.

As it relates to funding, Councilmember Clay stated if you look at the business areas within the City, his understanding is that Olive Boulevard represents 36 percent of the resources that go into the EDRST Fund; which means there is a large portion of money these businesses will be able to extract. So, he hopes this information reaches their doors to ensure they will have an opportunity to take advantage of this program.

Councilmember Clay stated since the Mayor has articulated the challenge of moving swiftly in a process that is not typically accustomed to this pace, he thinks it is important to make sure that our I's are dotted, and t's are crossed. Therefore, can you talk a little bit about what the oversight of this program will look like and how we can be sure that it is doing what it has been designed to do?

Mr. Rose stated one of the reasons this program has been structured to mirror the Payroll Protection Program is because once a business has been approved for these state or federal funds it gives the administration some type of reassurance about a business's long-term viability. As it relates to oversight, successful applicants are required to submit a report by August 31, 2020, verifying that they have met the conditions outlined in the funding qualifications.

Mr. Cross stated another reason this program has two rounds is based on staff's ability to conduct oversight as a result of their current restrictions. In a sense, oversight for applicants participating in round one will be governed by a higher power. Their compliance with state and federal guidelines will almost ensure compliance with the City's guidelines.

The guidelines for round two applicants are less restrictive. Once a business has met all of the eligibility requirements they must;

- Reopen within two weeks after applicable governmental emergency orders expire or are amended to allow the business to reopen; and
- Request loan forgiveness by a deadline date, by submitting documentation that verifies these requirements have been met.

Councilmember Clay questioned whether a public hearing or anything else was required on the front end, to accommodate the speed in which this action has been moved forward?

Mr. Cross stated Section 120.520 of the Code asserts that there are three areas in which EDRST Funds can be allocated.

1. Twenty-five percent must be earmarked for administrative projects;
2. A minimum of 20 percent must be used for long-range economic development projects or infrastructure; and
3. Theoretically, the remaining 55 percent of the fund can be used for training programs, marketing, and grants

Mr. Cross stated when comparing this particular Section of the Code to the State Statute, staff believed that this program qualified for the distribution of these funds and felt comfortable that it was meeting the intent of the Code, as well as the Statute.

Mr. Mulligan stated with respect to the need for a public hearing, the Code states that one of the duties of the EDRST Board is to consider economic development plans, projects, or the designation of economic development areas, and hold public hearings in connection with those considerations. So the process is that the Board is to make their recommendations to Council within a specific timeframe and Council shall have the final authority to determine how those funds should be expended. He stated at this point, the question might be, is this a plan, project, or area within the meaning of the regulations since the Code provides no definitions for these terms? Mr. Mulligan stated this item wasn't sent to the EDRST Board in advance by the City Council, so another question is whether that provision even applies. But even if it does, and it is considered an economic development project within the meaning of the Code, there has to be a public hearing.

Since there is no definition or standard for a public hearing in the Ordinance, we can look to the case law in Missouri. While there is nothing specifically dealing with public hearings associated with EDRST Boards, in a zoning context the Missouri Supreme Court in a 2015 Franklin County case discusses what a hearing is.

And basically, it's the dictionary definition; a session in which testimony is taken from witnesses; an opportunity to be heard; an ability to listen to the arguments being presented, or to be generally known or appreciated. In sum, the Court is allowing speakers an opportunity to address the subject, which in this case was a zoning amendment. So, while the Chair identified this as an emergency meeting, it met the Sunshine requirements for a normal meeting, and everybody was given the opportunity to present their views by way of written comments. Those comments were provided to the Board before it voted on this program. Ideally, they would have offered oral comments via citizen participation but because of the circumstances surrounding COVID-19, comments were limited to writing only. But here again, the conclusion would be that everybody had an opportunity to participate.

Mr. Mulligan stated there are also some court cases in the context of due process; when you are depriving somebody of life, liberty, or property, which sets an even higher standard for hearings. For example, the U.S. Supreme Court has said that it is a flexible concept that can possibly be satisfied by providing an opportunity for written evidence. So when you look at the case law in Missouri as well as the U.S. Supreme Court, he thinks it would satisfy the requirement of conducting a hearing on this matter because there was an opportunity for the public to comment and to observe the actual Board meeting.

Councilmember Smotherson stated unless the City's position is that it does not need this money, then he would like Council to address his concern related to making this an unforgivable loan. Because his additional concern is whether the money from this fund can be replenished.

Mr. Rose stated under normal circumstances an unforgivable loan is certainly not the type of program staff would be recommending. But they are doing so today because of the devastating economic impact the Corona Virus has had on the local economy. So, staff views this as a very unique set of circumstances. He stated the sales tax used to create this fund is still in existence and the belief is that those taxes will continue to generate revenue; albeit not at the same intensity as it has in the past. In fact, in the proposed budget staff has reduced the amount to half of the preceding rate, which is roughly \$334,000. But at the end of the day, exactly how this loan should be structured is a policy decision for Council to make.

Mayor Crow stated while there are a couple of things he would like to note, first, to ensure that every issue is addressed, he would suggest that any member of Council with questions feel free to make the appropriate motion at any time they see fit.

Mayor Crow stated phase one of this program is designed for expediency in order to get this money out on the streets as soon as possible. It requires minimal oversight by staff and the pool of applicants will be limited. The more robust aspect of this program is going to be phase two. And frankly, his assumption is that Council will have the flexibility to adjust any aspect of this segment if problems or concerns begin to surface. So in response to Councilmember Smotherson, while he truly understands his position; and under normal circumstances would agree that loans should be paid back in full, as he looks at all of the businesses that are clearly struggling to get back on their feet, he's not sure that asking them to pay this money back would benefit the City in the long-run. He stated the reality is that the creation of the EDRST Fund allows U City to have a flexibility that most communities don't have; the opportunity to initiate a program that can assist its businesses during this crisis.

Mayor Crow stated these funds are set aside for this purpose and in this case, he does not believe that the manner in which staff has recommended it be used will have a severe impact on the City's operations.

Councilmember Hales stated to make sure this program is achieving the desired effect; his recollection is that the EDRST Board also discussed the possibility of having to promptly schedule another meeting in the event something needed to be tweaked.

Mr. Rose stated staff fully recognizes that this is the first time a program of this nature has been established. And the fact that it has been created in such a short period means that after the first round they will probably discover a few things that need to be modified in the second round. It's also why they have been extremely cautious in recommending that the first round mirror the federal program so that they can take advantage of their experiences as well.

Councilmember Carr stated it sounds like round two will probably not be administered until August. Is that correct? Mr. Cross stated if approved, staff will begin accepting applications for round one on Monday. The application process for round two is set to begin on May 15th and will run until July 17th. He stated staff adjusted the dates approximately 30 days from its original proposal based on the Board's concerns regarding the need to have flexibility in the starting and ending dates. Councilmember Carr stated her question was when should businesses anticipate receiving these funds? Mr. Cross stated funds will be available immediately upon approval or within a relatively short period of time. In round one, a business simply needs to demonstrate it has been approved for the Payroll Protection Program. But the second round may take slightly longer since staff will have to confirm their eligibility. However, in both cases funding should be available within one week.

Councilmember Carr stated there are two components to reviving the economy, getting businesses back up and running, and recapturing consumers' confidence in this economy. One obstacle could be consumers who are not spending or simply don't have the money to spend, and the other could be the timing of these loans. At this point, we don't know if a business will actually be allowed to open within two weeks after the receipt of this money.

Mr. Rose stated participants in round two will have to demonstrate the viability of their business in this current environment, especially as it relates to the rehiring of old employees and creating new jobs in the future. However, staff recognizes that there may still be some work to do on round two, to make sure the criterion they've put in place is as sound as the criterion in round one. So at this point, the emphasis is on round one because they may need to come back to Council and tweak some of these things.

Councilmember Carr stated she is not quite clear about how the funds from this program or even the federal program are supposed to be used. Mr. Rose stated the emphasis is on payroll; retaining and creating new jobs. And the guidelines actually prohibit these funds from being used on rent and capital improvements. Councilmember Carr questioned whether businesses would be restricted to rehiring employees that have been furloughed or laid off or have the freedom to hire new employees? Mr. Rose stated at this point, there are millions of people who are unemployed, and the guidelines do not limit employers to just the rehiring of old employees. To meet the criterion, they must be willing and able to provide jobs to anyone.

Mayor Crow stated Councilmember Carr's question was on point because the intent is for employers to bring employees back. However, if an employee chooses not to return then to meet the threshold of the City's program and the federal requirement that 75 percent of the loan be used for payroll, they must hire new people. He stated it's definitely a structural route to get money back into the economy.

Councilmember Carr asked if it would be correct to say that effectively, this program is designed to promote employment? Mayor Crow stated that it would be.

Councilmember Clay stated his sound got cut off for a few minutes, so he would ask forgiveness from his colleagues if this question has already been asked. As it relates to rent, his perception is that the dynamics between businesses in The Loop and those further up on Delmar and even Olive may be a little different in terms of their needs. So, could you explain why rent was excluded as a legitimate expenditure?

Mr. Rose stated since the focus of this program is on job creation and retention, staff concluded that a business's ability to pay their rent was tied closely to their viability; whether they were generating enough income to sustain themselves. So, if you look at it from that perspective, the critical issue then converts to their ability to maintain the appropriate number of employees in order to generate enough income and pay their rent. However, whether that expenditure should be added or excluded is another policy decision for Council to make.

Councilmember Clay questioned whether there was a way for barbershops or beauty salons that may not have employees in the traditional sense to leverage some of these funds? Mayor Crow stated the owner, and anyone who rents space or is considered an independent contractor can each apply for the City's program, as well as their own PPP.

He stated with respect to why rent has been excluded, staff was aware that most landlords have been amenable to working with tenants who found themselves unable to pay due to unforeseeable losses during this pandemic. For example, his landlord has been willing to add any missed payments to the end of their lease. So, the goal of this program is to get money on the streets quickly to help businesses address their short-term financial needs that hopefully will get our local economy back up and running again.

Councilmember Clay stated he just wanted to clear up any questions in his mind about whether these nontraditional employers would have access to the funds offered in phase two of this program.

Mr. Mulligan stated the true answer to the question regarding whether salon owners, stylists, or independent contractors would be eligible, is based on whether they pay sales taxes, or their customers are charged a sales tax for services. Because remember this program is a reimbursement of the amount of taxes each business puts into the fund. So if you have a business that is not engaged in retail sales his understanding is that the claim amount for that business would be zero.

Mr. Cross stated while Mr. Mulligan is correct that the loan is based on one-to-one contributions, the one thing worth noting is that if you're an individual stylist under a total business umbrella where all of the taxes generated are filtered through that business, then it would be up to the individual business owner to apply for this loan and distribute the proceeds accordingly.

Councilmember Clay asked Mr. Cross if he was saying that if Stacy's Barber Shop utilized independent contractors who rented spaces, then Stacy would be the only one eligible to apply for this program?

Mr. Rose stated the answer would depend on whether these contractors contributed to the EDRST Fund independently or under the umbrella of the owner of the business.

Hearing no other discussion, Mayor Crow asked Mr. Mulligan if he would provide a suggested format for this motion to ensure his colleagues have a clear understanding of what they are being asked to vote on.

Mr. Mulligan stated the motion would be to approve the Small Business Assistance Program as recommended by the City Manager in his report, committing \$500,000 for round one and \$500,000 for round two.

Councilmember Hales moved to approve the Small Business Assistance Program as recommended by the City Manager, it was seconded by Councilmember Carr.

Councilmember Smotherson moved to amend the motion to make this an unforgivable loan, it was seconded by Councilmember Carr.

Councilmember Smotherson stated his concerns relate to the City's ability to be in a positive economic position in the future, and the fact that several employees have been furloughed, while on the other side of the building it is giving money away. He stated if this is established as an unforgivable loan from the very beginning it provides Council with the option to change it in the future. But there will be no option if the term forgivable is not removed from the contract before tonight's vote.

Councilmember Cusick stated he is in favor of offering these loans with no stipulation of repayment and therefore would be opposed to the amendment. He stated while he certainly agrees that Council should be concerned about the City's economic stance in the future, he also believes Council must be cognizant of the fact that if they allow these businesses to fail that loss of revenue could have a grave impact on the City's economics. So even though it may not be millions of dollars, this financial stimulus could play a major role in their survival.

Councilmember Smotherson stated his amendment does not alter or prohibit the loan from being offered to businesses, it simply reflects his preference to have the City's financial position take precedence while consideration is being given to making this a forgivable loan.

Mayor Crow stated he thinks the most attractive thing to businesses will be the fact that it is a forgivable loan.

Councilmember Carr stated everyone needs to recognize that this quarter will basically be a bust and that funding the City receives for the EDRST Fund will be substantially less. However, all that means is that the programs supported by this fund will have to modify their budgets accordingly. She stated to burden a business that is already struggling may cause them to be unable to make a successful turnaround.

And while it looks like the application includes sufficient criteria to determine whether a business is viable, she would like to be clear on what happens if they fail to meet the conditions of the contract or decide to file for bankruptcy?

Councilmember Smotherson stated the City has the option to be flexible on any of the terms contained within the contract, except forgivability; which is the only term he is asking to be changed.

Mr. Rose stated as it relates to the ability to recapture these funds, if a business fails to meet the conditions of the loan the term of the loan will be two years, at an annual rate of 5 percent. If they file for bankruptcy, the City would be in the same position as any other creditor in attempting to recover monies lost.

Mr. Mulligan stated the annual rate should be .5 percent rather than 5 percent as previously mentioned.

Councilmember Hales stated he would like to reiterate a point the Mayor made earlier because he thinks it is important to these discussions. The money Council is talking about is distributed into the EDRST Fund by local businesses and was created roughly 40 years ago, for a very restrictive purpose. So, we are not talking about taking money from the General Fund. And while he thinks every member of Council appreciates the challenges the City is facing in terms of changes to its projected revenues, these funds cannot be diverted to the General Fund to pay the salaries of the various employees who have been furloughed, nor can it be used for any purpose other than those established by the Code and State Statute.

As a point of clarification, Councilmember Carr stated the EDRST Board was established in 2006 because she clearly remembers voting for its approval based on her belief at that time, that economic development was a definite need.

Hearing no further discussion, Mayor Crow called for a vote on Councilmember Smotherson's motion to amend.

Voice vote on the amendment failed; 6 to 1.

Mayor Crow called for a vote on Councilmember Hales' motion to approve the Small Business Assistance Program as recommended.

Councilmember Clay asked if the motion could be restated.

Ms. Reese stated the motion is to approve the Small Business Assistance Program as recommended by the City Manager in his report, committing \$500,000 for round one and \$500,000 for round two.

Councilmember Clay asked if his assumption that the criteria for round two would require further development was correct?

Mr. Rose stated staff's intent is to focus more on round two, to ensure it is structured in a way that is equitable and meets the intent of the program. So, he suspects they will revisit these guidelines with the Mayor and Council prior to the acceptance of any applications.

Councilmember Clay stated he is glad to hear that because in everyone's well-intentioned haste to get these funds out he would like to make sure Council and this administration have given adequate consideration to the 15 or 20 percent of businesses that may be prohibited; for various reasons, from applying for this loan. So, while he is amenable to voting for approval of this motion he would like to do so with the understanding that the City Manager will be coming back to Council prior to the initiation of round two.

Mr. Rose asked Mr. Cross if he believed staff would have enough time to bring this criterion back to Council at its May 11th meeting? Mr. Cross stated he believed staff would be able to conduct an emergency meeting with the EDRST Board and get their recommendations back to Council by May 11th.

However, to respond to Councilmember Clay's concerns regarding eligible businesses, the way the current guidelines are written any business that pays retail sales tax is entitled to apply.

And to the question about timeframes, the guidelines state that businesses must reopen within two weeks after obtaining the loan. It was specifically worded that way to provide staff with a better gauge of when they should reopen and administratively grant a 30-day extension if necessary.

Mr. Rose questioned whether this needed to go back to the EDRST Board since they had already acknowledged that there might be a need for Council to make some modifications to the program?

Councilmember Clay stated that he did not want any of his concerns to inhibit the process for applicants eligible to apply for round one.

Mr. Mulligan stated one thing that was made available at the EDRST Board meeting and publicly on the City's website is how the determination was made to fund both rounds of this program. There were roughly 1.3 million dollars of uncommitted funds available for economic programs and the Board recommended that 1 million dollars be set aside to help local businesses.

Now, if every business eligible to participate in round one applied the amount of funds utilized would be a little under \$500,000. So, this is not going to be a situation where businesses will have to fight to be the first one in line to receive a portion of these funds because they will get 100 percent of whatever they've contributed. However, the expectation is that you may not get 100 percent participation in round one. So, as the City Manager reports on their experience with round one, Council will have the flexibility to shift any remaining funds to round two or leave it as is. But as it stands, Council is agreeing to appropriate \$500,000 for each round.

Councilmember Cusick stated he needed clarification on whether Councilmember Clay was asking that the vote on round two be delayed or if Council is being asked to consider funding both one and two? Mr. Mulligan stated Council is being asked to approve both rounds.

Councilmember Clay agreed that while he was not asking to delay the vote, in his mind the criteria for round two has not been fully fleshed out. Nonetheless, what he has heard the City Manager committing to do is come back to Council with more substantial criteria at the May 11th meeting. Mr. Rose concurred with Councilmember Clay's comments.

Voice vote on the motion to approve the Small Business Assistance Program carried unanimously, with the exception of Councilmember Smotherson.

Mayor Crow asked everyone to remind their constituents and neighbors about the importance of filling out and submitting their Census Forms.

The St. Louis Area Food Bank has made outreach to Mayors in the metropolitan area about their plans to conduct a food drive on Saturday, May the 9th, and he would like U City to participate.

F. Motion to go into a Closed Session according to Missouri Revised Statutes 610.021 (1): Legal actions, causes of action or litigation involving a public governmental body and any confidential or privileged communications between a public governmental body or its representatives or attorneys.

Councilmember Carr moved to go into a Closed Session, seconded by Councilmember McMahan.

Roll Call Vote Was:

Ayes: Councilmember Hales, Councilmember Cusick, Councilmember Smotherson, Councilmember Clay, Councilmember Carr, Councilmember McMahan, and Mayor Crow.

Nays: None.

G. ADJOURNMENT

Mayor Crow thanked everyone for their participation and closed the Special Meeting of City Council meeting at 5:44 p.m. to go into a Closed Session. The Closed Session reconvened in an open session at 6:25 p.m.

LaRette Reese
City Clerk

10/1

LaRette Reese

From: Patrick Fox <patrickafox@gmail.com>
Sent: Wednesday, April 29, 2020 10:24 AM
To: Council Comments Shared
Subject: Special Council 4/29/20 Citizen Comment

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

My name is Patrick Fox and I reside at 1309 Purdue Avenue in University City. My comments are related to agenda item E.1.

I first want to applaud city leaders for identifying an assistance program that aims to assist small business within University City. It is both an excellent use of resources and very needed for those struggling businesses. This pandemic has hit small businesses the hardest and I worry about the ability of local businesses to return once the pandemic is over.

In reviewing the criteria, I did want to share some feedback, I would suggest consideration of an additional provision to qualification 3 that includes county, local, and other public funding. St. Louis County has received nearly \$173.5 million from the CARES Act and likely will be providing additional opportunities for funding in the near future. While the source of these funds is Federal, it would not necessarily be clear to all small businesses that the County would be acting as a pass-through for Federal funding. This could cause some confusion that can be avoided.

Additionally, these funds have not yet been awarded so also requesting that they notify you of any additional COVID-19 assistance sought for a period of one year following the date of their application would be another item to consider. This would ensure that there is additional accountability for funds not yet sought or awarded as there is no guarantee that other funding sources would include the same guidance in their qualification criteria.

By stipulating additional reasonable restrictions you can ensure that no business inadvertently receives duplicate assistance from multiple public sources. It is clear to me that is the spirit of what you are attempting to achieve, but additional specificity would be helpful to ensure mutual understanding by those interested applicants and responsible use of taxpayer funds.

Thank you.

Patrick Fox
PatrickAFox@gmail.com

1062

LaRette Reese

From: Kevin T <kevintaylor_kt@yahoo.com>
Sent: Wednesday, April 29, 2020 10:37 AM
To: Council Comments Shared; Bwayne Smotherson; Stacy Clay; Terry Crow; Jeff Hales; Steve McMahon; Paulette Carr SBC; Tim Cusick; LaRette Reese
Subject: City Council Questions Concerning Business Assistance Program

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Name: Kevin Taylor
Address: 7022 Canton Avenue

Please read or ask the questions listed below during the Citizen Participation section of the April 29th Emergency City Council Meeting, I believe they will fall within the five (5) minute allotted time for comments. Perhaps members of City Council will find these questions thought-provoking and deserving of public inquiry and demand answers for the public record as a means to make better solutions and processes to the program and the information provided to the citizen taxpayers, we want to transparent. Let's not forget, this is taxpayer money, NOT funds paid by the individual businesses as part of any City Business licensing.

1. Would Council review/discuss/explain the history of the EDRST funds and the decision to hold/allocate or commit a percentage of the ERDST Fund Balance for Olive Development? Monies were specially earmarked to be used exclusively on Olive, and that amount was large, very close to \$1 million dollars when Andrea Riganti was Director of Community Development.
2. Would Council please question/discuss/explain the rationale behind this change in the program policy, staff has amended the proposed round 1 qualification guidelines by removing bullet point 2 requiring that an applicant provide "Full-Time employment and salary levels as of February 15, 2020 are attained by June 30, 2020" verification.
3. Is this going to occur, I don't see it on the agenda, I only see it as part of City Manager's Report a vote is requested, once there is a vote, then is there an Ordinance, or does this go into action? **The governing body of the municipality levying the sales tax pass a resolution, ordinance or order addressing these items concurrently with the establishment of the Economic Development Tax Board.**
4. Is this still part of the EDRST process or has it been removed, it was followed in previous EDRST recommendations, Before making any recommendations to the governing body of the municipality, the Economic Development Tax Board must hold a public hearing concerning the proposed economic development plan, economic development project or designation of an economic development area.
5. During the EDRST Meeting and in the documents, it indicates "Administrative Staff" will make the assistance award decisions, will EDRST Board have any vote or recommendations prior to awarding of assistance? Will City Council vote to approve each assistance award?
6. Will there be a Public Hearing BEFORE a recommendation is made to City Council in compliance with the EDRST Statues? If not, please explain why, as this program is using taxpayer monies?
7. Please explain or show where the justification or "Loop Hole" giving businesses access to these funds? Is it the section under Rule 3, does the term "Shall Not" give it unlimited use? There was an explanation by Clifford Cross, was there a legal opinion provided for clarification?

- 8. What is the "Oversight" process, where is it in writing or documented as a policy or process?
- 9. Will individual businesses applying for Business Assistance funds be permitted or allowed to make oral support or presentations? If so, when, where, and how will this happen?
- 10. How will validation of the use of funds be performed? Is there a written process? Has Council seen the process?
- 11. What protection or process is provided for the collection of a defaulted loan/grant, especially if a business goes under and shuts/closes?
- 12. Is there a published detailed formula developed and provided to businesses to determine a "cap" on the amount a business request?
- 13. How will the request be "means-tested" of the Business Assistance awarding process to ensure it is fair and equitable to all businesses, particularly minority businesses?
- 14. How will the Business Assistance information be provided or delivered to ALL of the eligible businesses throughout U City? Mail? Hand Delivered? Phone calls? Virtual Meeting? Special Call-in number?
- 15. Will Business Assistance information be translated into ALL necessary languages? Will the City provide ANY/ALL necessary translators to communicate this program? If not, please explain why, as this program is using taxpayer monies?
- 16. Will the City provide a recap of all of the businesses that have received the Business Assistance awards and the amounts? If not, please explain why, as this program is using taxpayer monies? Where will this information be posted?
- 17. Is there ANY "Loop Hole" (same rationale as Business Assistance Program) that would allow the City of U City to use these funds to address the \$3.7 million shortfalls in the City budget? The City laid-off and furloughed 15 employees (not 13) as a result of this shortfall.

Kevin Taylor kevintaylor_kt@yahoo.com 314.276.2790