



Economic Development Retail Sales Tax Board

6801 Delmar Boulevard • University City, Missouri 63130 • 314-505-8500 • Fax: 314-862-3168

MEETING OF THE ECONOMIC DEVELOPMENT RETAIL SALES TAX BOARD
VIA VIDEOCONFERENCE
Monday, February 1, 2021
5:30 p.m.

IMPORTANT NOTICE REGARDING
PUBLIC ACCESS TO THE EDRSTB MEETING & PARTICIPATION

EDRSTB will Meet Electronically on February 1, 2021

On March 20, 2020, City Manager Gregory Rose declared a State of Emergency for the City of University City due to the COVID-19 Pandemic. Due to the current order restricting gatherings of people and the ongoing efforts to limit the spread of the COVID-19 virus, the February 1, 2021 meeting will be conducted via videoconference.

Observe and/or Listen to the Meeting (your options to joint the meeting are below):

Webinar via the link below:

<https://us02web.zoom.us/j/82775458419?pwd=V3oyaXFFZDJtK0t1SGlST3ZtMFgzQT09>

Passcode: 881411

Audio Only Call

US: +1 301 715 8592 or +1 312 626 6799 or +1 929 205 6099 or +1 253 215 8782 or +1 346 248 7799
or +1 669 900 6833 or 888 788 0099 (Toll Free) or 877 853 5247 (Toll Free)

Webinar ID: 827 7545 8419

Citizen Participation

Those who wish to provide a comment during the “Public Comments” portion as indicated on the EDRSTB agenda: may provide written comments to the Director of Planning & Development ahead of the meeting.

ALL written comments must be received **no later than 12:00 p.m. the day of the meeting.** Comments may be sent via email to: ccross@ucitymo.org or mailed to the City Hall – 6801 Delmar Blvd. – Attention Clifford Cross, Director of Planning & Development. Such comments will be provided to the EDRST Board prior to the meeting. Comments will be made a part of the official record and made accessible to the public online following the meeting.

Please note, when submitting your comments, a **name and address must be provided.** Please also note if your comment is on an agenda or non-agenda item, and a name and address are not provided, the provided comment will not be recorded in the official record.

The City apologizes for any inconvenience the meeting format change may pose to individuals, but it is extremely important that extra measures be taken to protect employees, residents board/commission members and elected officials during these challenging times.

AGENDA

ECONOMIC DEVELOPMENT RETAIL SALES TAX BOARD

1. Roll Call
2. Minutes - NA
3. Public Comments – (Limited to 3 minutes for individual’s comments, 5 minutes for representatives of groups or organizations.)

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4. Mayor Comments
5. Old Business
6. New Business
 - a. Discussion and Recommendations to City Council Pertaining to the Business Assistance Round 4 Program Proposal to assist businesses impacted due to COVID-19 outbreak.
7. Next Meeting Date – To be Scheduled
8. Adjourn



Department of Planning and Development

6801 Delmar Boulevard, University City, Missouri 63130, Phone: (314) 505-8500, Fax: (314) 862-3168

MEMORANDUM

TO: Gregory Rose, City Manager
FROM: Clifford Cross, Director of Planning & Development
DATE: January 28, 2021
SUBJECT: Business Assistance Program Multi-Round Funding Option
CC: John Mulligan, City Attorney

Program Proposal

Economic development staff is continuing to work on business assistance forgivable loan opportunities to assist affected businesses during the COVID-19 crises. As a result, staff has evaluated the option of utilizing EDRST Funds to implement a 4th round of the forgivable loan program in accordance to the provisions of Section 120.520 C of the City Code. As part of this program evaluation, staff originally completed an analysis of EDRST business license fee revenues that were collected in 2019 based upon applicable data. The purpose of that review was to determine the available revenue, to fund these types of projects, and carefully consider how each business and their individual districts contribute to the total revenue stream of EDRST funding. The goal, of this determination, was to provide a basis to determine how to fairly redistribute these proposed emergency loan program funds back to each individual business and district based upon their total contributions. Therefore, the original goal was to ensure that each individual business and their district peers funding availability was based upon their contributions to the total revenue stream. In summary, rounds 1 & 2 provided all businesses the opportunity to obtain 100% of their 2019 EDRST contributions.

In addition, to rounds 1 & 2, round 3 was implemented from September 22, 2020 thru December 31, 2020. The goal of round 3 was to provide funding to various businesses that were unable to obtain assistance due to low or no EDRST contributions in 2019. The eligibility guidelines, of round 3, were very similar to previous rounds. In addition, round 3 distributions were not solely based upon 2019 EDRST contributions. That round provided eligible businesses, who may not have contributed to EDRST funds, a minimum loan amount of \$2,000. However, no business were eligible for more than \$15,000.

Upon completion, of the aforementioned rounds, staff has drafted a proposed round 4 of the program. The guidelines mirror round 3 except that round 4 incorporates “Home Based Occupational Businesses” as an eligible business contingent upon the businesses ability to demonstrate the need for reimbursement of operational expenses they incurred by business disruption during Covid-19. These funds are not intended to replace lost revenue and rent/mortgage payments are not eligible for reimbursement. Furthermore, only 25% of utility expenses are reimbursable expenses.

The specific dollar amount, that is anticipated to fund round 4, is approximately \$700,000.00. Furthermore, round 4 funding continues to have an identified goal that at least 25% of this allocated funding will fund minority and women owned business.

Staff intends to present this proposal to the EDRST Board on Monday February 1, 2021 to seek their input and recommendation. Upon completion, of that meeting, the proposal is expected to go before Mayor and City Council for their formal approval of the program.

Attachments:

1. COVID-19 Business Assistance Program Round 4 Draft

City of University City – COVID-19 Business Assistance Program (Round 4 - Guidelines)



Department of Planning and Development

6801 Delmar Boulevard, University City, Missouri 63130, Phone: (314) 862-6767, Fax: (314) 862-3168

Program Guidelines

Overview

The City of University City is pleased to announce Round 4 of the Forgivable Loan Small Business Assistance Program. The City has earmarked \$700,000.00 for the Program that is intended to help eligible local retail, service, home based and creative for-profit businesses address immediate cash for short-term financial operational needs such as payroll, payment to suppliers, payment to service providers or payment of utilities. The available funding is intended to serve all qualified University City businesses with a goal that at least 25% of the allocated funding will fund minority and women-owned businesses. The loan funds may not be used for capital expenditures or rent. The intent of this Program is to provide local businesses relief due to their economic loss during the current COVID-19 Pandemic.

Funding Qualifications

A limited number of applications will be approved through this Program. Applications will be evaluated based on the following qualifications:

1. Businesses must apply for assistance to the Director of Planning & Development under the Program and be able to demonstrate a need for the assistance using an established form and submit current financial statements.
2. Applicants have from February 9, 2021 to April 30, 2021 to apply for assistance.
3. Assistance will be in the form of a loan, forgivable under the following conditions:
 - The business was established prior to March 21, 2020 and reopens or is open within two weeks after the first payment of loan funds and remains open in University City for at least two years after that payment or any subsequent payment, whichever is later.
 - The business suffered a minimum 20% decrease in revenue in 2020 as compared to 2019.
 - The business retains at least 50% of its employee workforce that existed immediately prior to March 21, 2020, for at least two years after the final payment of loan funds.
 - The business requests loan forgiveness within two years after the final payment of loan funds and submits documentation verifying that the above conditions were met.
4. If the above conditions were not met, the term of the loan shall be two years, commencing on the date of the final payment of loan funds, at an annual rate of .5%.

Business Eligibility

To be considered an eligible business to receive forgivable loan assistance, a business must meet the following additional requirements:

1. The business has and maintains a current and valid City of University City Business License for 2020, 2021, 2022, 2023 and 2024 if the final payment of loan funds was received in 2022.
2. The business shall not be part of a chain consisting of more than 4 units.
3. If the business is part of a franchise system, it must show a demonstrated need based upon individual ownership operations.
4. The business is not a private club and is open to the general public.
5. Home Based Occupational Businesses that demonstrate the need for reimbursement of operational expenses they incurred by Business Disruption as the result of the Covid-19 public health emergency. Funds may only be used to reimburse expenses and are not intended to replace lost revenue. Rent or mortgage payments are not an eligible reimbursement and only 25% of utility expenses are re-imbursable.

Forgivable Loan Amount: \$2,000 – \$15,000

The loan will be forgiven if the recipient meets the Funding Qualifications and Business Eligibility criteria. The eligible loan opportunities are based upon the following formula:

1. Businesses contributing more than \$2,000 in verified EDRST 2019 revenue are eligible to receive a forgivable loan equaling no more than 100% of their individual 2019 EDRST revenue contributions, provided that verified 2019 EDRST revenue contributions exceeding \$15,000 will be capped, resulting in any business only being eligible to receive a maximum loan amount of \$15,000. Businesses that received funding in Rounds 1, 2 or 3 of the Program are not eligible to receive funding in Round 4. However, businesses that received funding less than \$2,000 in Rounds 1 or 2 are eligible to receive Round 4 funding up to \$2,000 minus funds already received.
2. Businesses contributing less than \$2,000 in 2019 EDRST revenue, and have not received prior funding subject to program guidelines, are eligible for a \$2,000 forgivable loan payable over two years at an annual rate of .5%, commencing on the date of the final payment of funds.
3. Home Based Occupational Businesses incurring business expenses less than \$2,000 are eligible for a one-time reimbursement of that amount up to \$2,000.

Disbursement of Funds: Quarterly

Disbursement of funds for businesses receiving more than \$4,000.00 will be in four quarterly payments in approximately equal amounts.

Business Retention

The intent of this Program is to assist those businesses that intend to remain in the City of University City. Accordingly, any business that receives Round 4 funding will be required to remain open in University City for at least two years after the final payment of loan funds. If the business relocates outside of University City or closes before then, the loan will not be forgiven.

Funding Source

University City Economic Development Retail Sales Tax (\$700,000 Allocated)

Application Process

Interested businesses should contact Clifford Cross, Director of Planning & Development at 314-505-8516 or by email at ccross@ucitymo.org, or Jenny Wendt at jwendt@ucitymo.org to learn more about the Program and determine preliminary eligibility. Applications will be reviewed based on funding availability. Applications which are complete and meet Program criteria will be evaluated for compliance with funding priorities. Detailed information about the business will be required, and eligibility for a loan does not guarantee that one will be made.

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