

RESOLUTION NO. 20-051

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTHLAKE, TEXAS, AUTHORIZING THE CREATION OF THE SOUTHLAKE BUSINESS RELIEF GRANT PROGRAM UNDER TEXAS LOCAL GOVERNMENT CODE 380; ESTABLISHING THE BUSINESS ELIGIBILITY CRITERIA; PROVIDING A FUNDING SOURCE FOR THE GRANT PROGRAM; ESTABLISHING THE GRANT AWARD TIERS; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the City Council of the City of Southlake, Texas, recognizes the hardship that the COVID-19 virus has caused for Southlake local businesses; and

WHEREAS, pursuant to Texas Local Government Code Section 380.002(b) the Economic Development Investment Fund may be used to provide economic support to businesses that have experienced disruption due to COVID-19 related mandates in the amount of ONE MILLION DOLLARS (\$1,000,000); and

WHEREAS, the City Council of the City of Southlake has determined it to be in the best interests of the community to authorize the creation of a business relief program to further aid in the recovery of the local economy; and

WHEREAS, the City Council of the City of Southlake has determined it to be in the best interest of the City to have City staff to administer a program in compliance with the criteria set forth in this resolution; and

WHEREAS, the City Council of the City of Southlake has determined that implementing such a program will assist in achieving its economic recovery goals; and

WHEREAS, the City Council of the City of Southlake is committed to the recovery, growth and stimulation of sustainable local businesses within the community.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SOUTHLAKE, TEXAS, THAT:

- Section 1.** In response to the economic impacts of COVID-19 (coronavirus) to the local business community, the Southlake City Council is authorizing a stimulus program to assist businesses negatively affected by the pandemic through the Southlake Business Relief Grant Program. The Southlake Business Relief Grant Program is a local economic development grant program to help reduce the economic strain on local businesses.
- Section 2.** The City Council of the City of Southlake, Texas hereby authorizes the creation of the Southlake Business Relief Grant Program, subject to its management by the City of Southlake, funding by the Economic Development Investment Fund in an amount not to exceed \$1,000,000.
- Section 3.** Individual grants will be awarded to Southlake businesses in an amount not to exceed \$10,000 based on a tiered approach consisting of the following:

- a) Tier 1 - Business operations completely closed and were deemed as a non-essential businesses per local/county/state executive orders during COVID-19 can receive up to 100% of eligible grant.
- b) Tier 2 - Business operations partially closed and were deemed as an essential business per local/county/state executive orders during COVID-19 can receive up to 75% of eligible grant.
- c) Tier 3 - Business operations that closed and were deemed as a non-essential businesses per local/county/state executive orders during COVID-19 but had the capacity for their business to continue operations through telecommuting/online operation can receive up to 50% of the eligible grant.

If available eligible business applications exceed the funds available for distribution, the City will prioritize funding grants for Tier 1 businesses first, followed by Tier 2 and Tier 3 businesses.

The City also reserves the right to divide the grant award in equal amounts to distribute to eligible businesses.

Section 4. Grant funds are available to businesses who meet the following criteria:

- a) Business Types:
 - i. Corporation
 - ii. Individual
 - iii. Sole proprietorship
 - iv. Single-member limited liability company (LLC)
 - v. LLC treated as a partnership
 - vi. LLC – C corporation
 - vii. LLC – S corporation
 - viii. Partnership
- b) 50 or fewer employees
- c) Businesses physically located within the City of Southlake, with a Southlake mailing address
- d) Registered to do business in the State of Texas
- e) Business must have been in operation since January 1, 2019
- f) Eligible businesses must be able to demonstrate that the business was profitable prior to the COVID-19 outbreak and that they have experienced a loss of income due to COVID-19.
- g) Business must affirmatively declare that they were not in arrears on rent prior to February 29, 2020, and they must provide their landlord's contact information.
- h) Business must be in good standing with the City of Southlake, Tarrant County and other taxing entities. If a business has outstanding payments due to the

City, it may however, first apply grant funds to the amount owed first, with any remaining distributed to the business.

- i) A business owner applying for grant must own 51% or more of the business
- j) Businesses that received assistance from SBA, CARES Act, PPP or other grant programs are still eligible

Section 5. Grant funds will not be available for the following types of businesses:

- a) Ineligible business types:
 - i. National/Regional chains
 - ii. Corporate owned franchises
 - iii. Home-based businesses
 - iv. Permanently closed businesses
 - v. Non-Profits
 - vi. Sexually/Adult-Oriented Businesses
 - vii. Professional Services deemed essential by local/state government
 - viii. Lobbying organizations and political organizations subject to Internal Revenue Code 527
 - ix. Gambling Concerns, including casinos, racing operations or other activities whose purpose involves gambling
 - x. Concerns engaged in illegal activities under federal, state or local laws
 - xi. A business that is otherwise prohibited by federal or Texas law
 - xii. A business that is ineligible or precluded to receive federal or State of Texas funding due to federal laws (including but not limited to the CARES Act) or Texas laws
 - xiii. Multi-level marketing concerns
 - xiv. Governmental/taxing agencies/departments

Section 6. Funds can be used to reimburse the costs of business interruption due to COVID-19 as a result of required closures, voluntary closures to promote social distancing, or decreased customer demand. Examples of these costs include:

- Working capital.
- Machinery and equipment.
- Payroll expenses.
- Health care benefits.
- Contract labor.
- Supplier payments.
- Rent, lease or mortgage payment for business real property used for business purposes. (Ex. A storefront or warehouse. Does not include personal residence.)

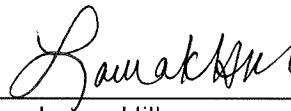
- Rent, lease or purchase payment for business property (Ex. delivery vehicle, food truck, kitchen equipment, technology, payment, and communications systems/equipment.)
- Utility payments for business properties. (Not including personal residence.)
- Cost of critical business operations. (Ex. raw materials, marketing expenses, etc.)
- Personal Protective Equipment (PPE), sanitation supplies and equipment.

Section 7. Businesses that receive grant funding will be required to document how the funds are used and provide the necessary financial information such as bank statements and other information as deemed necessary by the City of Southlake Chief Financial Officer. This documentation will need to be provided to the City no later than July 1, 2021.

Section 8. Any businesses seeking to receive grant funds from the Southlake Business Relief Grant Program shall be required to provide identification and financial information to the City of Southlake, within the timeline established as determined by the City, for review and consideration that may include but is not limited to driver's license, bank statements, tax returns, Form 941 and Form W-9.

Section 9. Nothing in this resolution, the Southlake Business Relief Grant Program, or by the City of Southlake shall be construed to suggest or imply that the City of Southlake is under any obligation to provide any grant or grant fund amount to any applicant irrespective of business eligibility and meeting all established criteria.

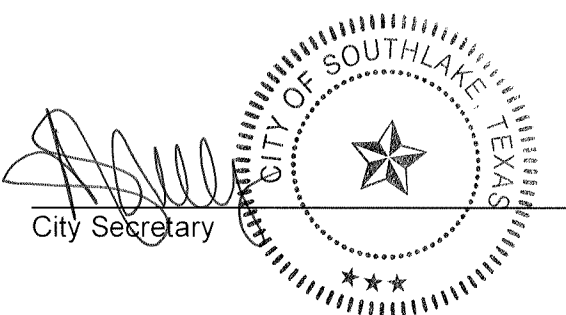
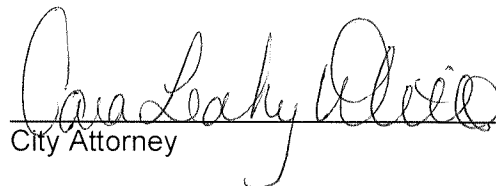
PASSED AND APPROVED on this 17th day of November, 2020



Mayor Laura Hill

ATTEST:

APPROVED AS TO FORM:

City Attorney