

## ORDINANCE NO. 4920

### **AN ORDINANCE TO MAKE A SUPPLEMENTAL APPROPRIATION OF \$540,000.00 FROM THE CITY GENERAL FUND RESERVE TO SUPPORT THE CITY'S BUSINESS STABILIZATION AND RECOVERY FUND IN THE CITY OF GRAND JUNCTION, COLORADO**

#### RECITALS:

On March 10, 2020, Governor Polis issued an Executive Order declaring a State of Emergency in response to the novel coronavirus of 2019 (COVID-19) pandemic

On March 13, 2020 President Trump declared a national emergency in response to the COVID-19 pandemic.

On March 23, 2020 the Grand Junction City Council declared a local emergency due to the health and economic impacts of the COVID-19 pandemic.

Pursuant to the local declaration of emergency, and by and with this emergency ordinance, the City is authorized to assist persons impacted by complying with the Federal, State or local public health official's imposition or recommendation of social distancing, self-quarantine, business closures and other measures related to COVID-19 that have direct and indirect impacts on business and economic conditions.

The temporary assistance afforded by this ordinance includes the creation of an emergency fund ("Business Stabilization and Recovery Fund" or "Fund") in the City's budget for expenditure for the expenses directly and indirectly related to forestalling foreclosure, rental assistance and temporary mitigation of other financial impacts on business in the City of Grand Junction. The City Council authorizes appropriation and expenditure of the Fund for temporary economic assistance grants and/or advances to Grand Junction businesses that were closed by virtue of Executive Orders/Public Health Orders ("PHO's") issued by the Governor/Colorado Department of Public Health and Environment ("CDPHE") and experienced significant decline in gross revenue and/or other significant economic disruption, hardship or consequences because of COVID-19, as more specifically defined and described by this Ordinance.

With the approval of the Coronavirus Aid Relief and Economic Security (CARES), a \$2.2 trillion-dollar economic relief package, small business and economic disaster loans and certain business tax credits were made available; however, the Act provides little immediate relief and even less relief to businesses that were required to close by virtue of "stay at home" or other Public Health Orders ("PHO's") including PHO 20-20 (Restricting Visitors to all Colorado Skilled Nursing Facilities, Assisted Living Residences and Intermediate Care Facilities); PHO 20-22 (Closing Bars, Restaurants, Theaters, Gymnasiums, Casinos, Noncritical Personal Services Facilities, and Horse Track and Off-Track Betting Facilities Statewide) and PHO 20-23 (Implementing Social Distancing Measures) and PHO 20-24 (the "Stay at Home" order) all of

which actions and prohibitions were necessary for the health and safety of the residents of Colorado.

While Federally guaranteed loans and tax credits may be helpful to business long term, in the shorter term the City Council, by and with appropriation of the Fund, intends to respond to the impact of the COVID-19 emergency on Grand Junction businesses by quickly delivering financial support to help sustain businesses and workers as more significant State and Federal aid is delivered and to help the most vulnerable businesses first.

For purposes of this appropriation and expenditure of the Fund, the City Council finds and determines that priority shall be given to businesses that were required to close or substantially modify their operations because of PHO's issued by the Governor/CDPHE in response to COVID-19. Subject to further definition by the administrator of the Fund, allowed uses ("Allowed Uses") include payment of business rent, business mortgage, software license/subscription costs for point of sale systems and/or software critical to the ongoing operation of the business, and business insurance premiums.

The Business Incubator/Small Business Development Center has agreed to develop and utilize an application, which when the Fund is available, will be made available to impacted businesses. Businesses will apply pursuant to the application and procedures established by the Business Incubator/Small Business Development Center. Applicants will be notified by email of application status within a week of completion of the review.

The Business Incubator/Small Business Development Center will provide administrative support and funding decisions for allocation of the Fund, including managing the applications, reviewing applications and determining loan amounts, issuing checks and monitoring use of funds and loan agreements.

The Fund shall in all ways be expended in furtherance of the purposes of this appropriation ordinance and in response to and because of the declared COVID-19 emergency and in response to, and for the benefit of, the Grand Junction economy in the aftermath of the pandemic.

The City of Grand Junction has the authority pursuant to its Charter, ordinances and law to appropriate and expend funds in support of the general health, safety and welfare of the inhabitants of the City. The threats of the COVID-19 virus emergency are not just related to people's health but instead, and possibly to a much greater extent, relate to their economic health and well-being, which in turn substantially and directly impacts the health and wellbeing of the City.

Given the unprecedented economic impacts, some of which are known and some of which remain unknown, of the COVID-19 outbreak on the local, regional, State and national economy the City Council finds and determines that an appropriation is necessary, proper and that adoption of this ordinance will further the general health, safety and welfare of the community.



This ordinance appropriates a certain sum of money to defray the expenses and liabilities of the Fund. Furthermore, the 2020 budget shall be deemed to be amended for labor, equipment and capital expenses for the performance of projects that persons employed pursuant to the Fund may perform, and human services agencies may deliver, all as specifically or generally stated in the ordinance.

Supplemental appropriations are required to ensure adequate appropriations by fund. If a new project or spending is authorized by City Council a supplemental appropriation is required for the legal authority to spend the funds. This ordinance confirms that authority and the City Manager is directed to forthwith develop and implement a plan for the expenditure of the Fund, including but not limited to contracting with the Grand Junction Business Incubator/Small Business Development Center for the administration of the Fund. The appropriation and expenditure will include payment of compensation to the Grand Junction Business Incubator/Small Business Development Center for its services in an amount not to exceed \$40,000.00. That sum will provide for coaching, technical assistance and administration of the Fund.

The Fund shall be allocated:

- a) to businesses with a physical location in the Grand Junction City limits; and,
- b) such that no business/business entity receives more than \$7500.00; and,
- c) if a business has more than one location, only one location may apply for/receive funding; and,
- d) each award shall be specifically related and in direct response to, impacts from the business closing or substantially modifying its operations because of COVID-19 Executive/Public Health Orders issued by the Governor/Colorado Department, as particularly described in this Ordinance; and,
- e) pursuant to the application and eligibility criteria and determinations made by the Grand Junction Business Incubator Center/Small Business Development Center, which are as follows.
  - 1) The Fund will be administered as a revolving loan fund and will be forgivable loans, ("Loans") subject to approval and performance by the borrowers and on terms and conditions established by the Business Incubator/Small Business Development Center;
  - 2) Loans will be equal to the lesser of 50% of two-months of Approved Uses or \$7,500;
  - 3) To qualify for Loans businesses must demonstrate to the reasonable satisfaction of the Business Incubator/Small Business Development Center;
    - i) the applicant was compelled to close or substantially limit business operations due to the Executive Orders/PHO's issued because of the COVID19 pandemic, and,
    - ii) the applicant business must have been open as of March 1, 2020 with the business having a physical address in the Grand Junction City limits; and,

iii) the applicant business has 50 or fewer full-time employees and have local ownership.

iv) the applicant business must be in good standing, including tax, zoning, health department and other regulatory matters, with the City of Grand Junction, Mesa County and as applicable, the State of Colorado; and,

v) the applicant business must submit an operating plan and financial statements as required by the Business Incubator/Small Business Development Center. An applicant business applying for funds for rent/mortgage payment will be counseled to use the Loan funds to negotiate with the landlord or mortgagor for payment reductions and/or surety against eviction for at least 90 days.

4) A Loan may be used for:

i) business rent,

ii) business mortgage,

iii) software license/subscription costs for point of sale systems and/or software critical to the ongoing operation of the business,

iv) business insurance premiums.

5) Loan terms are summarized as follows. Specific Loan terms will be determined in Loan documents developed and administered by the Business Incubator/Small Business Development Center.

i) Loans will be zero interest/payments for six months from origin date.

ii) Loans will be 100% forgiven if the borrower submits documentation to the reasonable satisfaction of the Business Incubator/Small Business Development Center showing payment of/for approved uses [4 i-iv].

iii) demonstration of job retention/creation is no required.

iv) there will be no application or origination fees.

v) there will be no required principal or interest payments for the first six months of a Loan. If the business fails to meet Loan forgiveness criteria, payments will be amortized beginning in month 7 for 18 months on the principal plus interest at the rate of Prime plus 4%.

vi) Loans are unsecured but will require unlimited guarantees of any business owner with 20% or more ownership of the business.

vii) an approved Loan will be funded within 24 hours of closing.

The City Manager shall, within one hundred eight days of the effective date of this Ordinance report to the City Council on the effectiveness of the Ordinance at achieving its stated purposes and protecting the general health, safety and welfare of the residents of the City.

This action is unprecedented; however, it is wholly consistent with the City's *Strategic Plan*. The adoption of this ordinance furthers the City's partnership with the community. As stated in the *Plan* the City

"... views partnership in its broadest sense and not merely through the lens of delivering municipal services. Partnership with a common purpose is the key to success



with public and private collaboration. Whether evaluating opportunities for shared services, partnering for economic development, or creating a shared vision for the future of our community, we recognize that our residents will be best served as we work together with other organizations to find solutions. We take every opportunity to celebrate past successful partnerships to build momentum for future collaboration.”

The adoption of this ordinance is fiscally responsible. In this time of emergency, it would in fact be irresponsible to not adopt this ordinance. The approval of the ordinance will help to stabilize some people and in turn some businesses and in turn blunt the impact of the emergency. According to City Council policy, City reserves are for a “rainy day”- the COVID-19 emergency necessitates expenditure of reserves so in the near and longer term future the economy may recover faster and stronger than if the Fund is not expended. As stated in the *Plan*

“The foundation of effective local governance is trust. To continue to build the trust placed in us by our citizens, we must be responsible stewards of the resources entrusted to our care. Because of limited resources, we must be effective in prioritizing our spending to focus on the things that citizens have identified as most important. As we establish plans and priorities, we do so with an eye to the future. It is not enough to merely find a way to fund a new project or amenity. We must also ensure that we are planning for long-term ongoing operations and maintenance with each item that we prioritize.”

The adoption of this ordinance serves to communicate with and engage the community at a time and under circumstances of severe need. As stated in the *Plan* the City will act to “build trust and ensure we continue to focus limited resources on our community’s highest priorities.” Appropriating funds to the Business Stabilization and Recovery Fund is important to and may be in the long term an essential priority for the community.

With the adoption of this ordinance the City Council is endeavoring to serve the people that make this community great. As stated in the *Plan*

“Grand Junction was founded by innovative leaders, ready to lead the way to a new future. Our city continues in that tradition of leadership today. We are not content to wait around for the future, but rather desire to actively shape it. Our City holds a key position in the region. We must be a driving force in issues of regional importance and play a leading role in the growth occurring on the Western Slope. We will do this by setting an example of how local government should operate – in our conduct, in our words, and in our ideas. The status quo will not satisfy us, nor will it work, as we continue to push ourselves outside of our comfort zone to be innovative leaders.”

At its April 15 and May 6, 2020 meetings the City Council considered the foregoing Recitals, the purposes of this Ordinance and the importance of it to the Community and determined that an appropriation in the sum of \$540,000.00 is necessary and proper given the current emergency.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION, COLORADO:**

That the following sum of money be appropriated from unappropriated fund balance and additional revenues to the Fund indicated for the year ending December 31, 2020, to be expended from such funds as follows:

Fund Name	Fund #	Appropriation
General	100	\$540,000.00

Severability.


This Ordinance is necessary to protect the public health, safety and welfare of the residents of the City. If any provision of this Ordinance is found to be unconstitutional or illegal, such finding shall only invalidate that part or portion found to violate the law. All other provisions shall be deemed severed or severable and shall continue in full force and effect.

INTRODUCED on first reading on the 15<sup>th</sup> day of April 2020 and ordered published.

ADOPTED on second reading this 6<sup>th</sup> day of May 2020.

  
C.E. Duke Wortmann  
President of the Council

ATTEST:

  
Wanda Winkelmann  
City Clerk



I HEREBY CERTIFY THAT the foregoing Ordinance, being Ordinance No. 4920 was introduced by the City Council of the City of Grand Junction, Colorado at a regular meeting of said body held on the 15<sup>th</sup> day of April 2020 and the same was published in The Daily Sentinel, a newspaper published and in general circulation in said City, in pamphlet form, at least ten days before its final passage.

I FURTHER CERTIFY THAT a Public Hearing was held on the 6<sup>th</sup> day of May 2020, at which Ordinance No. 4920 was read, considered, adopted and ordered published in pamphlet form by the Grand Junction City Council.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City this 8<sup>th</sup> day of May 2020.

  
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Deputy City Clerk

Published: April 17, 2020  
Published: May 8, 2020  
Effective: June 7, 2020