

CITY OF GRAND JUNCTION, COLORADO

RESOLUTION NO. 17-21

A RESOLUTION AUTHORIZING AND RATIFYING THE EXPENDITURE OF THE EMERGENCY APPROPRIATION OF UP TO \$250,000.00 IN SUPPORT OF NONPROFIT BUSINESS ENTERPRISES IN GRAND JUNCTION IN RESPONSE TO THE COVID-19 PANDEMIC

Recitals:

On February 3, 2021 the City Council unanimously approved Ordinance 4981, an emergency ordinance making supplemental appropriations to the 2021 City budget. Ordinance 4981 appropriated \$1,027,000 to provide support for the #GJSTRONG Fund for emergency food supply and economic relief to businesses and nonprofit agencies in the City.

Prior to the adoption of Ordinance 4981 the City Council had funded COVID impacted business and food and shelter relief but had not funded assistance for nonprofit entities. The City Council conditioned the expenditure of the \$250,000 appropriated by Ordinance 4981 for assistance to nonprofits on the development of a nonprofit business and recovery grant program.

The guidelines for the program also known as *Nonprofits are Businesses Too* have been developed and with this Resolution the same are submitted for ratification by the City Council as required by Ordinance 4981.

The City Council is appreciative of Mr. Jon Maraschin and the Business Incubator Center/Small Business Development Center (BIC/SBDC) for the BIC's commitment to administer the *Nonprofits are Businesses Too* program.

Furthermore, the City Council extends its appreciation and thanks to Executive Director Maraschin and the BIC for its administration of the business support components of the #GJSTRONG Fund and for the assistance of the Western Colorado Community Foundation, by and through its President and Executive Director Anne Wenzel and Director of Grants Tedi Gillespie for its direction of the food and shelter relief efforts funded by the City's #GJSTRONG Fund.

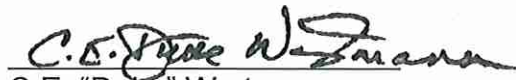
NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION THAT:

The City Council does hereby ratify and approve the *Nonprofits are Businesses Too* grant funding program and accordingly deems the condition created by Ordinance 4981 satisfied. The *Nonprofits are Businesses Too* program overview and qualifications for

funding, dated February 4, 2021, is attached and incorporated by this reference as if fully set forth.

All actions taken on behalf of the program are wholly authorized and confirmed by this resolution.

PASSED AND APPROVED this 17th day of February 2021.



C.E. "Duke" Wortmann
President of the Council

ATTEST:



Wanda Winkelmann
City Clerk



February 4, 2021

Overview:

Due to the unprecedented COVID pandemic, local nonprofit entities have been tasked with *stepping up* and assisting the community across a wide array of areas, needs and hardships. While assisting our community is the individual and collective mission of nonprofit entities they have seen significant increases in the costs of operation while being impacted by the inability to raise funds to run their businesses and meet the increased needs resulting from the pandemic. Many nonprofits have been successful in acquiring grants to serve their end-users; however, a shortage of operational funds and the capacity to absorb the increased costs of dealing with the pandemic has been a problem.

Based on the operational support needs of our nonprofit community, it has been proposed that the City of Grand Junction create a grant fund for certain community nonprofits, which fund is loosely modeled on the City's business grant program.

Program:

Grand Junction *Nonprofit* Business Stabilization and Recovery Grant Fund Phase I, also known as "*Nonprofits are Businesses Too*" is as follows.

The Business Incubator Center ("BIC") is requesting \$250,000 from the City of Grand Junction ("City") that will be used to create a new COVID19 response grant fund specifically to assist with shortfalls in the operational funding needs of eligible nonprofit entities ("Nonprofit Business Entity" or "NBE") negatively impacted by the COVID pandemic as those NBE's endeavor to meet the various needs of our Grand Junction Community.

For this program, nonprofit businesses are defined as follows:

"Nonprofit business" is a Colorado not for profit entity in good standing that is established for any benevolent, educational, philanthropic, humane, scientific, social welfare or social advocacy or other eleemosynary purpose(s) and any operation for the benefit of veterans."





BUSINESS INCUBATOR CENTER

Expert Help • Targeted Resources • Tangible Results

A grant will be no more than \$7,500 per eligible NBE applicant.

To administer the program, the BIC will be paid \$25,000.

Program will run for 60 days from time funding becomes available; funds will be disbursed in two tranches as follows.

To qualify for funding, an eligible NBE must meet all of the following criteria:

1. The NBE must attest that it has experienced a negative financial impact, which includes but is not limited to, closing or significantly reducing operations due to the COVID19 Pandemic and that its net assets (income) have decreased over the prior 12-month period; any COVID specific grants the NBE has received to address the pandemic will be considered when analyzing its net asset/income based on year-end 2020.
2. An NBE applicant that has received prior funding from the City of Grand Junction to address community needs is eligible (if funds were largely used to serve the community and not for the operations of the NBE.)
3. An NBE formed or operated under the auspices of a church or with a religious affiliation may apply; however, the NBE must demonstrate direct impact to the community beyond the congregation, parishioners or adherents that it serves and the NBE must attest that the funds will not be used to proselytize or advance a doctrine.
4. An NBE that receives operational support from the City of Grand Junction (e.g., CDBG or other funding) is ineligible.
5. The principal location of an NBE must be physically located in Grand Junction city limits or the NBE must demonstrate that it serves, to the satisfaction of the BIC in its sole discretion, a preponderance of City residents.
6. The NBE must have 1 - 25 FTE (full time equivalent) employees; an NBE without an employee(s) is(are) ineligible.





BUSINESS INCUBATOR CENTER

Expert Help • Targeted Resources • Tangible Results

7. An NBE with more than 90-days cash (unrestricted) is ineligible.
8. An NBE must attest that it is in good standing with the City of Grand Junction and Colorado Secretary of State.
9. To be considered for approval, an NBE applicant will be required to provide the following:
 - a. Current financial statements, year-end 2019 and year-end 2020; if applicant launched in 2020, then monthly financials may be required to validate need and viability;
 - b. 12-month budget/budget projections;
 - c. Documentation of costs showing need for funding - required documentation may include but is not necessarily limited to mortgage/rent statements, payroll, utilities and recurring operational costs;
 - d. Current financial situation including operational income, cash reserves and days cash;
 - e. Projected operational expenses for 90 days;
 - f. Any significant change(s) to mission due/in response to COVID;
 - g. Historical donations, donors (names do not need to be provided) and revenue model (events, fundraisers, etc.); expected ongoing donations and operational plan to secure future funds;
 - h. Basic business/survivability plan (template will be provided with application);
 - i. Other information as requested by the BIC.
 - j. Completion of any and all required application(s), disclosure(s), consent(s) and agreement(s) as required by the BIC.

Funding process:

1. Funding will be processed in two 30-day rounds as follows:
 - a. First round will close at 5 p.m. on 30th day after funds become available.
 - b. Applicants will be stack ranked based on community needs given top priority and funds allocated by the BIC in accord with this policy, and as deemed necessary by the BIC consultation with the City.





BUSINESS INCUBATOR CENTER

Expert Help • Targeted Resources • Tangible Results

- c. Second round will close at 5pm on 60th day after funds become available.
- d. Applicants will be stack ranked based on community needs given top priority and funds allocated appropriately by the BIC in accord with this policy, and as deemed necessary by the BIC in consultation with the City.

Approved uses of funds: Awarded funds shall be used to pay fixed and operational costs.

Job Creation/Retention Requirements: There are no job retention/creation requirements.

Leverage of Other Funds: While leveraging other funds are encouraged, it is not required.

Federal Requirements: None

