



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 20-0625, **Version:** 1

Consider/Discuss/Act on a Resolution Increasing the Program Budget for the Tri-City Collin County Small Business Grant Program in an Amount not to Exceed \$5,600,000 of Collin County Direct Allocation Cares Act Funds; and Providing for an Effective Date

COUNCIL GOAL: Direction for Strategic & Economic Growth

MEETING DATE: July 21, 2020

DEPARTMENTS: City Manager's Office
McKinney Economic Development Corporation (MEDC)

CONTACT: Kim Flom, Assistant City Manager
Peter Tokar, MEDC Executive Director

REQUESTED ACTION:

- Resolution approval.

ITEM SUMMARY:

- Consider a resolution increasing the program budget for the Tri-City Small Business Grant Program.
- The budget amendment proposes adding \$600,000 of the Direct Cost Program allocation of CARES Act funding from Collin County to the Tri-City Business Grant Program.
- If approved, Business Grant Program would utilize up to \$5,600,000 of the \$10,098,347.55 Collin County CARES Act Direct Allocation funds.

BACKGROUND INFORMATION:

- The City Council authorized the Tri-City Small Business Grant Program on June 23, 2020.
- 231 applications were received, requesting a total amount in excess of program funds.
- Rather than deny some applications based on scoring, the program budget can be increased in order to fund all eligible applications.
- Application reviews are still in process, but the third-party administrator estimates that eligible funding requests would not exceed \$5,209,000. Associated administrative costs are estimated at \$390,630, resulting in a total funding requirement of \$5,599,630.
- The budget amendment has been drafted as a not to exceed of \$5,600,000. Because the reviews are not finalized, it is possible that the total funding needed will be less than the proposed amount.
- If the program budget remains at \$5,000,000, the third-party administrator will continue to review. Funding will be awarded to the most eligible applicants based on score, per the program guidelines.

FINANCIAL SUMMARY:

- As proposed, this program would utilize \$5,600,000 (55%) of the Direct Cost Program allocation of CARES Act funding from Collin County. The \$5,600,000 will fund awarded business grants and associated administrative fees (7% plus a fixed fee of \$26,000) per the TPA contract.
- Funding is available from the CARES Act Direct Cost Program to cover this request.

BOARD OR COMMISSION RECOMMENDATION:

- N/A

PROPOSED MOTION

I move to approve the Resolution increasing the program budget for the Tri-City Collin County Small Business Grant Program in an amount not to exceed \$5,600,000 of Collin County Direct Allocation Cares Act Funds; and providing for an effective date.