

# McKinney Business Support and Stimulus Program Update

City Council Work Session June 2, 2020

Kim Flom, Assistant City Manager

# COVID-19 Local Business Support



# Local Program Considerations

- Supplement other recovery efforts
- Business types and priorities
- Meaningful and impactful support
- Integrate across departments and organizations
- Flexible approaches for different stages of recovery
- Simple and efficient administrative process
- Performance tracking

*Complete*



### Short Term

- McKinney Strong T-Shirt Sales
- McKinney Strong \$1,500 Grant Program (Round 1)

*March - June*

*In Progress*



### Mid Term

- McKinney Strong \$1,500 Grant Program (Round 2)
- CARES Act Business Recovery Grant

*June - September*

*Conceptual*

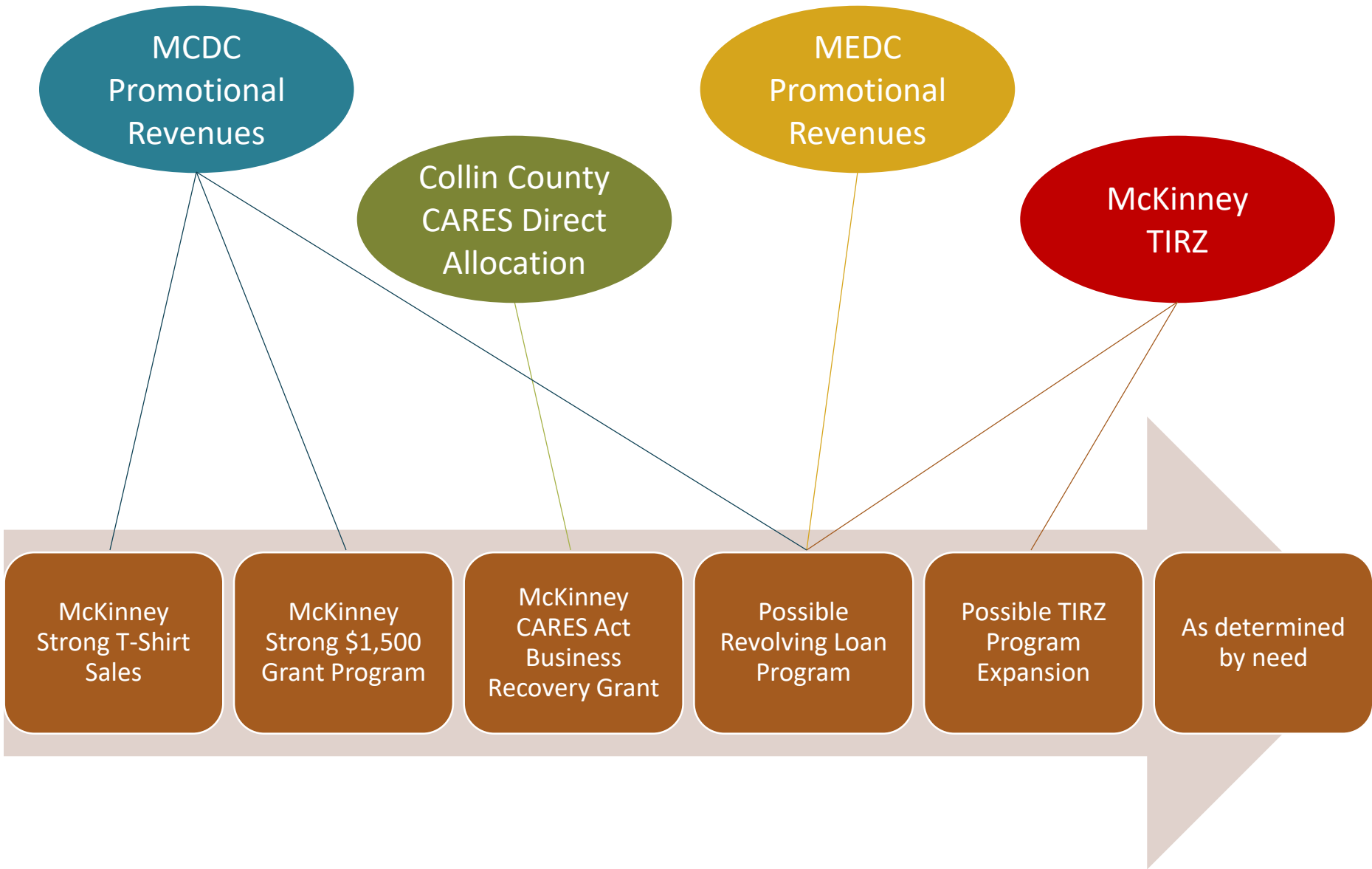


### *Possible* Long Term

- Revolving Loan Fund
- TIRZ Program Expansions
- Other options as identified by need

*September - ?*

***Communication, Support & Programming***



# CARES Act Funding Provisions

## Eligible Purposes

Section 5001(d) of the CARES Act provides the eligible purposes for which Coronavirus Relief Fund payments may be used. Specifically, it allows state and local governments to make payments for programs that

- (1) are necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19);
- (2) were not accounted for in the budget most recently approved as of the date of enactment [March 27, 2020] of this section for the State or government; and
- (3) were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.<sup>4</sup>

# CARES Act Funding Provisions

- Grants to small businesses to reimburse the costs of business interruption caused by required closures.
- Cannot be used for government revenue replacement (property taxes, government utilities).
- Cannot be used for capital improvements. Exact eligible expenses not clearly defined at this time.
- Consideration for alignment with neighboring communities based on funding source.
- Federal requirements may warrant consideration for an outside review agency.

## Next Steps:

### 1. McKinney Strong COVID-19 Grant Program – Round 2(\$1,500)

- First round funding estimate: \$330,000
- Remaining funds: Up to \$670,000
- Open a Phase 2 application window (June-July)
  - Home Based Businesses (maximum of \$1,000)
  - Nonprofits not eligible
  - March to June expenses
  - Target unsubmitted applications

2. Additional mid-term program offering larger grant amount to follow and utilize part of the Collin County CARES Act Direct Allocation.

3. Business Support & Stimulus team to explore additional long-term resources and support mechanisms based on need.



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