

Issue Analysis Form



Date: July 14, 2020
Item: COVID-19 Small Business Micro-Grant Agreement
Lead Department(s): County Attorney
Contact Person(s): Dan Whitten

Description and Current Status

The Industrial Development Authority (“IDA”) has the authority to make grants of money, or property for economic development pursuant to Section 15.2-4905(13), VA Code Ann. COVID-19 shutdown and forced closure of non-essential businesses has severely impacted small businesses in Prince George County. It is now necessary to provide financial relief in emergencies to small businesses in Prince George County as an essential part of the County’s economic development and recovery efforts.

The County desires to set up a COVID-19 small business micro-grant program implemented by the IDA to assist the Prince George County small businesses to provide needed cash for working capital to support rent, mortgage payments, utility expenses or other similar expenses.

The County has been notified that it would receive funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Sample Motion: I move that the Board approve the attached COVID-19 Small Business Micro-Grant Agreement with the IDA.

Government Path

- Does this require IDA action?** Yes No
- Does this require BZA action?** Yes No
- Does This require Planning Commission Action?** Yes No
- Does this require Board of Supervisors action?** Yes No
- Does this require a public hearing?** Yes No
- If so, before what date?**

Fiscal Impact Statement

Funds received from the CARES Act will be transferred to the IDA in requested drawdowns for distribution. Any unused funds will be returned to the County within 30 days of December 30, 2020.

Board of Supervisors
County of Prince George, Virginia

Resolution

At a regular meeting of the Board of Supervisors of the County of Prince George held in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia this 14th day of July, 2020.

Present:

Donald R. Hunter, Chairman
Alan R. Carmichael, Vice-Chairman
Floyd M. Brown, Jr.
Marlene J. Waymack
T. J. Webb

Vote:

C-8

On motion of _____, which carried unanimously, the following Resolution was adopted:

RESOLUTION; AUTHORITY TO EXECUTE COVID-19 SMALL
BUSINESS MICRO-GRANT AGREEMENT

BE IT RESOLVED That the Board of Supervisors of the County of Prince George this 14th day of July, 2020, does hereby authorize the execution of a COVID-19 Small Business Micro-Grant Agreement.

A Copy Teste:

Percy C. Ashcraft
County Administrator

COVID-19 SMALL BUSINESS MICRO-GRANT AGREEMENT

This **PRINCE GEORGE COUNTY COVID-19 SMALL BUSINESS MICRO-GRANT AGREEMENT** (hereinafter the "Agreement") made and entered this ____ day of July, 2020, by and among **THE COUNTY OF PRINCE GEORGE, VIRGINIA** (the "County") a political subdivision of the Commonwealth of Virginia and the **INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PRINCE GEORGE, VIRGINIA** (the "IDA"), a political subdivision of the Commonwealth of Virginia, individually a "Party" and collectively the "Parties."

WITNESSETH:

WHEREAS, the IDA has been created to promote economic development of Prince George County, Virginia pursuant to enabling legislation under Section 15.2-4900 et seq., VA Code Ann.; and

WHEREAS, the IDA has the authority to make grants of money, or property for economic development pursuant to Section 15.2-4905(13), VA Code Ann.; and

WHEREAS, the COVID-19 shutdown and forced closure of non-essential businesses has severely impacted small business in Prince George County, particularly in the retail, restaurant and travel-related sector; and

WHEREAS, it is now necessary to provide financial relief in emergencies to small businesses in Prince George County, in response to the economic impact of COVID-19 as an essential part of the County's economic development and recovery efforts; and

WHEREAS, the County desires to set up a COVID-19 small business micro-grant program (hereinafter the "Program"), implemented by the IDA, that will assist the Prince George County small businesses by providing needed cash for working capital to support rent, mortgage payments, utility expenses or other similar expenses that occur in the ordinary course of business; and

WHEREAS, the County was notified that it would receive _____ of Coronavirus Relief Funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act; and

WHEREAS, on _____, 2020, the Board of Supervisors of Prince George County authorized the budget, appropriation and transfer of \$_____ of CARES Act funds to the IDA for distribution pursuant to the Program, as set forth herein; and

WHEREAS, upon execution of this Agreement, the County shall transfer in requested drawdowns to the IDA the CARES Act Funds of \$_____, to be distributed pursuant to the Program, in accordance with this Agreement; and

WHEREAS, the County and the IDA desire to enter into this Agreement to memorialize the understandings and conditions under which the Program will operate and to set forth the obligations and responsibilities of the parties in connection therewith.

NOW, THEREFORE in consideration of the foregoing, the mutual benefits, promises and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows:

Section 1 – Incorporation of Recitals

The preceding recitals are an integral part of the Agreement and set forth the intentions of the Parties and the premises on which the Parties have entered into this Agreement. Accordingly, the recitals are fully incorporated into this Agreement by this reference as if fully set forth herein.

Section 2 - Definitions

For the purposes of this Agreement, the following terms shall have the following definitions:

“Effective Date” means July 15, 2020.

“Deputy County Administrator” means the Deputy County Administrator of Prince George County that handles economic development or designee.

Section 3 – IDA Covenants and Obligations

- (a) The IDA agrees to use the CARES Act Grant Funds for the purpose of providing Micro-Grants to Prince George County small businesses in the areas of hospitality and entertainment, retail trade and employment and administrative support services. This would include, but is not limited to, hotels, restaurants, retail stores, personal services establishments, offices and facility support services, and tourism venues.
- (b) The IDA acknowledges and agrees that the CARES Act grant funds are County funds for which the IDA is serving as conduit as that the IDA’s obligation to disperse Micro-Grants to the small businesses is wholly contingent upon the IDA’s receipt of the CARES Act grant funds from the County.
- (c) The IDA acknowledges and agrees that the IDA has designated the Deputy County Administrator, to administer the Program for the IDA in all respects, including but not limited to, making determinations as to which businesses received Micro-Grants, and the process for selecting the Micro-Grant recipients. Upon receipt of the requisite monies from the County to fund the Program, the IDA shall, subject to the Disbursement Prerequisites in Section 5, disburse the Micro-Grant payments to the selected small businesses pursuant to Section 6. The IDA will return any unutilized CARES Act grant funds monies to the County within 30 days of December 30, 2020. Any CARES Act grant funds that are not distributed by the IDA by December 30, 2020, shall be returned to the County.

Section 4 - Small Business Qualification Criteria

- (a) The business must hold a 2020 Prince George County business license.

- (b) The business must have been impacted from COVID-19 for any period between March 1, 2020 through September 30, 2020.
- (c) The business must have fewer than 101 full time employees.
- (d) The business must be in good standing with Prince George County taxes and utilities or be on an active payment plan.
- (e) The business must be a for-profit business.
- (f) The business must not be a publicly traded company.
- (g) The business must have a physical presence in Prince George County.
- (h) The max grant amount is \$3,500.

Section 5 - Disbursement Prerequisites

The IDA's obligation to disburse the individual Micro-Grants to the selected small businesses is subject to and conditioned upon the following pre-conditions:

- a) Receipt of Application – The small business must have provided the Deputy County Administrator with a complete Micro-Grant application.
- b) Certification of Application – The Deputy County Administrator must have certified that the small business qualifies for the Program and that the small business has provided all the information required to make this determination.
- c) Selection of Recipients – The Deputy County Administrator must have selected the recipients of the Micro-Grants from the pool of certified applicants and the amount of the Micro-Grant each recipient is qualified to receive.

Section 6 - Disbursement of CARES Act Grants

If the pre-condition and all other applicable disbursement prerequisites are met, and upon receipt of the Deputy County Administrator's written instructions, the IDA shall disburse \$_____ in individual grants not to exceed Three Thousand Five Hundred Dollars (\$3,500) to the recipients of the Program as determined by the Deputy County Administrator. The IDA shall disburse the Micro-Grant funds within 10 days for each batch after the Deputy County Administrator transmits the batch list of Micro-Grant recipients to the IDA.

Section 7 - Miscellaneous

(a) *Entire Agreement; Amendments.* This Agreement constitutes the entire agreement among the Parties and may not be amended or modified, except in writing, signed by each of the Parties hereto.

(b) *Governing Law; Venue:* This Agreement is made, and is intended to be performed, in the Commonwealth of Virginia and shall be construed and enforced by the laws of the Commonwealth of Virginia without regard to its conflict of laws provisions.

(c) *Counterparts:* This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument.

(d) *Severability:* If any provision of this Agreement is determined to be unenforceable, invalid or illegal, then the enforceability, validity and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.

(e) *Assignment:* The Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

Section 8 - Notices

Any notices required or permitted under this Agreement shall be given in writing, and shall be deemed to be received upon receipt or refusal after mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean return of certified mail or overnight courier package not accepted by the addressee):

if to the County, to:

Percy C. Ashcraft, County Administrator
County of Prince George
6602 Courts Drive, 3rd Floor
Post Office Box 68
Prince George, Virginia 23875-0068

with copy to:

Dan Whitten, Esquire
Prince George County Attorney
6602 Courts Drive, 3rd Floor
Post Office Box 68
Prince George, Virginia 23875-0068

if to the Authority, to:

Jeff Stoke, Assistant Secretary
Industrial Development Authority of the
County of Prince George, Virginia
6602 Courts Drive, 3rd Floor
Post Office Box 68
Prince George, Virginia 23875-0068

IN WITNESS WHEREOF, the parties hereto have executed this Performance Agreement as of the date first written above.

COUNTY OF PRINCE GEORGE, VIRGINIA, a political subdivision of the Commonwealth of Virginia

By _____

Name: _____

Title: _____

Date: _____

INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PRINCE GEORGE, VIRGINIA, a political subdivision of the Commonwealth of Virginia

By _____

Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

Dan N. Whitten, County Attorney