

City of Bloomington

Economic Stabilization & Recovery Working Group

Rapid Response Recommendations

Version 3: Prepared for Mayor John Hamilton

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Change Log

Version 3.0 of this document:

- Is reorganized to bring rapid response to the fore
- Divides relief activities into two phases
- Includes more specific information on loan programs
- Moved contextual information on Bloomington and regional economy to the appendices

Overview & Summary Recommendation

ES&R recommends rapid responses followed by broader recovery efforts.

The brief provides Mayor John Hamilton and City of Bloomington leadership with recommendations for economic stabilization and revitalization during the COVID-19 crisis. It was prepared by the Economic Stabilization & Recovery (ES&R) Working Group, convened by Mayor Hamilton on March 23, 2020, and will be updated as the COVID-19 situation evolves. While initial drafts focus on rapid response actions the City can take to address immediate economic challenges, the ES&R team is developing mid- and long-range recovery plans and will engage partners across Monroe County and the region to develop ongoing relief efforts.

Small businesses are impacted heavily, with an expected economic domino effect.

The leisure and hospitality industries were hardest hit early in the crisis, affecting restaurants, hotels, and their suppliers. Anecdotal evidence points to an impact on other services facing closings and cancellations, everything from retail to small manufacturing. A domino effect is expected as businesses become unable to pay suppliers, landlords, and mortgages. Initial Monroe County unemployment filings leapt to approximately 1,000 claims in the week ending March 21. Nationally, unemployment filings skyrocketed to 10 million by April 2.

Immediate response focuses on local business, followed by longer term recovery plans.

Employment in this region is supported by two complementary halves of the economy: (1) businesses that serve the local market and (2) traded businesses that sell goods and services outside of the region. While local employers were hit most heavily early in the crisis, long term recovery will require connections to both halves of the economy and the larger economic region.

Businesses face immediate working capital needs.

Bloomington's business community reports its most critical need is immediate working capital in amounts under \$50,000 within 1–2 months. This aligns with gaps in existing and expected capital from SBA Disaster Loans, government aid, traditional, and alternative financing sources.

City of Bloomington funding support should fill gaps.

The ES&R Working Group recommends creating small-dollar, rapidly deployed capital with short-term repayment deferral, low interest, and simple eligibility criteria. This may be combined with funding to leverage existing capital resources at lower interest rates to expand capacity in the medium-term.

The City can leverage the following public funds:

The ES&R Working group recommends that the City leverage the following public funding sources:

- Food & Beverage Tax funds: Leverage up to \$2 million in F&B Tax funds, if approved, distributed via the Bloomington Small Business and Nonprofit Rapid Response Fund.
- BUEA Funds: Leverage \$500,000 from the Bloomington Urban Enterprise Association (BUEA), if approved, with a majority split between arts grant funding and micro loans for businesses excluded from F&B Tax fund coverage.

The Working Group further recognizes limitations in capacity and expertise among City staff to administer a loan program and advises that the program be overseen by an administrative body with industry and financial expertise.

Wraparound support is recommended for employers and individuals.

The Working Group recommends collaboration with partners across local sectors to provide wraparound non-funding, technical assistance for employers and individuals, especially focused on navigating current and upcoming state and federal initiatives. This will create a multiplier effect for any funds spent.

The City can support and develop non-funding aid for employers and workers such as:

- **Information sharing:** Promoting access to [centralized information resources](#) and technical assistance through entities like the Indiana Small Business Development Center, so businesses know how to engage with these resources. Supporting and promoting Dimension Mill Inc.'s grant-funded COVID-19 call center and other services supporting local businesses and organizations during the pandemic.
- **Hosting procurement summits** with partners to enable businesses throughout the region to learn how to sell products and services online and in other non-traditional ways, including to government entities and major industries. Assessing internal procurement practices and redirecting purchasing to local sources where possible.
- **Employment support:** Promoting existing employment resources, while helping to connect the dots between employers seeking help and displaced workers.
- **Regulatory relief:** Offering regulatory relief in the form of delayed licensing fees and extensions on licenses. Identifying mechanisms for short-term regulatory relief, such as extending license renewals.

Engage partners across the county and region to roll out and adapt this support.

Ongoing collaboration across the region is key to reaching employers while adapting resources amidst global changes. The duration and reach of this crisis is unknown, so these efforts must be sustainable.

Timeline and initial next steps:

The ES&R Working Group recommends the following steps to align with the Common Council:

Tuesday, March 31	ES&R presents to the Sustainable Development Committee. [Complete]
Wednesday, April 1	Memo presented to Bloomington Common Council. [Complete]
Thursday, April 2	Presentation of Draft 3 to Mayor Hamilton
Monday, April 6	Distribution of Draft 3 to City Council
Tuesday, April 7	Release of Draft 3 to general public

Local economic impact of the crisis

Based on a [Brookings Institution analysis](#), the Bloomington MSA has just over 10,000 jobs in industries that are at high risk, for a 15% share of all jobs in the metro (see [appendix table here](#), see also Appendix 1 for general information on the local economy).

Jobs interfacing with the public were impacted earliest, with some workers facing layoffs, some moving to remote work (such as in education), and others remaining on the jobs as essential employees. According to the IBRC, approximately 29,000 individuals in Monroe County are employed in jobs involving daily direct interaction with the public—including local health services, hospitality, and education. This is a large segment of the workforce first impacted by COVID-19 changes, out of a total estimated Monroe County payroll employment of 65,000. In addition to financial support, businesses and organizations require immediate support in understanding the HR ramifications of layoffs and questioning staff about their health to cash-flow planning and financial forecasting.

A domino effect is anticipated when businesses first hit by the COVID-19 crisis are unable to pay invoices from other businesses.

See appendix 2 for additional context on the local impact of COVID-19 on the business community.

Business needs, existing relief, and gaps

Bloomington's small business community reports its most critical needs include immediate working capital in amounts under \$50,000 within 1-2 months and technical assistance, based on Bloomington Chamber of Commerce surveys and feedback from the Small Business Development Center. This aligns with gaps in existing and expected capital from SBA Disaster Loans, government aid, traditional, and alternative financing sources.

Need	Sources of support	Gaps and challenges
Funding support		
Expense management	<ul style="list-style-type: none"> ● Negotiation with lenders ● Deferral of expenses 	<ul style="list-style-type: none"> ● Case-by-case ● Business expenses will vary based on industry
Working capital	SBA Disaster Loans (EIDL) <ul style="list-style-type: none"> ● Overview ● Comparison with PPP 	<ul style="list-style-type: none"> ● Payments not expected until 8–12 weeks after an application is submitted, although a \$10,000 advance is possible ● Immediate working capital is still needed by local small businesses, typically under \$50,000 over the next 1–2 months
Payroll support	Payroll Protection Program <ul style="list-style-type: none"> ● Comparison with EIDL 	<ul style="list-style-type: none"> ● PPP provides some payroll protection, but this may not cover other significant business costs ● Program still being established via local lenders ● Lenders are expecting a high application volume
Revenue streams	Businesses might shift to: <ul style="list-style-type: none"> ● Remote / online sales 	<ul style="list-style-type: none"> ● Revenue may not be enough to cover expenses

	<ul style="list-style-type: none"> • Procurement opportunities to sell to government or large institutions 	<ul style="list-style-type: none"> • Not all goods and services can be provided online • Local businesses are missing seasonal revenue tied to the spring season, graduations, and summer IU orientations
Non-funding support		
Technical support	<ul style="list-style-type: none"> • SBDC coaching • Navigation Center through The Mill 	<ul style="list-style-type: none"> • Businesses need a roadmap or decision tree to navigate challenges and resources • Some employers need guidance navigating financial, legal, and other technical issues

Wraparound sources of relief for businesses

The City of Bloomington can join with partners across sectors to provide gap funding and non-funding support for employers and individuals, aligned with developing state and federal initiatives.

Sources of relief for businesses follow a two-fold strategy:

- 1) **Rapidly deploy funding relief:** The City of Bloomington should first rapidly develop and deploy local funding streams that stabilize cash flows for affected businesses and bridge gaps not covered by state and federal relief. This meets a critical early need of employers. While local funding pools are limited compared to the scope of need, the goal is to enable employers to survive until federal funding relief is available. Whether that cash flow is sourced through loans, specialized local sales, or any combination of above, a focus on stabilizing cash flow is the main criteria for relief, which will provide the best economic support for recovery.
- 2) **Develop non-funding relief:** From the outset, businesses have expressed the need for a road map to navigate the support available in a constantly changing crisis. Thus, technical assistance is a key component of short-term relief. In addition, local government can create a multiplier effect by helping businesses connect with opportunities to sell goods and services to government and large local anchor institutions.

This two-fold strategy is detailed in the following sections.

Strategy Part 1: Local Government Funding Relief

Local Funding Sources

The City of Bloomington can consider Food & Beverage Tax Funds, BUEA Funding, and Bloomington Art Commission Grants for the Arts as funding sources to provide rapidly-deployed

relief to local employers. This rapid deployment of funds is meant to complement and bridge gaps in local, state, and federal funding relief for businesses, described in Appendix 3.

Food & Beverage Tax

City Council resolution 20-05, which passed on March 25, 2020 requested that the Food & Beverage Tax Advisory Commission (FABTAC) authorize up to \$2 million dollars to be leveraged from the City’s portion of the Food & Beverage Tax fund.

Passage of the resolution by Council requires additional steps before funding can become available for distribution to recipients. On March 31, the State Board of Accounts (SBOA) issued a statewide memo authorizing use of such funds as the Food & Beverage Tax, requiring certain specific actions by local legislative bodies and administrative legal staff.

The ES&R Working Group recommends that F&B tax funds be made available for public distribution via the Bloomington Small Business and Nonprofit Rapid Response Fund in two tranches to ensure that initial investment processes are proven to be effective and controlled:

First Tranche (week 4/13/2020)	\$1,000,000
Second Tranche (tbd)	<u>\$1,000,000</u>
	\$2,000,000

BUEA Funding

The ES&R Working Group recommends a request to the BUEA for \$500,000. BUEA funds, which are more limited in size but more flexible in use than the F&B Tax fund, may be available with approval by the BUEA board. BUEA funds are limited to constituents living within or programming that benefits Bloomington’s Enterprise Zone.

The Working Group recommends that BUEA funding be applied for the following purposes:

Operational Support for ES&R Administration	\$12,500
Emergency Operational Support Art Grant	\$112,500
Micro-Loan Program for Entities not covered by F&B	\$350,000
Emergency Economic Independence Scholarships	<u>\$25,000</u>
	\$500,000

BUEA board approval will be required to facilitate the above recommendation. The BUEA is currently scheduled to meet on 4/8/2020.

If approved, BUEA funds could become available quickly for use in support of the Operational Support Grants for arts and culture organizations/nonprofits based in Bloomington. Economic Independence Scholarships are reimbursements to individuals living within the Enterprise Zone, but policies may be requested by staff and approved by the BUEA to temporarily adjust reimbursement procedures to unburden recipients. In addition to the increased arts funding, the BUEA would shift its \$40,000 grant program to operational funds.

Bloomington Art Commission Grants for the Arts

The \$40,000 Grants for the Arts Program, if approved by the BAC (mid-April), will suspend all program/project support funding for 2020 and shift the entire grant program to provide operational grants to arts and cultural nonprofits/organizations affected by the COVID-19.

Bloomington Rapid Response Fund for Small Businesses & Nonprofits

Purpose

The City of Bloomington can utilize the above-mentioned funds to create a Bloomington Rapid Response Fund (RRF), to assist Bloomington-based businesses and nonprofits with short term funding support during the COVID 19 Emergency. The goal is to help these employers maintain solvency pending CARES Act Phase III and other federal, state, and local funding relief.

The fund is intended to assist small local businesses and nonprofits that are low on capital to retain employees and otherwise maintain economic viability. Funds may be used as a bridge loan until additional bank or SBA funding becomes available. The fund is not designed to generate an ROI but aims to recoup its investment with minimal loss. Loan approval is at the discretion of the Rapid Response Fund Advisory Commission (RRF Advisory Commission), to be appointed by the Mayor (details below).

Establishment of Rapid Response Fund Advisory Commission

The ES&R Working Group recommends, with the advice of City legal counsel, that the Mayor appoint the Rapid Response Fund Advisory Commission as a temporary commission operating at the request of and under City administration. This formalizes the Advisory Commission as a limited term entity operating under City protections and provides the Advisory Commission liability protection for its COVID-19 activities.

The role of the Advisory Commission will be to receive and review applications as delivered via the RRF intake application form. The Advisory Commission will prioritize applications and undertake interviews with applicants to determine financial viability as detailed in the guidelines provided by the ES&R Working Group to the Commission. The Commission will then develop a financing package for the applicant, if approved, that maximizes available funding support and the applicant's ability to pay back the RRF as quickly as possible. The Commission will forward approved applications to the City's Department of Economic & Sustainable Development and the City's Controller offices for validation of the loan review process against the guidelines.

The ES&R Working Group recognizes the importance of including local loan origination and grant-making expertise on the Advisory Commission in order to maintain utmost discipline and rigor in minimizing loan defaults. The Working Group recommends the following configuration of the Advisory Group, to include seven (7) members:

Sector	Proposed Commissioner
Local Banking	To be appointed
Local Banking	To be appointed
Financial Services	To be appointed
Local Investor	To be appointed
Local Food & Beverage	To be appointed
Local Tourism Retailer	To be appointed
Local Nonprofit Tourism	To be appointed

Diversity of perspectives will be important on the Advisory Commission. It is therefore the ES&R Working Group's recommendation that the Commission be created to ensure representation from minority communities, male/female balance, in addition to diversity of expertise as detailed above.

Funding Guidelines for Use by RRF Advisory Commission

- Targeted loan loss rate (blended F&B/BUEA): <10%
- Prioritize funding for minority-owned, women-owned, and disabled-owned businesses
- Prioritize funding to employers with employee growth forecasts
- Prioritize funding to independent, locally-owned businesses, but do not exclude franchises. (Note, evaluate corporate support for locally-owned franchises.)
- Validate that funds will exclusively be directed to wages, payroll costs, rent or utilities, and/or other immediate, essential expenses. Funds may not be distributed to equity investors or owners.
- Validate prior revenue/cash flow vs. current and projected 6 month revenue/cash flow variances for qualification of COVID-19 impact
- Validate that applicant has applied or will apply for local banking, Federal and State funding support, including timeline, and that the applicant will repay loan upon receipt of external funding.
- For use of F&B Tax funding, validate that applicant is considered to be a 'tourism-related' business or organization as per SBOA guidelines, otherwise provide relief using BUEA funding sources.
- If approved, develop a loan package that provides maximum funding support within available fund limitations and maximum likelihood of loan repayment.
- Pull credit report on applicants and determine whether businesses were reasonably current in their payments to suppliers and subcontractors prior to COVID-19 impacts.
- Validate that applicant is current on all tax liabilities through 2019
- Ensure that grant applicants have applied or are planning to apply for all available local and external grant funding.
- Non-essential businesses should be given priority in loan funding.

- Loans require personal guarantee from borrower.

Minimum Requirements for RRF Applicant Eligibility

- Bloomington-based business (physical address in the city limits) or a nonprofit that resides in or serves Bloomington.
- At least one (1) full-time equivalent employee (FTE), including sole proprietors, and no more than 250 FTE
- Borrowers must demonstrate material negative impact due to COVID-19 in revenue or ability to maintain employees/payroll
- Business must have been open prior to February 29, 2020

RRF Loan Terms

- Loan amounts up to \$50,000
- Low interest rate, no application, origination, or packaging fees
- No minimum credit score is required, and for immigrant entrepreneurs, ITIN is accepted in place of SSN
- Optional deferred payback: 6 months, no prepayment penalties
- Term of the loan at discretion of RRF Advisory Commission, but no greater than 36 months
- Borrowers must be able to demonstrate an ability to pay back the loan within the term of the loan
- Borrowers must certify that funds will go to support wages, payroll costs, rent or utilities, and/or other immediate, essential expenses. Funds may not be distributed to equity investors or owners, unless the owner is a primary employee of the business or the sole proprietor
- Nonprofit organizations may be considered for available loan forgiveness through the Rapid Response Fund.
- Loans may require personal guarantee from borrower.

RRF Application Process

All applicants submit a single online application at the RRF portal n (see appendix 5 for complete application form). Applicants must include the following documents to complete their submission:

- Past two years of tax returns (both personal and business)
- YTD Financial reports
- 6 month revenue projections
- Current personal financial statements

The RRF Advisory Commission may request other information or documents if needed.

The RRF Advisory Commission will begin taking applications through the online application process beginning April 5, 2020 and schedule phone/video interviews with applicants within 48 business hours of application.

Administrative Structure for Bloomington Rapid Response Fund Distribution

- **Intake Process:** A simple online application form will be posted on a number of local websites, including those hosted by the City of Bloomington, the Greater Bloomington Chamber of Commerce, the Bloomington Economic Development Corporation, Dimension Mill, Inc., CDFI Friendly Bloomington, the Indiana Small Business Development Center, and others as available.
- **Evaluation Process:** The RRF Advisory Commission will review applications according to guidelines created, in consultation with underwriting experts, by the City of Bloomington in accordance with its fiscal and legal responsibilities. The RRF Advisory Commission will evaluate an applicant's eligibility and credit risk and recommend specific loan terms if applicants are deemed eligible.
- **Loan Approval:** Approved applicants will execute a loan agreement with the City of Bloomington. The RRF Advisory Commission will provide City staff its approval documentation, which will be reviewed by City staff for adherence to loan guidelines. City staff will issue payment instructions to a selected institution to issue payments from an escrow account.
- **Distribution Method(s):** The selected financial institution will issue payment via electronic funds transfer or paper check from the escrow account to loan/grant recipients.
- **Repayment/Reconciliation Process:** Terms of repayment will be determined on a case-by-case basis by the RRF Advisory Commission, in accordance with Rapid Response Fund loan terms. Payments will be due according to the loan agreement and payable directly to the City of Bloomington, which will track and account for loan repayments. Borrowers must repay according to the terms of their loan agreement. If a borrower cannot repay in accordance with those terms, the City may extend the term with the consent of the borrower.

Measurement of Results

Specific measurement of results of any local funding relief program will depend upon the specifics of the products/programs implemented. Given the relatively short implementation window, measurements may focus initially on implementation steps, including but not limited to:

- Application volume
- Service levels in application review
- Approval/rejection percentages
- Size/type of recipient organization and/or number of individuals
- Timeframe of relief delivery from point of approval
- Jobs protected or created (measurement is FTE)

Longer term measurements would include loan default rates, return to cash flow stability measurements, and jobs protected or created. Loans will be prioritized to businesses that can expand employment.

Reporting

The ES&R Working Group anticipates a robust reporting requirement, including to the Mayor, City Council, regional stakeholders, and directly to the public. The pace and structure of these reports is to be determined by the Mayor and will include at least monthly updates to the City Council and to the public.

In the meantime, and as noted below, the ES&R Working Group recommends the development of an economic indicators dashboard accessible to the public.

Strategy Part 2: Develop non-funding relief mechanisms

The Working Group recommends the urgent implementation of non-funding relief mechanisms to multiply the impact of public funds that are used to support businesses. With the increasing availability of stimulus funding, employers have been seeking guidance on how to navigate the myriad available resources. A road map on how businesses can navigate this crisis will be helpful, in combination with other non-funding relief mechanisms to help them weather the storm.

The following is a preliminary list of supportive services that are already offered or can be developed by the City of Bloomington, ES&R team, and partners across Monroe County and the region:

Information sharing:

- Maintain and update a centralized resource page: MonroeCountyCovid-19.org has become a community home for resources from all sectors, including financial resources, HR and legal, NPOs, local, state, federal, and health care.
- Conduct frequent Zoom meetings to share necessary information with the business community.
- Promote the Navigation Center through The Mill
 - A hotline—phone, web chat, email—where founders, entrepreneurs, and business owners (FEBO) can call local experts for help in navigating the information overload.
- Promote the Online Farmers Market to support local producers and connect them with buyers of locally grown food with a safe, dependable delivery/pick-up process.
- Develop and maintain a map of businesses in the city that provide ongoing services (e.g., restaurants that are providing curbside takeout)
- Launch a tool to connect businesses and organizations with technical or other needs and local expertise that can meet that need.

Some of these tools, built specifically to address COVID-19 pandemic, may be useful in the community well after the pandemic passes.

Technical assistance:

- Indiana Small Business Development Center: Ongoing coaching is offered via Ivy Tech Community College Bloomington. The ISBDC has also teamed up with gener8tor to provide the following:
 - A free, week-long program for Indiana small businesses and entrepreneurs to identify and leverage critical resources in order to weather this ongoing public health crisis.
 - In addition to webinars, gener8tor will host dedicated, daily office hours for small businesses to digitally meet with business advisors. Their team will work one-on-one with companies to address the various issues small businesses are facing during the COVID-19 outbreak.
https://www.gener8tor.com/emergency-response-program/indiana?mc_cid=f698086aa6&mc_eid=f92907f46e
- The Mill:
 - Promote one-on-ones with the Executive Director of the Mill and the Entrepreneur-in-Residence for Velocities
 - Weekly business owner “tap-in” via Zoom for personal and business check-in
 - Promote daily virtual programming at The Mill via Zoom and Slack
 - Therapy subsidy for Mill members. Business owners will need as much help with personal resilience as they do with their business. If you’re a member of The Mill, we’ll pay 100% of the first therapy visit and 50% of each additional.

Regulatory relief:

- During the COVID-19 emergency, local government can provide businesses with regulatory relief to reduce their cost of doing business, including suspending business license fees and extending renewals of licenses for the next few months.

Procurement:

- ES&R can create a multiplier effect, if government and local major employers can increase buying of goods and services locally, particularly from businesses that buy their supplies of goods (food, e.g.) and materials from other local businesses. Encourage governments and major employers to procure anything and everything from local businesses.
- Examples of local procurement can include
 - The City and County can ramp up other spending with local businesses for complementary stimulus.
 - Large local employers can be invited to increase purchasing from local sellers.
 - City of Bloomington Social Services Funding could be used to purchase prepared meals from local restaurants that can be used to feed the food insecure. This has

the benefit of keeping people employed (economic multiplier) and enabling those that need immediate help with food to get it.

- Another example might be purchasing art for later installation on the B-Line trail or at the new Regional Health Center.

Building Community Partnerships

In light of the increasingly possible approval of F&B Tax funding and likely continuing stabilization efforts for at least 6 months, the ES&R Working Group recommends that it increase coordination with partner agencies, organizations, and individuals to better align efforts and improve outcomes.

These may include the following (* indicates this entity has already been engaged by this team during this initial crisis):

Category	Entity	Notes / what to engage on
Federal resources	US Economic Development Administration	Chicago field office
Federal resources	Office of Senator Todd Young* Office of Senator Mike Braun Office of Rep. Trey Hollingsworth*	Info on how federal appropriations will reach this community
Federal resources	USDA State Director Michael Dora	Phil Lemkuhler, an adjunct professor at the O’Neill School, was previous State Director and may be a valuable guide for USDA sources.
State resources	Indiana Economic Development Corporation*	Info on statewide resources; IEDC has also requested feedback on needs
State / regional resources	Department of Workforce Development / WorkOne Region 8 workforce board*	Employment resources
State / regional resources	Indiana Small Business Development Center / Gayle and Bill Cook Center for Entrepreneurship*	SBA Disaster Loans Business coaching
Regional	Regional Opportunities Initiative*	Regional industry data and forecasts for the Uplands Region
Regional	Economic development organizations and chambers in neighboring communities* <ul style="list-style-type: none"> ● Indy Partnership ● Radius Indiana ● EDOs for Morgan, Owen, Lawrence, Greene, Brown Counties, Columbus 	Connecting efforts within the regional economy
Local Government	Governmental agencies across Monroe County <ul style="list-style-type: none"> ● Monroe County Commissioners, Council* ● Town of Ellettsville Manager, Council* 	Collaboration in developing policies and response mechanisms, as applicable

	<ul style="list-style-type: none"> ● Stinesville as applicable* ● Townships as applicable* 	
Government	<p>City of Bloomington boards and commissions</p> <ul style="list-style-type: none"> ● Bloomington Arts Commission ● Bloomington Urban Enterprise Association ● Bloomington Commission on Sustainability ● Economic Development Commission ● Redevelopment Commission ● Housing and Neighborhood Development (HUD) 	
Sector: higher education	<p>Indiana University</p> <ul style="list-style-type: none"> ● Office of the Provost* ● Government Relations Economic Engagement ● Centers: IBRC,* IU Public Policy Institute,* Rural Engagement ● School-based expertise (O'Neill School, Kelley School, Informatics) <p>Ivy Tech Community College Bloomington</p> <ul style="list-style-type: none"> ● Office of the Chancellor ● Workforce Alignment 	
Sector: tourism / hospitality	<ul style="list-style-type: none"> ● Visit Bloomington* ● Downtown Bloomington Inc/Main Street* ● Monroe Convention Center* 	
Sector: nonprofit / philanthropy	<ul style="list-style-type: none"> ● CFB, United Way, CFBMC, unions, etc 	
Sector: telecommunications	<ul style="list-style-type: none"> ● Smithville ● AT&T ● Comcast 	
Sector: financial	<ul style="list-style-type: none"> ● Old National* ● First Financial* ● IUCU* ● German American* ● Owen County State Bank* ● Peoples State Bank* ● Fifth/Third Bank* 	
Sector: utilities	<ul style="list-style-type: none"> ● Duke* ● Hoosier Energy / SCI REMC ● Vectren 	

* indicates this entity has already been engaged by this team during the initial crisis

Next steps/ further work to be done

The ES&R Working Group recognizes that the policy recommendations outlined above are focused on the initial, short-term economic stabilization programs that are most urgently needed. Implementation of these recommendations will require focused attention over the next 30 days in order to most effectively distribute initial funding support recommended above.

Concurrent with initial efforts, the ES&R Working Group must develop and implement measurement and evaluation programs to assess the effectiveness of first tranche distribution in order to optimize additional funding phases.

However, presuming that Bloomington’s economy begins to stabilize within 6–12 months, the Working Group will accelerate work on mid- and long-term revitalization recommendations to increase the chances of a full economic recovery. This additional work can be organized as follows, which is based on the availability of current federal stimulus funding, the mid-term effects of the recovery project, and long term economic development needs.

Formation of Planning Sub-groups

The ES&R Working Group recommends that three sub-groups be formed to address each period of economic recovery, including:

Team	Scope	Task Description
Response Team (in progress as ES&R Working Group)	0–4 months (to coincide with the current horizon for federal stimulus)	Develop local stimulus products and implementation; development of a resource team to guide recipients through options. Develop recommendations and programs to provide revenue generating opportunities for community organizations and individuals
Recovery Team	4–12 months	Continue implementing response programs while monitoring their progress locally and against the backdrop of the global economy..
Thrive Team	12–36 months	Evaluate training, reskilling, infrastructure needs for long term economic vitality

Response Team Activities

Activity	Collaborating Partners	Due Date
Develop ES&R Administrative Structure	Local Commercial Banking,	4/3/2020

	CDFI Networks	
Develop Measurement & Reporting Mechanisms	Office of the Mayor, Dept. of Innovation, ITS Dept, Controller, Legal City Council	4/7/2020
Determine & Implement Federal & State Reimbursement Protocols	SBDC, SBA Lenders	4/10/2020
Develop short-term revenue generation plans (e.g., events to replace IU Graduation, Mothers Day, etc.) for implementation in late summer/fall	tbd	tbd

Recovery Team

Activity	Collaborating Partners	Due Date
Evaluate Civil City in-year 2020 cost reductions/budget reallocations	All City Departments	4/30/2020
Develop economic indicators dashboard	Mill COB Innovation DWD IBRC	tbd
Develop 4–12 month economic model	tbd	tbd
Develop short-term revenue generation plans (e.g., events to replace IU Graduation, Mothers Day, etc.) for implementation in late summer/fall	tbd	tbd

Thrive Team

Develop monitoring capabilities for local, national, and global economic progress	tbd	tbd
Reforecast 36-month Civil City tax receipts	Controller (Underwood)	6/1/2020

	Monroe County (McKim)	
Develop City infrastructure project reprioritization	tbd	tbd
Develop workforce training and reskilling plan	tbd	tbd
Develop Community Economic Recovery/Development Plan	tbd	12/31/2020

CEO Roundtable

In addition to the recommendation to the Mayor to form the above teams as quickly as possible, the ES&R Working Group recommends that the Mayor convene a roundtable of key economic development stakeholders in the community to begin crafting long-term “Thrive Team” activities.

This roundtable will augment other efforts to assess the larger economic impact of the COVID-19 crisis. The proposed roundtable may include, but is not limited to representatives from 100+ FTE employers as well as representative organizations of smaller employers and certain key individuals in the community with economic development expertise.

Conclusion

The COVID-19 pandemic has created immediate economic hardships for Bloomington’s business sector, nonprofit organizations, and individuals. The urgency of the moment requires an initial focus on the creation of short-term Rapid Response relief programs, which is the primary focus of this revised policy recommendation document.

However, the pandemic also offers the community an opportunity to position itself for vibrancy and an acceleration of the growth that was already underway before the current emergency. Resources may be available to the community to aid in that long-term opportunity, which could include:

- Economic Development Administration funding to build a spec building in the Trades District for growth company expansion from the Mill.
- Development of a formalized plan to leverage Informatics/AI activities into off-campus IP investments
- Collaboration with IU to develop wet lab facilities in the community to accelerate expansion of the life science sector

In sum, the community has already come together to support struggling organizations with an unprecedented sense of unity. An urgent need remains to find and fill gaps in short-term, external stimulus funding. The community must also begin to focus on midrange recovery efforts in anticipation of an end to federal and state stimulus support while organizations and individuals are not fully stabilized. And finally, Bloomington’s future vibrancy will depend on assembling a “dream team” of long-term economic planners to consider how best to prioritize

economic development projects in the pipeline, adjust to the post-COVID new reality and, where possible, leverage new and unforeseen opportunities that may stem from it.

The ES&R Working Group is pleased to participate in any way in all of the above.

Acknowledgements

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Clark Greiner (BEDC)
Melissa Acton (Senator Young's office)

[END]

Appendices

Appendix 1. Overview of the Bloomington Economy

As an economic hub in South Central Indiana, Bloomington has significant connectivity to surrounding communities. The Bloomington Metropolitan Statistical Area (MSA) includes Monroe and Owen Counties. Total populations are:

Location	Population (2019)
Bloomington MSA	169,230
Monroe County	148,431
Bloomington	84,058

Total payroll employment

Total payroll employment for Monroe County stood at 63,888 in quarter 3 of 2019. This is the number of jobs that are tied to employers physically located in this community. Prior to the COVID-19 crisis, a summary of total payroll employment for Monroe County was:

Location	Jobs	Establishments	Qtr wages	Avg weekly wage
Monroe County total	63,888	2,858	\$720,097,818	\$867

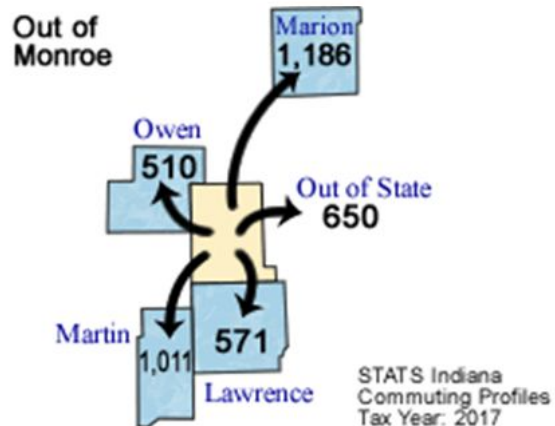
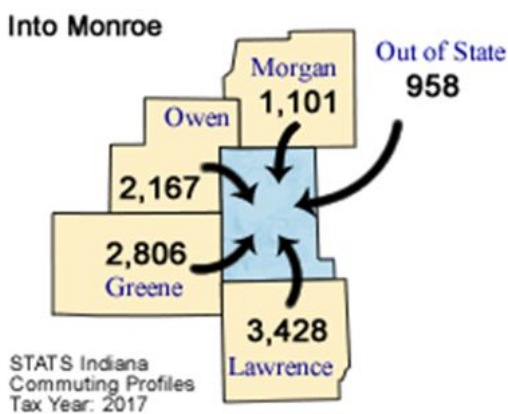
(Based on latest available data from 2019 quarter 3). Source IBRC

Commuting patterns for employment

Total payroll employment is distinct from the total number of residents that are employed, because many individuals commute in the region for work. Commuting patterns are as follows:

Commuting patterns and Top five locations sending employees into / receiving employees from Monroe County

# of people who live and work in Monroe County (estimate)	75,151*
# commuting into Monroe County for work	16,280
# commuting out of Monroe County for work	6,172
<i>Based on Indiana IT-40 returns for tax year 2017</i>	<i>*May include retirees, homemakers, unemployed</i>



Employment by Industry

Traded and local clusters: Employment in this region is supported by two complementary halves of the economy: local and traded clusters.

- Local clusters are groupings of employers that primarily sell goods and services to the local market. These businesses are located in every region and include such businesses as pharmacies and retail stores.
- Traded clusters are groupings of employers that sell goods and services to other regions or nations.

While much of the COVID-19 crisis is impacting local clusters first, traded clusters are vital engines of the Bloomington regional economy. Nationally, traded clusters provide around 36% of total employment, but 50% of income. They have a multiplier effect across communities, because they often procure local goods and services, while increasing the spending power of their employees. Traded clusters are an important source of income for local businesses.

The takeaway: ES&R efforts must focus on these two halves of the local economy, to ensure a faster recovery.

As of 2016, Bloomington’s traded clusters included the following, according to [US Cluster Mapping](#):

Traded cluster	Local employment in the cluster (2016)
Medical devices	7500+ employees
Biopharma	2500 employees
Plastics	800+ employees
Marketing, design, publishing	600+ employees
Non-metal mining	175+ employees

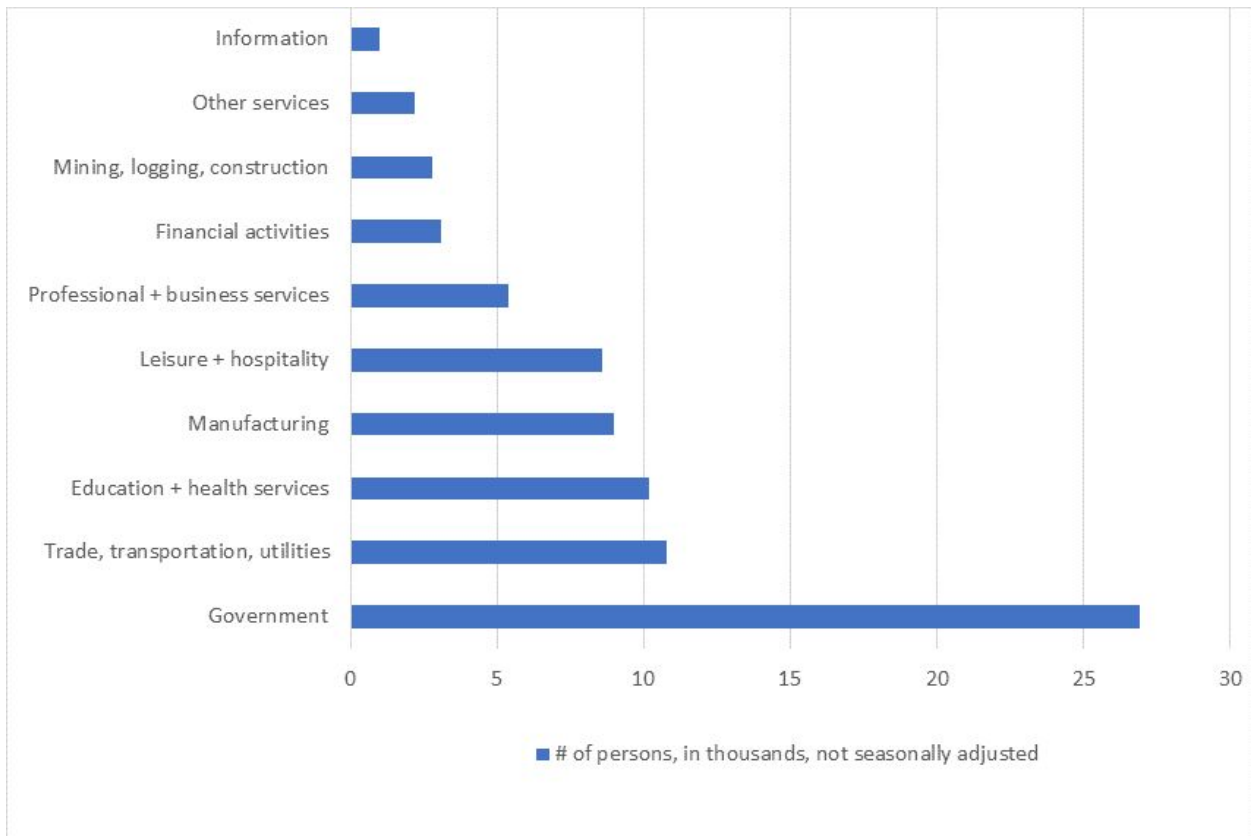
Largest Bloomington Area Employers: As of spring 2020 and prior to the crisis, the Bloomington region’s largest employers included the following. This includes a mix of traded and local cluster employers. Please note, this is an ever-changing list.

Organization	Employees
Indiana University - Bloomington	9392
Cook Group	5412
Indiana University Health-Bloomington	3855
Monroe County Community School Corporation	2000
Catalent	1250
Kroger*	855
City of Bloomington	727
Baxter Healthcare Pharmaceuticals	700
Monroe County	666
Ivy Tech Community College	532
Stone Belt ARC	453
Richland Bean Blossom Schools	432
Bloom Insurance	383
Walmart	350
Centerstone	316
One World Enterprises	210
Target	200
KeHe Distributors	200

IU Credit Union	193
Smithville	188
Lowe's	186
TASUS	185
Weddle Bros. Construction	175
Printpack, Inc.	150
Hoosier Energy	117
	130
Envisage	approx.

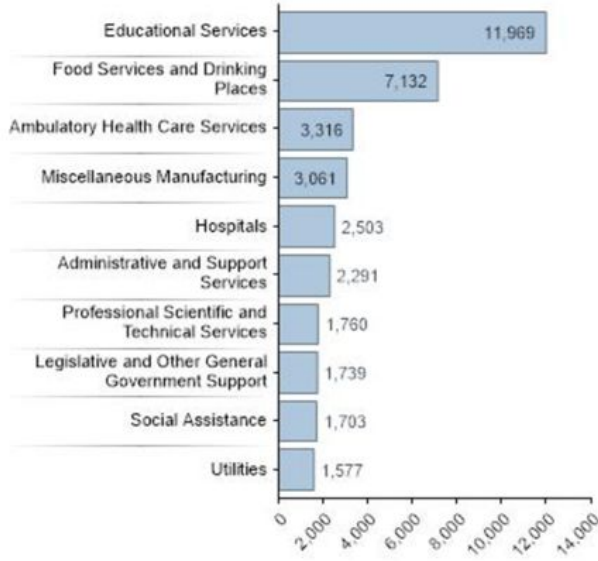
Source: Bloomington Economic Development Corporation. Data from February 2020.

Bloomington MSA employment breakdown (December 2019 data)

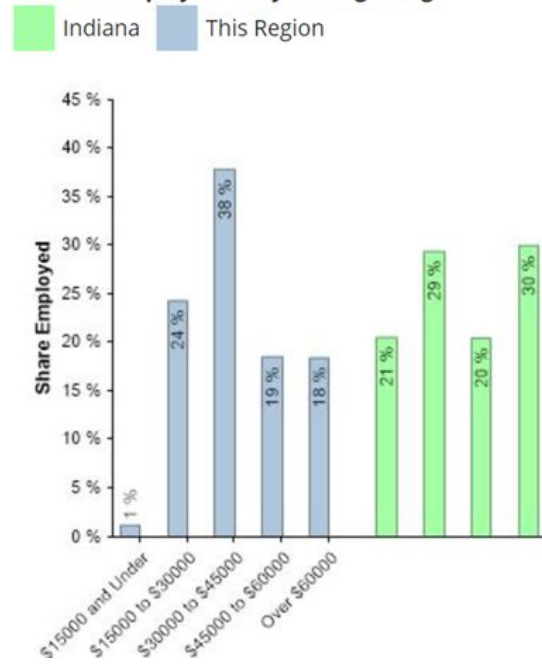


Across Monroe County proper, the top ten industries by employment are as follows.

Top 10 Industries by Employment (3-digit NAICS)



Share of Employment by Average Wage



Appendix 2. Local Impact of the Crisis

Close to [10 million Americans have filed unemployment claims](#) as of April 2. These levels are higher than those of the Great Recession. National and state figures compare as follows:

Unemployment claims (initial)	March 1-14	Week ending March 14
Indiana	4,819	205,998

[Source: NPR](#)

In this community, Monroe County unemployment filings rapidly increased in mid-March, based on the latest available data:

Year	Month	Week	Initial Claims	Pct. Change from Same Week Last Year
2020	March	Week ending the 7th	21	0%
2020	March	Week ending the 14th	18	29%
2020	March	Week ending the 21st	934	5738%
<small>(D): Indicates one or more counties are excluded due to non-disclosure issues.</small>				
<small>Note: Initial and continued claims counts displayed here may not agree with official counts posted elsewhere due to exclusion of denied initial claims and use of the compensable week rather than the filing week for inclusion in the counts (i.e. eliminates multiple week claims filed at the same time).</small>				
<small>Source: Indiana Department of Workforce Development, Unemployment Insurance Statistics</small>				
<small>This table was produced by Indiana Department of Workforce Development - Research and</small>				

Source: [Hoosiers by the Numbers](#). Indiana Department of Workforce Development (DWD), Unemployment Insurance Statistics. This table was produced by DWD and the Indiana Business Research Center.

Impact of the crisis on the restaurant and hospitality industry

Restaurants

Based on comments shared by restaurants to City Council members, in addition to having to close their doors to dine-in business, restaurants have lost about 35% of their assets due to perishable food. Toast POS software compiled [sales](#) data by state and cites a 77% drop in sales over the month of March. Many employers have laid off staff temporarily, with no guarantee of rehiring for the same number of jobs and little indication of date of rehire.

Hospitality

According to Visit Bloomington, hotel business in Bloomington for the week of March 15, 2020 was down 65 percent and was expected to be down over 80% for the week of March 22. As of March 26, five Bloomington hotels are completely closed. An 80% drop in April and May 2019 room rentals (99,000) represents a loss over \$12 million. Those dollar figures don't include day trippers, which account for several more million dollars each month of local economic impact.

The 2018 Monroe County Tourism Economic Impact Report, delivered to Visit Bloomington on March 26, 2020, highlights tourism's local economic impact:

Tourism spending was \$419 million in 2018, as follows:

Food and beverage	\$145 million
Retail	\$89 million
Lodging	\$82 million
Transportation	\$82 million
Entertainment and recreation	<u>\$21 million</u>
	\$419 million

Tourism supported 6,814 jobs in Monroe County in 2018. Visitors to Bloomington spend approximately \$160 per person per day.

Impact on small businesses

The Small Business Development Center at Ivy Tech Community College, Bloomington has reported an increase of approximately 20 new clients daily, most of which are related to SBA loan needs. Clients include but are not limited to many in the food/beverage industry, as well as retail, and small manufacturing. The SBDC also reports an increase in contractors the week of March 23 (HVAC) due to cancelled jobs.

The biggest challenges of SBDC clients during COVID-19 include: laying off employees (how to do so and how to file with WorkOne), understanding their financial situation, positioning for the future given COVID-19, gathering paperwork to file for the SBA loan program, and generally understanding the complexities of the CARES Act.

In calls to 911 Chamber members and two electronic surveys from March 13–March 26, small businesses report 1) a complete absence of customers, 2) an inability to make payroll, and 3)

Appendix 3. Non-governmental funding options

First Financial Bank micro loan program

This lending initiative works with local community organizations to support small businesses, revitalize central business districts, and create jobs or economic development.

Small Business Relief Fund

[Small Business Relief Initiative](#) supports local businesses facing financial loss from the COVID-19 pandemic. As part of the initiative, the [Small Business Relief Fund](#) will issue \$500 matching grants to qualifying businesses that raise at least \$500 on GoFundMe.

Velocities

Velocities, the partnership among Bloomington, Columbus, and Elevate Ventures, has \$200,000 available in an ideation fund for startups to prove out their idea. Up to \$20,000, meetings every other month.

Flywheel Fund

Flywheel Fund is a member-managed capital fund based in Bloomington, Indiana, that invests in early-stage and high-potential startups. Launch is likely in May. Up to \$25,000, meetings quarterly.

Artist Centered Relief

- Bloomington Film and Theatre Academy—<https://www.thebaft.org/covid>
- Art Alliance of Greater Bloomington is starting a fund—more details soon
- Indiana Music Industry Relief Fund (Women/Non-Binary)
<https://www.midwaymusicspeaks.org/imirf>

CDFI loan options

The following CDFI loan are currently available to otherwise eligible borrowers in products Monroe County. They are divided into two categories: new products developed specifically in response to COVID-19 and relevant pre-existing CDFI loan products.

CDFI COVID-19 New or Modified Loan Products

Bankable (SBA Community Advantage lender CDFI covering entire state of Indiana)

- Product: QuickBridge loan program—offers a micro-sized loan for the purpose of providing relief to small businesses in Indiana.
 - Amount: \$500–50,000
 - Term: ≤3 years
 - Interest Rate: 8%.
 - Fees: None
 - Deferral Period: 30 days from closing
 - Turnaround: Approval estimated in 2–5 days, from date of submission

Prepay penalty: No
Underwriting: Not full underwrite, "lenient" review

Bankable states these loans are "geared towards businesses remaining in operation during the pandemic" as a complement to the SBA EIDL program.

Accion Chicago (Small business CDFI, covering entire state of Indiana)

- Product: Emergency Line of Credit
Amount: up to \$25,000
Term: 3 years–12 months interest-only payments, 2-year term begins in 13th month
Interest Rate: 9%
Fees: 4% origination fee, deducted from initial disbursement
Deferral Period: 12 months interest-only
Turnaround: approval and funding in 1 week
Prepayment penalty: No
Underwriting: Expedited—with clean 2019 credit report, approval is based on Jan/Feb 2020 revenue
- Product: Small Business loan
Amount: up to \$100,000
Term: ≤3 years
Interest Rate: 9% or 15%, depending on credit score
Fees: 4% origination fee, deducted from initial disbursement
Deferral Period: 90% deferral for first 3 months
Turnaround: approval estimated in 2 weeks from complete submission
Prepayment penalty: No
Underwriting: Full

Relevant, Existing CDFI Loan Products

Community Reinvestment Fund (CRF—small/medium business CDFI based in MN, covering entire state of Indiana)

- Product: SBA 7(a) loan
Amount: minimum \$150,000–\$5,000,000
Term: 10, 15, or 25 year amortization period depending on collateral
Interest Rate: Prime +2.75% (7% today)
Fees: \$3000 packaging fee, or 1% of principal, whichever greater; good-faith deposit due at closing
Deferral Period: 30 days
Turnaround: approval estimated in 1 month from complete submission
Prepayment penalty: Phases out incrementally over 3 years
Underwriting: Full

Community Investment Fund of Indiana (CIFI—CDFI created by state IHEDA covering entire state of Indiana)

- Product: small business loan
Amount: Flexible, approximately \$10,000–\$350,000
Term: Flexible, maximum 10 years
Interest Rate: Flexible, typically Prime + 3%
Fees: 1% origination fee
Deferral Period: 30 days
Turnaround: approval estimated in 4–6 weeks from complete submission
Prepayment penalty: Flexible

Local Banking Loan Options

In a survey of seven local lending institutions, none has new products specifically created in response to COVID-19. Each is working with current customers to modify loan rates, defer payments, or coach them in applying for the SBA loan. Qualified SBA banks will facilitate CARES Act Phase III funding as applicable.

First Financial Bank has a micro-loan program for loan amounts up to \$10,000 out of a pool of \$100,000. Typically a 5-year repayment period at market rates.

Appendix 4: Federal Funding Summary

Phase 2: Families First Coronavirus Response Act

*The Kaiser Family Foundation provides a detailed [breakdown of the act here](#).
An explainer of what employers need to know about the act is [posted here](#).*

The following Phase 2 summary was also provided by the office of Senator Todd Young. It is [posted online here](#).

On March 18, the Senate voted to pass the Families First Coronavirus Response Act, which is now law. This package provides relief to families, workers, and businesses affected by the coronavirus, including providing free testing, food aid, and unemployment assistance.

Food Assistance

- Provides funding for nutrition assistance programs, including:
 - 500 million for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).
 - \$400 million for the emergency food assistance program to help states and food banks distribute food for low-income people through local agencies
 - \$250 million for nutrition programs for seniors, including home-delivered meals.
- Allows states to provide additional, temporary SNAP benefits to families with children whose schools have closed due to the public health emergency.
- Permits certain school meal program requirements to be waived to ensure food is provided despite school closures.
- Waives federal SNAP work requirements temporarily

Sick and Emergency Leave

- Creates emergency paid sick leave for eligible employees who are sick or quarantined; as well as for caregivers of quarantined family members or children.
- Full-time workers will be guaranteed 80 hours of paid leave, prorated for part-time workers. Payments will be capped at \$511/day for sick employees, or at two-thirds of pay for those caring for family members capped at \$200/day.
- Provides temporary paid family leave for an additional 10 weeks to care for children whose school or daycare facility has closed due to the health emergency.
- Payments will equal two-thirds pay with a cap at \$200/day.
- Small businesses with fewer than 50 employees may apply for hardship exemptions.

- Provides refundable payroll tax credits for employers to offset payments for sick leave and family leave requirements

Fighting Coronavirus

- Requires private and public health plans to provide full coverage for COVID-19 visits and testing.
- Provides \$1 billion to the Public Health and Social Services Emergency Fund to allow for COVID-19 testing for the uninsured.
- Gives states additional emergency federal medical assistance.
- Provides liability protection to certain personal respiratory protective device manufacturers to increase the production of devices in high demand.

Phase 3: CARES Act (Expanded)

The Senate approved on 3/25 the largest ever federal stimulus relief bill—the CARES Act. On 3/27 the bill passed the HView the IEDC breakdown of the bill [here](#). The IEDC states that the Senate and the administration have been collaborating closely with House leadership over the previous weeks in a bid to ensure smooth, quick adoption of the Senate bill.

Economic Development Administration (EDA)

EDA receives \$1.5 billion in supplemental funding, directed to the Economic Adjustment Assistance account. The agency also receives surge hiring authority, to allow EDA to properly staff the agency during this crisis; a 2% carve out of the supplemental funds is directed toward ‘salaries and expenses’ to support the surge.

Community Development Fund (CDBG)

CDBG receives \$5 billion in supplemental funding. \$2 billion will be distributed according to the 2020 allocation formulas within 30 days. \$1 billion will be distributed to states to combat the spread of COVID-19 within 45 days, in amounts determined by the Secretary of HUD based on best available data and need. The balance of the supplemental funding will be distributed to states based on a formula determined by the Secretary of HUD using best available data on COVID-19 and associated economic and housing disruptions.

USDA Rural Development (USDA-RD)

USDA-RD receives \$145.5 million in funding; \$20.5 million for the Rural Business-Cooperative Service that will make \$1 billion in lending authority available, \$100

million in grants for rural broadband service, \$25 million in grants for distance learning and telemedicine.

Hollings Manufacturing Extension Partnership (MEP)

MEP receives \$50 million to support MEP centers and waives the statutory cost-match requirement.

Minority Business Development Agency (MBDA)

MBDA receives \$10 million in grant funding to support technical assistance to minority business development centers and minority chambers of commerce for counseling for minority business on available COVID-19 related resources.

Federal Emergency Management Agency (FEMA)

FEMA receives \$45.4 billion for response and recovery, including \$400 million for grants for fire/ems, emergency management, and food & shelter providers.

Department of the Interior (Interior)

Bureau of Indian Affairs receives \$453 million, Bureau of Indian Education receives \$69 million, Indian Health Services receives \$1.032 billion, Office of Insular Affairs receives \$55 million.

National Endowment for the Arts & Humanities (NEA)

NEA receives \$150 million in total; \$75 million for the National Endowment for the Arts and \$75 million for the National Endowment for the Humanities; money will be used to assist state arts and humanities agencies and partners.

Small Business Administration

The Small Business Administration is receiving an enormous amount of funding and significant program adjustments to help small businesses weather and survive the crisis. A sample of the numbers includes:

- \$349 billion for loan guarantees,
- \$675 million for Small Business Administration salaries and expenses,
- \$240 million for small business development centers and women's business centers for technical assistance for businesses,
- \$10 billion for emergency EIDL grants,

- \$17 billion for loan subsidies,
- \$100 billion for secondary market guarantee sales

Programmatic changes appear to be primarily channeled through the 7(a) loan program. Key provisions include:

Paycheck Protection Program

- Creation of the Paycheck Protection Program (PPP)
- Helps small businesses, 501(c)(3)'s, 501(c)(19)'s, and 31(b)(2)(c)
- Limited to under 500 employees
- Includes independent contractors, sole proprietors and the self-employed
- Entities must have been operational by 2/15/20; had payroll, paid taxes
- Covered loan period is 2/25/20 through 6/30/20
- Maximum loan amount via 7(a) set to \$10 million through 12/31/20
- 100% loan guarantee through 12/31/20
- Eligible expenses include payroll, insurance, rent, mortgage and utilities
- Borrower can receive both PPP and Economic Injury Disaster Loan (EIDL) for COVID-19, but not for the same expenses. Borrowers can also carry previous, non-COVID-19 EIDL and participate in PPP
- Borrower must good-faith certify that funds are needed for COVID-19 related purposes, the funds will be used to retain workers, and that their request is not duplicative with other SBA funds for the same purpose
- Waives borrower and lender fees
- Waives credit elsewhere requirements
- Waives collateral and personal guarantees
- Sets maximum interest rate of 4%
- No prepayment fees
- Defers payments on PPP loan for 6–12 months
- Delegates authority to all existing 7(a) lenders to expedite approvals/distributions
- Authorizes bank and non-bank lenders to participate in PPP program
- New lenders in program can only participate in PPP and not other 7(a) loans
- Amount spent by borrower in the first 8 weeks from loan origination may be forgiven; amount reduced proportionate to reductions in workforce as compared to previous year; if rehires made during 8 week period, no penalty in reflection of possible layoffs early in the 8 week period
- Allows inclusion of additional money paid to tipped workers
- Anything not forgiven or repaid by 12/31/20 will convert to a max 10 year loan at a max 4% interest rate; loan will remain 100% guaranteed

Emergency Injury Disaster Loan (EIDL)

- Eligibility expanded to include tribal businesses, cooperatives, ESOP's, individual contractors, sole proprietors, and private nonprofits with less than 500 employees

- Waives credit elsewhere requirement for advances and loans below \$200,000
- Waives personal guarantee for advances and loans below \$200,000
- Waives 1-year-in-business requirement for advances and loans below \$200,000
- SBA has greater flexibility in determining borrower eligibility
- Entities eligible to apply for EIDL may request an advance in the form of an emergency grant of up to \$10,000
- SBA must distribute EIDL emergency grant within 3 days
- Applicants are not required to repay emergency grant, even if they are ultimately denied EIDL

Other provisions

- Additional funding provided to Small Business Development Centers (SBDCs) and Women's Business Centers (WBCs)
- Match requirements for WBCs are waived for 3 months
- State Trade Expansion Program funds from FY18 and 19 will be made available through FY '21
- Requires SBA to subsidize 6 months of payments on existing 7(a), 504, or microloans beginning with the next payment.

Unemployment Insurance

The stimulus bill offers considerable resources related to unemployment insurance. At present, this section includes final sticking points that are delaying passage of the bill.

- Creates a temporary Pandemic Unemployment Assistance (PUA) program for those not traditionally covered by unemployment insurance (UI), including the self-employed, independent contractors, or those with limited work history
- Provides an additional \$600 per week in recipients of UI and PUA for up to 4 months
- Provides an additional 13 weeks of UI after state UI expires
- Federal government will cover 100% of the cost of the first week of UI if states waive the 1 week waiting period to begin benefits
- Federal government will reimburse states for 50% of the costs incurred through 12/31/20 of unemployment benefits for state agencies and nonprofits
- Federal government will pay 100% for 'short-time' programs in states with exiting programs in law and 50% of costs for states that begin 'short-time' programs during the covered period

For Businesses

A series of tax credits to ease the burden of keeping staff on payroll.

- Employee retention benefit: 50% refundable payroll tax credit during COVID-19 crisis for businesses that either fully or partially shut down OR have a 50% decrease in receipts versus the same quarter in the previous year and continue to pay employees.

- Based on qualified wages paid to employees during crisis, tied to number of employees (100+ full time employees = wages paid when they are not providing services due to COVID-19 and less than 100 full time employees = wages paid regardless of business closure status)
- Covers up to \$10,000 paid per employee, including benefits, for the period 3/13/20–1/31/20
- Payroll tax deferred, payments to be spread over 2 years
- Net operating losses (NOLs) modification: NOLs arising in FY18, 19, and 20 can be carried back 5 years
- AMT credits available as refundable credits through 2021 can be claimed as a refund now
- Allowable deductible interest expenses are increased from 30% to 50% for 2019 and 2020.

Economic Stabilization

The bill provides massive resources for economic stabilization primarily through the Department of the Treasury and the Federal Reserve.

- \$500 billion for the Treasury Exchange Stabilization fund for loans, loan guarantees and other investments, including: \$25 billion for air passenger carriers, \$4 billion for air cargo; \$17 billion for business important to national security; \$454 billion for the Federal Reserve's lending facilities to eligible businesses, states and municipalities
- Eligible entities must: have no alternative financing available, loans must be secured, loan terms must be less than 5 years, loan cannot be forgiven, no buy backs or dividend payments until the loan is repaid or 1 year from loan origination; must maintain 90% of 3/24/20 workforce until 9/30/20
- Any Federal Reserve lending must be broad-based, verification borrow is not insolvent, no other financing available, and loans cannot be forgiven.

Coronavirus Relief Fund

An injection of funding for states, tribes and local governments to combat the spread and aftermath of COVID-19

- Provides a \$150 billion grant fund for states, to be distributed proportional to population size, with a minimum of \$1.25 billion for states with the smallest populations.
- Funding is for state, local and tribal governments to use in response to the COVID-19 crisis.

Rebates

Cash payments to U.S. residents

- All U.S. residents with an adjusted gross income of up to \$75,000 for individuals and \$150,000 for couples will receive a cash rebate of \$1,200 (ind) or \$2,400 (couples)

- Includes all taxpayers with work-eligible SSN, including those with low or no income
- Rebate amount decreases by \$5 with for every \$100 over the threshold, with individuals AGI over \$99,000 completely phased out, \$146,000 for head of household with at least 1 child phased out, and \$198,000 for couples phased out.
- An additional \$500 will be given for each child per household.

As you can see, this bill is massive in both funding and scope. A fourth aid bill is all but certain to come in the weeks ahead, with additional funding and program fixes and adjustments. IEDC will continue to engage Congress and the administration throughout this crisis. Please continue to engage your elected officials on the importance of a swift, substantial and sustained federal response to this crisis.

Appendix 4: How other counties/municipalities are responding

- [Full database of capital resource responses from other cities/community partners](#)
 - Includes non-Indiana CDFI responses, municipal loan funds
- [International Economic Development Council Webinar: Preparing for COVID-19](#)
- Los Angeles Economic Development Corporation (LAEDC):
 - [LAEDC Coronavirus Response page](#)
 - Main areas of focus/key takeaways:
 - LAEDC's 17 steps to cope with new business/operational challenges
 - [City of LA Resilience Toolkit](#)
 - California SmartMatch to strengthen local supply chains
- City of Toronto Economic Development & Culture:
 - [City of Toronto Coronavirus Response page](#)
 - The City of Toronto has created a response team, "Team Toronto", consisting of investment and attraction agencies, and the chamber of commerce to report business functions to the government.
 - Working with landlords and tenants. Landlords are reluctant to give up rent and small businesses are not in a position to pay their rent on April 1. Deferring property taxes and any other fees that people will pay to the city. More information below.
 - SARS Outbreak in 2003 prepared them for COVID-19
 - Focused on the physiological impact on social distancing and reluctance to attend large gatherings.
 - Main areas of focus/key takeaways:
 - Postponing Ontario's budget release and will currently release economic and fiscal updates
 - Project initial impacts to economy
 - Reduce consumer and business spending
 - Decreases in exports and non-residential business investment
 - Deployed Economic Recovery and Support Taskforce (Team Toronto)

- Extending grace periods
 - Employee protections
 - Establishing contingency fund
 - Access to employment insurance
 - Expanding small business advisory services
 - 24-hour retail delivery exemption
- Galveston Economic Development Partnership, Galveston, TX:
 - [GEDP Coronavirus Response page](#)
 - Strong regional collaboration with the Greater Houston Partnership
 - GEDP has responded to many economic hardships in their community before: hurricanes, oil spills, etc.
 - Main areas of focus/key takeaways:
 - Reactivated business recovery loan program to focus on COVID-19
 - 3.25% APR/ 180 Days
 - Gap funding until other funds are organized
 - Created business continuity & disaster preparedness toolkit
- [Grella Partnership Strategies](#)
 - Reassess → Respond → Reinvent
 - Health
 - Business
 - Policy
 - Supply Chain
 - Workers
 - Recommendations by Mike Grella:
 - Incentives are important short term
 - Break the cycle of permanent subsidies and lost debt
 - Create communities with a healthy tax basis so critical services like health care and access to funds are available
 - Economic development focus is primarily on high paying, quality jobs. Jobs coming back will be remote work or part time
- [Grant County Economic Growth Council Coronavirus Response page](#)
- [Grant County Economic Growth Council Fund](#)
 - Extension of the [Revolving Loan Fund](#)
 - Can receive up to \$7,500
 - Businesses eligible if...
 - Operating in Grant County
 - Have less than 30 employees
 - Current on all taxes
 - Not a franchisee
 - Terms
 - No prepayment for 6 months
 - Interest-only Payments for 6 months
 - Full repayment by month 24 (in two years)

- Interest rate of 3.00%
- Fund used for
 - Offsetting losses related to the Coronavirus
 - Helping companies sponsor sick pay for workers.
 - Preventing staff reductions

Appendix 5: Draft Loan Application

Bloomington Rapid Response Fund for Small Businesses and NonProfits

The purpose of the Rapid Response Fund is to assist Bloomington-based businesses and nonprofits that serve Bloomington with short term funding support during the COVID 19 Emergency in order to maintain solvency pending CARES Act Phase III and other federal, state, and local funding relief. The fund is intended to assist small local businesses and nonprofits that are low on capital to retain employees and otherwise maintain economic viability. Funds may be used as a bridge loan until additional bank or SBA funding becomes available. The fund is not designed to generate an ROI, but aims to recoup its investment if possible. Loan approval is at the discretion of the Bloomington Loan/Grant Advisory Committee. Due to the limitations of the funding sources, businesses deemed non-essential may be prioritized in the funding process.

* Required

Eligibility Checklist

This checklist will determine your eligibility for participation in the Bloomington COVID-19 Small Business Bridge Fund program.

1. Please indicate eligibility. *

Check all that apply.

- My business/nonprofit is physically located within the City of Bloomington, or my nonprofit serves residents of the City of Bloomington.
- I agree to provide documentation to help verify the economic hardship suffered as a result of COVID-19; including, tax returns, financial statements, and other financial data.
- I agree to document and report economic impact achieved as a result of the program, including but not limited to: jobs created, jobs retained, increased sales, and access to capital.
- This business has at least one (1) full-time equivalent employee (FTE) and no more than 250 FTE.
- I agree to provide proof of application for other funds, including but not limited to 1) federal stimulus funds now available or 2) funds available from local lenders.
- My business/nonprofit was open prior to February 29, 2020.

Contact Information

Contact Information

2. First Name *

3. Last Name *

4. Title *

5. Business Name *

6. Contact Phone Number *

7. Email Address *

Business Address

8. Address Line 1 *

9. Address Line 2 *

10. City *

11. State *

12. ZIP Code *

Mailing Address

If different from Business Address

13. Address Line 1

14. Address Line 2

15. City

16. State

17. ZIP Code

Additional Business Information

18. What is your business organization type? *

Mark only one oval.

- Sole Proprietorship/Individual
- Limited Liability Company
- Partnership
- S-Corporation
- C-Corporation
- Nonprofit

19. What year was your business incorporated? *

20. Federal Employer Identification Number (EIN) *

21. Indiana State Tax ID Number *

22. Do you rent or own your business property? *

Mark only one oval.

Rent

Own

23. Lease Expiration Date (if applicable)

24. Monthly Rent (if applicable)

25. Number of Full-time Employees *

26. Number of Part-time Employees *

COVID-19 Impact

27. Please describe the impact COVID-19 has had on your business. *

28. What are the challenges your business is facing because of COVID-19? *

Check all that apply.

- Payroll
- Vendors
- Utilities
- Lease payment/Mortgage

Other: _____

29. How will you use these funds to help your business or retain staff? *

30. % Revenue loss experienced since March 1, 2020. (0-100) *

31. % Revenue loss projected. (0-100) *

32. Do you commit to best faith efforts to retain your staff? *

Mark only one oval.

Yes

No

33. Do you have insurance that will cover your business closure? *

Mark only one oval.

Yes

No

34. What other forms of funding have you or will you apply for? (You must certify your application/s for other funding in future steps of the process.) *

Use of Funds

35. How much funding are you applying for? (amount in \$) *

36. How much do you plan to use toward Payroll? (amount in \$) *

37. How much do you plan to use toward Commercial Mortgage/Rent? (amount in \$) *

38. How much do you plan to use toward Utilities? (amount in \$) *

39. How much do you plan to use toward Inventory/Vendors/Suppliers? (amount in \$) *

40. Do you plan to use this funding toward other expenses? How much do you plan to use toward other expenses? (amount in \$)

Financial Information

41. 2018 Gross Revenue *

42. 2019 Gross Revenue *

43. What was your average monthly revenue prior to COVID-19? *

44. What is your projected monthly revenue moving forward during this crisis? *

45. Do you have collateral that you can pledge on a loan? *

Mark only one oval.

Yes

No

Demographic Information

46. Which best describes your ethnicity? *

Mark only one oval.

Hispanic /Latino

Not Hispanic/Latino

47. Which best describes your race? *

Check all that apply.

American Indian/Alaskan Native

Asian

Black/African American

Native Hawaiian/Other Pacific Islander

White

Other: _____

48. What is your gender? *

Mark only one oval.

- Female
- Male
- Genderqueer/Gender Non-binary
- Trans Female
- Trans Male
- Prefer not to answer
- Other: _____

49. Please check all that apply.

Check all that apply.

- Black/African American owned business
- Latinx /Hispanic American owned business
- Asian/Asian-American owned business
- Woman-owned business
- Disabled-owned business
- Veteran-owned business
- Immigrant-owned business

Other: _____

