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STAFF REPORT

TO: Board of County Commissioners
FROM: Scott Vargo, County Manager
DATE: 4/10/2020
SUBJECT: Business Assistance – Unincorporated Summit County

We discussed during the April 7, 2020 BOCC work session your interest in providing business assistance grants. Per your direction staff has refined the Summit County Unincorporated Small Business Relief Grant program.

The coronavirus pandemic and associated business closures based on state and local public health orders to control the spread of the virus has taken a significant toll on our local businesses. Silverthorne, Breckenridge and Frisco have approved business assistance programs within their town limits.

I have provided a brief summary of the town programs that have served as a framework for the proposed County program.

Town of Silverthorne

Purpose statement: Sustain Silverthorne Business Emergency Relief Grant (SSBERG) is to assist independently-owned businesses that have been closed or severely impacted by the statewide stay-at-home order. The grant funds are intended for retailers and service providers to pay for essential business-related expenses like payroll, rent or mortgages, utilities and supplies.

Funds committed - \$350,000

Maximum grant – \$5,000 – available for payroll, rent or mortgage, utilities and supplies

Exclusions – Short-term rental owners and corporate-owned businesses

Criteria – must be currently licensed within TOS and must be current on sales tax filings and payments

Town of Breckenridge

The purpose of this program is to provide some immediate rent support for the Town's entrepreneurial small businesses. It is intended to be a bridge grant allowing the business tenant to get through the next 30 days while other relief options are pursued. The ultimate goal of the

program is to help keep small businesses in a position to re-open as soon as the COVID-19 crisis is over.

Funds committed - \$1,000,000

Maximum grant - \$4,000 – rent or mortgage assistance only

Program Eligibility

1. Your business must currently be closed by Summit County Public Health Order and unable to operate from home. Businesses offering limited take-out and/or mail order are eligible.
2. Your business must have a physical location in the Town of Breckenridge with a monthly rent payment due to a landlord to whom you have no ownership interest (or provide explanation for review / determination). If you have multiple locations, only one location will be considered for this grant.
3. Your business must normally be open all year (no seasonal businesses will be considered at this time).
4. You must employ 16 or fewer full time equivalent staff based on your 2020 BOLT license reporting.
5. You must provide evidence of sustainability such as:
 - o Statement of reserve funds;
 - o Application to refinance business operations;
 - o SBA loan application in process;
 - o Other state or federal relief application; and/or
 - o Statement of other financial support initiatives
6. You must provide a letter from your landlord stating there will be a rent reduction, rent deferment, or a combination of the two for at least one month. The landlord must also agree to not attempt an eviction process for failure to pay rent for at least 60 additional days after receiving this grant from the Town of Breckenridge.

Town of Frisco

TOF staff have provided the following information regarding the proposal that its council will review.

Funds committed - \$500,000

Maximum grant - \$5,000 or one months' rent (whichever is less). Use is not limited to rent or mortgage.

- Criteria
 - o Current TOF business license as of March 1, 2020
 - o Physical location within TOF commercial zoned areas on March 1, 2020
 - o No more than 50 employees
 - o Prohibited from onsite sales or service to the public, or prohibited from onsite consumption of food or beverages (grocery stores excluded)
 - o Must apply for the Economic Injury Disaster Loan program

- Must not be a publicly traded corporation, nor be owned by, controlled by, or a subsidiary of a publicly traded corporation, nor be an entity that has more than Five Million Dollars in annual gross revenues, nor be owned by, controlled by or a subsidiary or any such entity.
- Town will notify the landlord or mortgage holder of the grant and request a matching amount in rent or mortgage relief to the business owner.

Although the town programs do have significant differences they provide some guidance around the grant amount, type of business and other criteria.

Staff Recommendation

By approval of the consent agenda the BOCC approve the program in substantially the form outlined below:

Summit County Unincorporated Small Business Relief Grants

Summit County is dedicating up to \$250,000 in funding towards this program. Eligible businesses may receive a one-time grant of up to \$5,000 dollars (\$5,000 or one months' rent or mortgage payment, whichever is less). Applicants must meet the following eligibility criteria:

- The business must be independently owned.
- The business must have a physical business location in a commercially zoned area of unincorporated Summit County.
- The business must operate year-round.
- The business must have had its operations closed or severely limited by having been prohibited from onsite sales or service to the public, or prohibited from onsite consumption of foods or beverages by one or more of the public health orders issued in connection with COVID-19.
- The business must have 25 full-time equivalents (FTE) or fewer.
- The business must show proof of a current sales tax license and be current on sales tax remittances.
- The business must show proof of application for federal assistance programs, such as the Paycheck Protection Program (PPP) or the Economic Injury Disaster Loan Program (EIDL).
- Short-term rentals, real estate and professional services providers, publicly traded corporate entities and their subsidiaries are not eligible for this program.

- Determination of eligibility for the program will be made by the Finance Director or their designee with the opportunity to appeal that decision to the County Manager. The review by the Finance Director or their designee may include such other relevant information pertaining to the hardship experienced by the business in the reasonable discretion of the County.
- Determination of the maximum grant amount where the business has no landlord and no mortgage shall be an amount determined by the Finance Director or their designee to be a reasonable estimate of the prevailing market rental rate (on March 1, 2020) that business would be expected to pay for its space, not to exceed \$5,000.
- Complete program details and the grant application will be made available online at www.SummitCountyCO.gov/smallbusiness beginning April 14. Applications must be received by April 24.