



Fountain Hills

Small Business Grant Program Guidelines

Intent:

The intent of the Fountain Hills Small Business Grant Program (the Program) is to provide grants from funding made available from the State of Arizona's AZCares Fund to Town businesses impacted by COVID-19.

Timing:

Grant funding will be available during the Town of Fountain Hills' 2020-2021 fiscal year, which begins on July 1, 2020.

Grant applications will be available on the Town's website on July 1, 2020 at 12:00 p.m., and will be accepted starting on that date. Initial funding distributions will likely be awarded in late July 2020. Applications will be reviewed in the order received and will be accepted until all grant funds have been awarded or December 1, 2020.

Process/Structure for Application of Grant Awards:

- Businesses must meet the Essential Requirements listed below to be eligible for the Program.
- Businesses must apply for grant funding as directed on the application. Preferences will be given to businesses that undertake projects that have a demonstrated public benefit and that are consistent with the Eligible Business Expenses as described below.
- After Town approval of the application and its associated Eligible Business Expenses, the Town will process disbursement of the grant funding to the business. The business will undertake completion of the Eligible Business Expenses and pay the vendor/contractor for the goods and services.
- Documentation, including invoices and proof of payment, must then be submitted to the Town's Economic Development Division in order to ensure completion of the Eligible Business Expense.

Note: The Program makes provisions for businesses to submit an application for reimbursement of Eligible Business Expenses that have been previously undertaken. If applying for reimbursement of previous Eligible Business Expenses, application must include invoices and proof of payment.

Anticipated Amount of Grant Awards:

The amount of each grant will be based on the number of approved applications with Eligible Business Expenses.

It is not likely that any individual grant award will exceed \$5,000, and the total funding for the grant program will not exceed \$300,000.

Anticipated Benefits from Award of Grant Funding:

The Town believes that the community at large stands to benefit from awarding grants through the collection of taxes, public health enhancements, and marketing of the Town and its businesses.

Essential Requirements to Apply for the FH Small Business Grant Program

To apply for a grant, the applicant must:

- Be located within the municipal boundaries of the Town of Fountain Hills
- Operate as a for-profit business, not as a non-profit, not-for-profit, 501(c)(3) or 501(c)(6), etc.
- Have an active Town of Fountain Hills Business License
- Have begun conducting business operations within the Town of Fountain Hills on or before January 1, 2020 and is still operating as of the date funding is awarded
- Employ twenty-five (25) or fewer Full-Time Equivalent (FTEs) employees as of February 15, 2020
- Have had gross sales/revenues of less than \$3 million in Calendar Year 2019.
- Not be affiliated with another business under common ownership/management that has applied or will apply for grant funds
- Agree to provide the Town with adequate documentation regarding the use of the grant funds, including but not limited to, jobs retained/created, increased ability to operate at capacity, corresponding increase in sales/revenues, and documentation of expenditures related to the Eligible Business Expenses, etc.

Preference in Award of Grant Funding

If the number of applications with Eligible Business Expenses exceeds the total amount to be awarded by the Town, the following guidelines will be utilized to prioritize the award of funds to businesses. The business:

- Was conducting business on or before August 15, 2019
- Employed three (3) or more Full-Time Equivalent (FTEs) employees as of February 15, 2020
- Certifies that as a result of the impacts of COVID-19, its total gross sales/revenues declined by at least 25% in March and April 2020 as compared to March and April 2019, and provides supporting documentation.

Eligible Business Expenses – Examples of Anticipated Grant Approvals:

Below are four illustrations of categories of projects that are anticipated to be approved. However, the Town does not want to limit our businesses in terms of creatively looking for solutions to survive the pandemic. Therefore, if a business has a unique need not addressed in this section, they are still encouraged to apply for grant funding.

Business Operations Changes:

The Town anticipates providing funding for expenses that have been completed or will be completed that make changes to business operations that were in place before the pandemic. Two examples of projects that are likely to be approved are:

- The purchase of furniture and fixtures, such as tables, chairs, umbrellas, lighting, misting systems, etc. that have the effect of enabling an establishment to enhance their facility's capacity in order to overcome reductions caused by social distancing regulations. This is consistent with the Fountain Hills Small Business Recovery Program's provisions for Temporary Use Permits for the extension of premises.
- The costs related to changes to a restaurant's business model that were necessary to accommodate a focus on take-out services, particularly those during Stay-at-Home orders.

The Town will realize a public benefit through the continued collection of commercial property lease taxes and sales taxes that may have otherwise been reduced if these businesses were no longer operating. In addition, projects that help the business respond to the pandemic by offsetting the reduction in seating capacity or occupancy will enhance the ability of restaurants to serve customers, which should result in additional sales tax collections.

These types of projects, which have a demonstrable impact on the business reopening, overcoming challenges related to the pandemic and/or being sustainable for the long-term will be given priority in the awarding of funds.

Public Health Benefits:

The Town anticipates that it will provide funding for Eligible Business Expenses for projects that involve the purchase and/or installation of:

- Equipment and devices, including partitions, dividers, personal protective equipment (PPE), etc., that help to protect employees and customers by limiting the spread of COVID-19 or ensuring social distancing.

The Town will receive public benefit from keeping its citizens safe and healthy, limiting the spread of COVID-19. This will also help maintain the public's confidence that they can safely patronize the Town's businesses. These Eligible Business Expenses will not only help keep our residents safe, but also have the effect of stabilizing sales tax revenues.

Marketing and Outreach Benefits:

The Town anticipates that it will provide reimbursement for or approve future Eligible Business Expenses related to marketing and outreach efforts. These could include campaigns to attract additional customers throughout the Valley to come to Fountain Hills and/or advertising to make customers aware of the current operational status of the business (such as changes to the business' days/hours; changes to types of service, including take-out service only; face coverings required; etc.)

The approval of grants related to marketing and outreach efforts are anticipated to bring additional visitors and economic activity to the Town, which will have the effect of providing enhanced tax collections.

Commercial Property Occupancy Benefits:

The Town anticipates providing funding for Eligible Business Expenses related to lease/mortgage payment assistance. Governor Ducey issued an Executive Order that halted the eviction of small businesses that were unable to pay rent through May 31, 2020. Approval of grant funding from the Town is expected to help businesses stay in their commercial properties by providing up to one month's lease/mortgage payment. This provision only applies to businesses occupying a commercial property.

The approval of grants related to assistance with lease/mortgage payments is anticipated to help businesses to continue operating, prevent evictions and increased vacancy rates, and ensure that the Town will continue to collect lease taxes.