

CITY OF ORTING  
WASHINGTON  
RESOLUTION NO. 2020-23

ORIGINAL

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**A RESOLUTION OF THE CITY OF ORTING,  
WASHINGTON, ESTABLISHING THE ORTING CARES  
ACT SMALL BUSINESS GRANT PROGRAM, DECLARING  
A PUBLIC PURPOSE AND AUTHORIZING A CITY GRANT  
OF FUNDS TO ORTING BUSINESSES FOR COVID-19  
RELIEF.**

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**WHEREAS**, on March 27, 2020, the United States Congress adopted the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) which, among other things, amended Section 601(a) of the Social Security Act and established the Coronavirus Relief Fund into which Congress appropriated \$150 billion to make payments for specified uses to States and certain local governments; and

**WHEREAS**, the Coronavirus Relief Fund is available to reimburse government recipients for necessary expenditures incurred due to the COVID-19 public health emergency that were not accounted for in the government recipient’s most-recently appropriated budget and that were incurred during the period between March 1, 2020 and December 30, 2020; and

**WHEREAS**, Guidance issued by the U.S. Treasury Department indicates that necessary expenditures incurred due to the COVID-19 public health emergency include costs incurred to support local businesses that suffered losses due to COVID-19 business interruptions, or incurred costs for personal protective equipment or other materials, supplies and equipment needed to safely operate following a COVID-19-related closure; and

**WHEREAS**, the City Council believes a functioning local economy is critical to protect the health and wellbeing of Orting residents, as the failure of small businesses due to the pandemic will create a serious hardship on owners and individuals employed by those businesses, and create additional financial burdens on government services by increasing demand for government support to individuals who are unemployed coupled with a substantial decrease in sales tax revenue for the City due to the pandemic; and

**WHEREAS**, the City of Orting desires to establish adopted a COVID-19 / CARES Act Small Business Grant Program to provide grant funding to businesses within the City of Orting who have been negatively impacted by the COVID-19 pandemic; and

**WHEREAS**, the City has been allocated funding from the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), and the City Council desires to use a portion of the funding for grant relief to provide relief to Orting’s businesses from the public health, safety and economic crises resulting from the COVID-19 pandemic; and

**WHEREAS**, the City Council finds that this program will serve a governmental purpose by wherein in exchange for cash allocations, qualified small businesses will be able to re-open and provide the City's residents with jobs, services and/or goods, and public services via tax revenue; and

**WHEREAS**, the City Council finds that the grant program is necessary and the eligibility requirements are compliant with the requirements for use of funds established by the Washington Department of Commerce, the administrator for the CARES Act funding allocated to the City, and the federal government; and

**WHEREAS**, the City Council finds that funding the business grants serves the valid municipal purpose of promoting the health, safety and welfare of the City's businesses who are struggling due to the COVID-19 pandemic and the economic impact thereof;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ORTING, WASHINGTON, DOES RESOLVE AS FOLLOWS:**

**Section 1. Program Establishment and Declaration of Public Purpose.** The City Council establishes the Orting CARES Act Small Business Grant Program to award cash grants to eligible small businesses serving residents of Orting with jobs, services and goods during the public health, safety and economic crises resulting from the COVID-19 pandemic. The City Council declares that this program serves the valid municipal purposes described herein and is necessary to ensure that the Orting businesses are equipped to respond to the COVID-19 pandemic and related economic crisis.

**Section 2. Authorization of Funding.** The City Council allocates \$100,000 for economic recovery response to the impacts resulting from the COVID-19 pandemic through the Orting CARES Act Small Business Grant Program. The City Council directs staff to disseminate the funding pursuant to the program criteria in Exhibit A, and to solicit eligible grant recipients using Exhibit B, Grant Application - CARES BUSINESS RELIEF GRANT. Grant recipients shall execute a contract with the City prior to receipt of the funds in a form acceptable to the City Attorney, an illustrative example is attached hereto as Exhibit C. The City Council authorizes payment of this grant from the City's general fund, and requests the Mayor or designee seek reimbursement from the CARES Act funding allocated to the City.

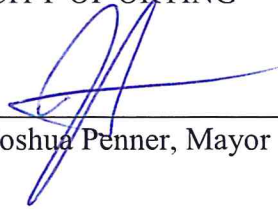
**Section 3. Program Implementation.** The City Council requests the Mayor adopt any necessary administrative processes to implement this resolution and attached policy, and in compliance with the provisions of state and federal law.

**Section 4. Effective Date.** This Resolution shall take effect and be in full force immediately upon its passage.

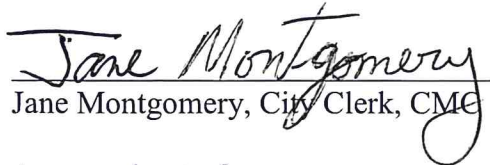
**Section 5. Corrections Authorized.** The City Clerk is authorized to make necessary corrections to this Resolution, including but not limited to correction of clerical errors.

**PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON  
THE 26<sup>th</sup> DAY OF AUGUST, 2020.**

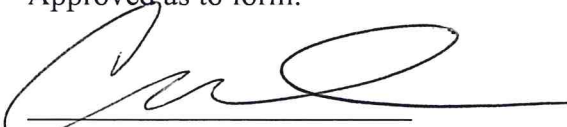
CITY OF ORTING

  
\_\_\_\_\_  
Joshua Penner, Mayor

ATTEST/AUTHENTICATED:

  
\_\_\_\_\_  
Jane Montgomery, City Clerk, CMC

Approved as to form:

  
\_\_\_\_\_  
Charlotte A. Archer  
Inslee Best  
City Attorney



## EXHIBIT A

### City of Orting CARES Act Small Business Grant Program

The City of Orting Small Business Grant Program is intended to ensure the economic health of the City of Orting, and thereby improve the public health and welfare for Orting's residents. The grant funded allocated hereunder is designed to help small businesses keep their doors open, protect local jobs threatened by the COVID-19 pandemic, support community recovery, and increase the resiliency of local businesses in our community. The City anticipates awarding eligible small businesses with a one-time cash grant based on documented need.

#### **Eligible Business Criteria:**

- Must have been in operation and licensed within the City of Orting before March 1, 2020
- Must Have a current City of Orting Business license.
- Been in business for at least one year prior to the date of the application
- Have a physical location in the City of Orting on or before March 1, 2020
- Have no more than 10 full-time equivalent employees as of March 1, 2020
- A for-profit business engaged in a type of business eligible to receive funding by the US Small Business Administration
- The business is not owned, partially owned, by employees or public officials associated with the City of Orting
- Demonstrate a financial loss due COVID-19 in the 2nd quarter of 2020 of 20% or more when compared to the 2nd quarter of 2019. Applicants shall identify the amount sought on the application form, and awards will be based on the documented business loss. The City retains its rights to audit the businesses books and records at a later date to verify this.
- Business has reopened prior to the date of the application

#### **Examples of Eligible Uses of Program Award Funds:**

- Payment of rent or required monthly loan payments.
- Payments of regular wages, employee benefits and taxes; provided such expenses have not been and, to the best knowledge of the Recipient, will not be reimbursed under any federal, state or regional program, including any grant or loan programs.
- Expenditures involved in typical operating costs, including those set forth on an income statement as a regular, ongoing cost of operating the business.
- Typical draws or wages paid on a regular interval to the owner; provided such draws or wages are consistent with those paid to the owner in previous corresponding quarters, years or other appropriate time intervals.
- Expenses for compliance with COVID-19-related public health measures, including personal protective equipment and supplies, plexiglass barriers or other similar equipment and expenses reasonably necessary for the protection of public health and the health of Recipient owners and employees.

### Examples of Ineligible Uses of Program Award Funds:

- Political campaign contributions or donations.
- Charitable contributions or gifts.
- Bonus payments to Recipient owners, officers or employees.
- Payment of wages to any member of the Recipient owner's family who is not a bona fide employee.
- Draws or salary to Recipient owner that exceeds the amount paid over a corresponding interval, quarter, or year in 2019.
- Paydown or payoff of debt by more than the monthly amount required by the underlying debt instrument.
- Payroll and other employee- or business-associated costs for which the Recipient has received or expects to receive reimbursement from other federal, state or regional funds (e.g. Payroll Protection Program or unemployment insurance).
- Damages covered by insurance.
- Reimbursement to donors for donated items or services.
- Severance pay.
- Legal settlements.
- Any expenses not considered an eligible business expenses by the Department of the Treasury Internal Revenue Service.

### Terms and Conditions for Receiving and Grant:

- 1) Businesses must meet all of the criteria laid out above under "Eligible Business Criteria."
- 2) All representations made by a business receiving a Grant from the City are subject to verification by the city in a manner acceptable to the City. The City may also audit how the funds were spent to verify they conform with Eligible Expenses. If it is determined that a business made an intentional misrepresentation on this application the business may be required to repay all amounts granted to the business.
- 3) You must complete this application and sign and return it by September 21, 2020
- 4) Eligible Expenses for the funds are limited to the following:
  - a) Retaining and/or supporting employees, payroll and benefits
  - b) Restoring financial resiliency
  - c) Business rent or mortgage payments
  - d) Addressing temporary COVID-19 related restrictions on business activity
  - e) Increasing technology capacity to enable alternative work forms or service delivery
  - f) Creating new marketing campaigns
  - g) Revising business plans
  - h) Paying vendor invoices
  - i) Facility cleaning/restoration
- 5) Grant amounts will not exceed \$15,000 per business or common business owner.
- 6) The City has allocated \$100,000 to Business Relief Grants. If the eligible grant applications submitted exceed \$100,000, eligible grant recipients will be awarded on a first come, first serve basis Businesses who are not selected will not receive a grant.
- 7) The City will mail checks to the selected businesses the week of September 28, 2020.

Required Documentation from Eligible Businesses

- Completed Application Form
- Financial documentation to evidence business loss due to COVID-19
- Executed agreement with City