

# Memo

To: Village Board

Fr: Trevor Fuller, Planning and Zoning Administrator

Re: ACTION RE: COVID-19 BUSINESS RELIEF FUNDS

Date: 17 April 2020

The Village of Allouez recognizes the uncertainty and burden that COVID-19 is placing on all businesses across all sectors. Small businesses are especially vulnerable because of the limited resources and savings. Small businesses make up 97 percent of businesses in Wisconsin and 50 percent of employment. Most small businesses cannot survive more than two months without revenue. Unemployment has increased and retail sales (including online) have decreased beyond precedents set more than 30 years ago in the 1980s.

On Wednesday, April 15, 2020, Governor Evers signed Wisconsin COVID-19 Bill. The bill addresses many concerns and fills some of the gaps and necessities that were not covered by Federal legislation. However, the bill does not provide any relief to businesses in Wisconsin. On Thursday, April 16, 2020, the Small Business Administration (SBA) announced that they were no longer accepting applications for the Paycheck Protection Program (PPP) or the Economic Injury Disaster Loan (EIDL) – the two main Federal programs directed at providing relief to small businesses impacted by COVID-19. The CARES Act (Phase 3 of COVID-19 relief) designated \$349 billion to the PPP program and after less than two weeks these funds have run out. The SBA approved 1,611,397 loans before the fund was depleted. Congress is discussing a “Phase 3.5” COVID-19 package. Members of Congress have said that the purpose of this phase will be to provide additional funding for public health tools and agencies. There is dispute on whether or not additional funding will be provided to for small business relief.

On Thursday, April 16, 2020, Governor Evers extended the Safer at Home Order. This extension was done to protect the public health of Wisconsin, but will unavoidably have negative economic impacts.

The Village of Allouez has been in communication with leaders at the Wisconsin Manufacturers & Commerce (WMC), the Wisconsin Economic Development Corporation (WEDC), the Department of Administration (DOA), the Department of Revenue (DOR), and state legislators to find relief for our businesses. We have been in close contact with many businesses in Allouez and have promoted our businesses on the village Facebook page and website. On Monday April 20, 2020, we also hosted an online business roundtable to hear directly from Allouez business owners and to give them a chance to know they are not alone. The Allouez Business Association has assisted in these efforts.

Surrounding municipalities are changing existing loan programs or creating new loan programs to assist small businesses in their communities. Staff is recommending the Village of Allouez explore creating a revolving loan fund to provide temporary relief to small businesses in our community. While we acknowledge that the village has limited resources to help our area businesses, we believe this could be something to continue doing our part.

Staff can provide further detail about what is currently being discussed as far as potential application, need, and funding resources at the meeting. **The Village Board is asked to discuss the idea of creating a revolving loan fund or other potential resources the village can provide to Allouez businesses. The Village Board is asked to provide further direction to staff regarding these matters.**