



Legislation Text

File #: 21-0215, **Version:** 1

TO: Mayor Richard C. Irvin

FROM: Martin S. Lyons, Chief Financial Officer/City Treasurer

DATE: March 18, 2021

SUBJECT:

A Resolution Authorizing the Chief Financial Officer/City Treasurer to disburse payments to the businesses recommended for award in the second grouping as part of the City's Small Business Financial Relief Program to address business losses as a result of the COVID 19 Pandemic or other such major business interruption events.

PURPOSE:

The impact of the COVID 19 Pandemic continues to be felt by Aurora small businesses. Federal relief programs have not addressed all of the needs of our local businesses and in some cases such program have placed a reporting burden that has reduced the level of application for many businesses. The relief program created by the City of Aurora utilizes local financial and business data and practices to determine qualifications and is not subject to Federal regulations that have impacted the outreach of prior programs.

This program is designed to prevent the closure of businesses. The cost per business to actually open or re-open a business is substantially higher on a per business basis as evidenced by many of our more recent downtown development agreements.

BACKGROUND:

Last month, City Council approved the creation of three (3) different and distinct financial relief programs for our local businesses. The three programs are:

- 1) Direct Cash to Business Relief
- 2) No Liquor License Renewals for 2021 (Item 21-0061)
- 3) Food and Beverage Tax Holiday for 90 days (in 2021) (Item 21-0062)

A fourth program, the Residential Relief Program will come at a later date.

The purpose for the Direct Cash to Business Relief program is to allow the City to offer grants to reimburse a portion of business losses suffered as a direct result of the public health crisis, and assist as they adjust to the resulting business demands.

The major qualifying expense used to determine the grant amount is "cost of business interruption," defined as the decrease in revenue between a seven-month period in 2019 compared with 2020.

The total available funding for the Direct Cash to Business Relief Fund is \$1,200,000. Funding comes

from the City's General Fund at a recommended amount of \$1.2 million, \$200,000 of which is already provided in the 2021 Adopted Budget. Based on the Treasurer's Report for December 31, 2020, the City also has available funds above minimum fund balance policies to utilize an additional \$1.0 million to fund one-time relief programs. Payments to qualified businesses will be distributed as a one-time grant.

DISCUSSION:

At the last City Council meeting on March 5th, 2021, Council approved a resolution to authorize the Chief Financial Officer/City Treasurer to disburse payments to the businesses recommended for award in the first grouping as part of the City's Small Business Financial Relief Program. Businesses recommended for award in the second grouping are shown in Attachment A.

IMPACT STATEMENT:

Approving this resolution will provide for needed relief to local businesses and will in turn support future revenues for the City and stable business districts throughout the City.

RECOMMENDATIONS:

That this resolution be approved.



CITY OF AURORA, ILLINOIS

RESOLUTION NO. _____
DATE OF PASSAGE _____

A Resolution Authorizing the Chief Financial Officer/City Treasurer to disburse payments to the businesses recommended for award in the second grouping as part of the City's Small Business Financial Relief Program to address business losses as a result of the COVID 19 Pandemic or other such major business interruption events.

WHEREAS, the City of Aurora has a population of more than 25,000 persons and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals, and welfare; and

WHEREAS, the impact of the COVID 19 Pandemic continues to be felt by Aurora small businesses. Federal relief programs have not addressed all of the needs of our local businesses and in some cases such programs have placed a reporting burden that has reduced the level of application for many businesses; and

WHEREAS, the City wishes to address the needs of local businesses through locally administered

financial relief programs using local financial and business data and practices to determine qualifications that will not be subject to Federal regulations that have impacted the outreach of prior programs, and

WHEREAS, the total available funding for the Direct Cash to Business Relief Fund is \$1,200,000, funded through general funds at a recommended amount of \$1.2 million.

WHEREAS, on March 5th, 2021 City Council approved a resolution authorizing the Chief Financial Officer/City Treasurer to disburse payments to the businesses recommended for award in the first phase as part of the City's Small Business Financial Relief Program.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Aurora, Illinois, as follows: that the Chief Financial Officer/City Treasurer is authorized to disburse payments to the businesses recommended for award in the second grouping as part of the City's Small Business Financial Relief Program to address business losses as a result of the COVID 19 Pandemic or other such major business interruption events.