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Date: January 19, 2021

To: Mayor and Council

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RE: Business Relaunch Grant review and other COVID-19 business support programs

Report No.: FS-2021-04

AIM

To provide Council with a review of the 2020 Business Relaunch Grant program and provide information on other sources of financial support available to businesses due to COVID-19.

BACKGROUND

In August 2020, Council approved the Business Relaunch Grant Fund with a budget of \$225,000 to help organizations recoup the costs associated with implementing new COVID-19 health and safety measures. The program provided eligible businesses with up to \$750 in funding for items such as personal protective equipment, workspace modifications, cleaning supplies, etc.

In September 2020, Council passed a motion to allow non-profit, charitable and cultural organizations which provide youth programming, to be eligible for up to \$300 from the COVID-19 Business Relaunch fund.

DISCUSSION

The online application for the Business Relaunch Grant Fund was available August 24, 2020 to October 23, 2020 on the Town's website. The Town received approximately 80 applications in the first month of the program. In total, the program provided approximately \$83,000 in funding for 114 eligible businesses.

The Non-Profit Youth Programming Relaunch Grant provided six applicants with a total of \$1,800 in funding.

Although the Town has been able to provide some support to help businesses meet their health and safety requirements, the Town simply does not have the financial resources to make a significant difference for those businesses facing extreme hardship due to heightened restrictions during this second wave of COVID-19.

Administration would like to highlight other programs that are currently available for eligible businesses in need of substantial financial aid.

ONTARIO GOVERNMENT GRANTS

Ontario Small Business Support Grant

This grant will help small businesses that are required to close or significantly restrict services under the province wide shutdown effective December 26, 2020.

During this period, the grant provides funding starting at \$10,000 to a maximum of \$20,000 to help offset decreased revenue. Eligible businesses can use their own judgement on how to utilize the funds such as for payroll, inventory, etc.

Main Street Relief Grant for Personal Protective Equipment (PPE)

Small businesses in retail, food service and other specified sectors with 2 to 9 employees may qualify to receive a one-time maximum grant up to \$1,000 for PPE costs.

Receipts or proof of costs for PPE i.e. gloves, sanitizer, plexiglass dividers, signs, etc. purchased since March 17, 2020 will be required.

Property Tax and Energy Cost Rebate Grants

Businesses that were required to shut down or significantly restrict services due to provincial public health measures (modified Stage 2 restrictions or, going forward, in areas categorized as Control, Lockdown or Province wide Shutdown) can apply. This provincial application-based grant provides a rebate to eligible businesses in respect of property taxes and energy bills.

All small businesses that are eligible for the Ontario Small Business Support Grant above are also eligible for these rebates.

Receipts or proof of costs for property tax, electrical and natural gas costs is required.

Key Dates for Town of Kingsville:

Stage 2 period was effective July 7, 2020 to August 11, 2020.

Control period was effective November 30, 2020 to December 13, 2020

Lockdown period was effective December 14, 2020 to December 25, 2020

Province wide shutdown was effective December 26, 2020 to January 13, 2021.

Province wide shutdown with a declaration of emergency stay at home order is effective January 14, 2021 to at least February 11, 2021.

How to Apply?

Businesses should visit <https://www.ontario.ca/page/businesses-get-help-covid-19-costs> to obtain details and to apply.

COMMUNITY FUTURES ESSEX COUNTY

Community Futures Essex County is a not-for-profit organization dedicated to providing business financing and counseling to entrepreneurs in Essex County. They are delivering the Regional Relief and Recovery Fund (“RRRF”) program from FedDev Ontario.

The Regional Relief and Recovery Fund (“RRRF”) program provides an interest-free loan up to \$40,000 to help support fixed operating costs to those businesses whose revenues have been affected by COVID-19. Up to 25% or \$10,000 of the loan is forgivable if the balance is repaid by December 31, 2022. The organization will focus on assisting “Main Street” businesses, such as retail shops, restaurants, corner stores, etc.

Priority is given to applicants who were ineligible or rejected from other federal relief supports, or who could not apply, as they did not meet eligibility criteria.

Application for funding are accepted and reviewed until the Fund is fully committed. There is no submission deadline. As of mid-January this year, funding was still available.

How to Apply?

Businesses should visit www.cfessexcounty.ca and review the RRRF COVID-19 Relief Loan webpage.

LINK TO STRATEGIC PLAN

Effectively manage corporate resources and maximize performance in day-to-day operations.

FINANCIAL CONSIDERATIONS

Administration recognizes the financial strain on local businesses during this Provincial lockdown and the challenges ahead to recover. Unfortunately, the Town has limited financial resources to provide meaningful support to businesses during this crisis. A more effective use of Town resources would be to;

- Actively promote Provincial and Federal support programs, such as those highlighted above
- Support small business and tourism recovery efforts through marketing and promoting the Town
- Support local festivals and events, such as ‘Open Streets’ to draw visitors and tourists back to Kingsville

- Invest in infrastructure, parks and other community assets for long-term enhancements to the community.
- Support community testing and vaccination clinics so everyone can get back to business sooner.

The Federal and Provincial levels of government are responsible for establishing the restrictions on businesses in response to the pandemic. They also have the resources and legislative ability to provide programs and services to address the financial challenges associated with the restrictions they impose.

CONSULTATIONS

None.

RECOMMENDATION

That Council receive the Business Relaunch Grant review and information on other COVID-19 business support programs.

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