

**RESOLUTION
ROCK COUNTY BOARD OF SUPERVISORS**

Supervisors Stevens and Aegerter
INITIATED BY



Supervisors Stevens and Aegerter
DRAFTED BY

Planning & Development Committee
SUBMITTED BY

June 4, 2021
DATE DRAFTED

Creating American Rescue Plan Act (ARPA) Grants for Small Businesses and Nonprofit Organizations

1 **WHEREAS**, the World Health Organization (WHO) declared COVID-19 a global pandemic on March
2 11, 2020; and

3
4 **WHEREAS**, in an effort to control the spread of COVID-19, multiple emergency orders went into place
5 starting on March 16, 2020; restricting in-person activities and even closing businesses. A safer-at -home
6 order was in effect from March 25, 2020 until the state Supreme Court struck the emergency orders down
7 on May 13, 2020, when Rock County issued a safer-at-home order and then a phased approach to
8 reopening; and

9
10 **WHEREAS**, from March 2020 to the present, COVID-19 precautions have continued to contribute to
11 decreased economic activity and lost revenue. Unemployment in Rock County has increased to 5.5%
12 from the 2019 rate of 3.5%. Some Rock County small businesses have closed since March 2020 and more
13 are in danger of closing; and

14
15 **WHEREAS**, although the CARES Act, Paycheck Protection Program (PPP), and the small business loan
16 fund were put in place to help address the economic losses in our community, many Rock County
17 businesses did not receive any aid, including disproportionately disadvantaged groups that may have
18 lacked access to the resources necessary to submit applications or may have been challenged with the
19 complexity of the application processes and gathering required documentation; and

20
21 **WHEREAS**, Rock County’s mission statement is, “To enhance the quality of life, health, safety, and
22 trust of all citizens by providing top quality public services through a creative and responsive team
23 committed to excellence, integrity, accountability, and respect;” and

24
25 **WHEREAS**, Rock County may use funds received through the American Rescue Plan “to respond to the
26 public health emergency with respect to the Coronavirus Disease 2019 (COVID–19) or its negative
27 economic impacts, including assistance to households, small businesses, and nonprofits, or aid to
28 impacted industries such as tourism, travel, and hospitality.” Providing funding to small businesses and
29 nonprofits in this way will have a long-term impact on the health of our local economy by ensuring these
30 organizations are strengthened, resilient, and can remain in operation; and

31
32 **WHEREAS**, we have a duty to our local businesses, nonprofits, and citizens who fell through the cracks,
33 who the government on all levels failed to help previously. Specifically:

- 34
- 35 • Small business owners in Rock County have been unable to pay their payroll costs, mortgage, rent
36 and utilities, and other expenses associated with doing business since the start of the COVID-19
37 pandemic.
 - 38 • Small business owners in Rock County have struggled with finding resources that adequately
39 prepare them for post-COVID business development and sustainability planning.
 - 40 • Small business owners and nonprofits in Rock County deserve a pandemic relief plan that
41 provides both immediate relief and resources that provide for long-term disaster preparedness and
42 sustainability planning.

43 **NOW, THEREFORE, BE IT RESOLVED** that the Rock County Board of Supervisors, duly
44 assembled this 8th day of July, 2021, does hereby create an American Rescue Plan Act (ARPA) Small

Creating American Rescue Plan Act (ARPA) Grants for Small Businesses and Nonprofit Organizations

Page 2

45 Business and Nonprofit Grant Program, to be funded with \$5 million from Rock County's ARPA
46 allocation.

47

48 **BE IT FURTHER RESOLVED**, grants of up to \$10,000 per applicant will be provided until allocated
49 funding is no longer available. The amount of the grant provided will be equal to the demonstrated
50 amount of losses in 2020, up to the grant maximum.

51

52 **BE IT FURTHER RESOLVED**, eligibility criteria are that a business:

- 53 • must be independently owned with their main office in Rock County;
- 54 • generate less than \$1 million in revenue annually;
- 55 • is a restaurant, in the service industry, retail business, or start up that operates as a limited liability
56 corporation (LLC), independent contractor, or sole proprietor, or is a 501(c)3 nonprofit;
- 57 • experienced a decrease in revenue in 2020;
- 58 • was in operation prior to March 15th, 2020;
- 59 • has at least 1 employee but no more than 25;
- 60 • has obtained no assistance from the federal PPP or Economic Injury Disaster Loan (EIDL)
61 program;
- 62 • is not delinquent on any outstanding taxes owed, including the Wisconsin Department of
63 Administration's ineligible vendor list under s. 77.66, Wis. Stats; and
- 64 • is not on the Wisconsin Department of Workforce Development's debarred contractor list.

65

66 **BE IT FURTHER RESOLVED**, businesses who are primarily engaged in gambling, tobacco or vaping,
67 alcohol sales, payday lending, lobbying, multi-level marketing, or direct sales, as well as financial,
68 religious, and educational institutions, are excluded from receiving grants through this program. Grant
69 applicants who are registered as sex offenders are also excluded from the program.

70

71 **BE IT FURTHER RESOLVED**, applicants must certify that the pandemic has had an adverse
72 economic impact on them and be able to demonstrate they need ARPA funding in order to stabilize,
73 sustain, strengthen or restart operations. Funding must be used to offset COVID-19 related losses. Funds
74 may be used to pay rent, payroll costs, utilities, and other necessary operating expenses. Documentation
75 submitted with the application must include 2019 and 2020 tax returns or Form 990 for nonprofit
76 organizations, proof of business/organization formation (e.g. articles of incorporation, business license, or
77 registration with the state of Wisconsin), and a state issued identification.

78

79 **BE IT FURTHER RESOLVED**, County staff are directed to partner with a local financial institution or
80 accounting firm, or other third party skilled at reviewing similar applications, for the purpose of reviewing
81 Rock County's ARPA grant applications and determining eligibility, pursuant to the criteria established
82 herein. County staff will also contract with a third party to develop a Rock County ARPA grant
83 application portal, through which all applicants must apply.

84

85 **BE IT FURTHER RESOLVED**, Rock County will partner with and provide \$1.5 million to the
86 University of Wisconsin Small Business Development Centers (SBDC) to provide custom training,
87 coaching, mentoring, and business plan development services to Rock County's small business owners as
88 a condition of their participation in the program to assist with post-COVID related business development,
89 disaster preparedness, and sustainability planning. SBDC may work with other business development
90 partners to provide services as appropriate.

91

92 **BE IT FURTHER RESOLVED**, applicants who do not receive funding through this ARPA grant can
93 apply through the SBDC to receive post-COVID related entrepreneurial support funded by Rock County
94 through this program. Such applicants will receive priority in receiving a loan through the Rock County
95 Small Business Loan Fund once they have completed a program through the SBDC.

96

97 **BE IT FURTHER RESOLVED**, Rock County will identify and provide funding to local organizations
98 that can provide assistance in helping small businesses apply for grants through this program.

99

100 **BE IT FURTHER RESOLVED**, Rock County will work with the Arrowhead Library System (ALS) to
101 establish a plan, funded through the County's ARPA allocation, on how to make available business
102 planning resources through the seven public libraries in Rock County for business owners who don't

Creating American Rescue Plan Act (ARPA) Grants for Small Businesses and Nonprofit Organizations

Page 3

103 have access to the internet or the technology they need to develop a post-COVID business development
104 and sustainability plan, including the deployment of both hardware (e.g. laptops, hotspots) and business
105 planning software

106
107 **BE IT FURTHER RESOLVED**, an additional \$1 million will be set aside to operate this program,
108 including for the ALS plan, application assistance, and administrative contracts. Any unspent funds when
109 all grants have been provided and all contracts completed will be available for other ARPA programs
110 determined by the County Board.

111
112 **BE IT FURTHER RESOLVED**, the 2021 budget be amended as follow:

114	BUDGET	INCREASE	AMENDED
115	7/1/2021	(DECREASE)	BUDGET
116	PROGRAM		
117	Small Business and Non-Profit Grant Program		
118	<u>Source of Funds</u>		
119	19-1980-0000-42100		
120	Federal Aid	-0-	\$5,250,000
121			
122	<u>Use of Funds</u>		
123	19-1980-2901-63110		
124	Administration	-0-	\$50,000
125	19-1980-2901-62191		
126	Technology Services	-0-	\$100,000
127	19-1980-2901-62104		
128	Consulting Services	-0-	\$100,000
129	19-1980-2901-64320		
130	Grants to Small Businesses	-0-	\$4,000,000
131	19-1980-2901-64321		
132	Grants to Non-Profits	-0-	\$1,000,000
133			
134	Business Planning Resources		
135	<u>Source of Funds</u>		
136	19-1980-0000-42100		
137	Federal Aid	-0-	\$750,000
138			
139	<u>Use of Funds</u>		
140	19-1980-2902-63110		
141	Administration	-0-	\$50,000
142	19-1980-2902-62104		
143	Consulting Services	-0-	\$50,000
144	19-1980-2902-63408		
145	Program Supplies	-0-	\$650,000
146			
147	Small Business Development Centers		
148	<u>Source of Funds</u>		
149	19-1980-0000-42100		
150	Federal Aid	-0-	\$1,500,000
151			
152	<u>Use of Funds</u>		
153	19-1980-2903-62119		
154	Other Contracted Services	-0-	\$1,500,000

Creating American Rescue Plan Act (ARPA) Grants for Small Businesses and Nonprofit Organizations

Page 4

Respectfully submitted,

PLANNING & DEVELOPMENT COMMITTEE

/s/Alan Sweeney
Alan Sweeney, Chair

DISSENT
Wayne Gustina, Vice-Chair

/s/Wes Davis
Wes Davis

DISSENT
J. Russell Podzilni

/s/Robert Potter
Robert Potter

**FINANCE COMMITTEE
ENDORSEMENT**

Reviewed and approved on a vote of 3-2

/s/Mary Mawhinney 7-8-2021
Mary Mawhinney, Chair Date

FISCAL NOTE:

These programs will be funded with the County’s ARPA allocation. No other County funds are required.

/s/ Sherry Oja
Finance Director

ADMINISTRATIVE NOTE:

Grants to and business planning services for small businesses that have been negatively impacted by the pandemic are an eligible expense under the American Rescue Plan Act (ARPA). Related contracts and services to support this would also be allowable.

/s/Josh Smith

Josh Smith
County Administrator

LEGAL NOTE:

The County Board is authorized to take this action pursuant to secs. 59.01 and 59.51, Wis. Stats. As an amendment to the adopted 2021 County Budget, this Resolution requires a 2/3 vote of the entire membership of the County Board pursuant to sec. 65.90(5)(a), Wis. Stats.

s/Richard Greenlee

Richard Greenlee
Corporation Counsel

Executive Summary

Creating American Rescue Plan Act (ARPA) Grants for Small Businesses and Nonprofit Organizations

This resolution would allocate a total of \$7.5 million from Rock County's total American Rescue Plan Act (ARPA) allocation of \$31.7 million for the following purposes:

- \$5.0 million to provide grants to small businesses and nonprofits;
- \$1.5 million to Small Business Development Centers (SBDC) to provide business plan development, coaching, mentoring, and counseling; and
- \$1.0 million for administrative and other operational costs, including funding to the Arrowhead Library System to coordinate access to software and hardware for small businesses to interact with SBDC staff and complete business planning. Other administrative costs include application processing, an application portal, and support in completion of applications.

Grants provided to small businesses and nonprofits would be a maximum of \$10,000, based on the amount of documented losses in 2020 due to the effects of the COVID-19 pandemic.

The resolution directs that the County contract with a third-party vendor to process applications consistent with the eligibility criteria outlined in the resolution, including that an organization:

- must be independently owned with their main office in Rock County;
- generate less than \$1 million in revenue annually;
- is a restaurant, in the service industry, retail business, or start up that operates as a limited liability corporation (LLC), independent contractor, or sole proprietor, or is a 501(c)3 nonprofit;
- experienced a decrease in revenue in 2020;
- was in operation prior to March 15th, 2020;
- has at least 1 employee but no more than 25;
- has obtained no assistance from the federal PPP or Economic Injury Disaster Loan (EIDL) program;
- is not delinquent on any outstanding taxes owed, including the Wisconsin Department of Administration's ineligible vendor list under s. 77.66, Wis. Stats; and
- is not on the Wisconsin Department of Workforce Development's debarred contractor list.

Certain types of organizations are ineligible to receive grants, as noted in the resolution.

Applicants who do not receive funding through this grant program will receive priority in receiving funding through Rock County's Small Business Loan Fund once they have completed programming through the SBDC.