The City of Montrose

Weekly Montrose Business Update

1 April 2020 / 8:30 AM / Zoom Webinar

PANELIST

Chelsea Rosty, Director of Business Innovation, crosty@cityofmontrose.org

Nancy Murphy, Director – Small Business Development Center, nancy@region10.net

Amanda Waltrip, Regional Program Assistant, Amanda.Waltrip@state.co.us

Barbara Bynum, Mayor Pro-Tem, bbynum@cityofmontrose.org

AGENDA

Chelsea Rosty, City of Montrose

● Introductions

Nancy Murphy, Region 10

● Update on Five (5) Loan Programs
  ○ Region 10 Business Loan Fund – Contact Dan Scinto at dan@region10.net
    ■ Providing loans up to $10,000 to businesses within our geographic reach (six county area).
  ○ Coronavirus Aid, Relief, and Economic Security (CARES) Act – All programs are for working capital only (accounts payable, payroll, rent, utilities, etc.), does not include projected income and/or lost sales.
    ■ SBA Economic Injury Disaster Loan (EIDL) program.
      ● Lending up to $2 million, 3.75% for-profit, 2.75% nonprofits, 30-year fixed loans.
• If you are seeking less than $25K, there is no collateral, and if you are seeking more than $25K collateral is required
  ○ The loan is figured through one month’s expenses X6 to carry it out for six months.

• Apply directly to SBA here.

■ EIDL Advance

• Emergency advance up to $10K

• Available within 3 days of applying for EIDL, must request advance

• Does not need to be repaid

• May be used to keep employees on payroll, to pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent, and mortgage payments.

• Apply directly to SBA here.

■ SBA Express Bridge Loan

• Only available to businesses that already have an SBA loan with the bank.

• Up to $25K - Banks will be reaching out to clients (Timberline and FCNB)

■ Paycheck Protection Program (PPP) Loan

• Provides small businesses with funds to pay up to 8 weeks of payroll costs including benefits.

• Loans amount to 250% of your average monthly payroll costs during that time period.
  ○ Must keep employees on the payroll or rehire quickly in order to qualify for the forgiveness loan. Forgiveness is based on eight weeks of payroll based on employer retention and maintaining salary levels.
  ○ Non-forgiveness loan rate 4%, 10-year term

• Small businesses and sole proprietorships applications accepted by SBA 7A banks begin April 3, 2020.
• Independent contractors and self-employed applications accepted by SBA 7A banks begin April 10, 2020,

• Loan payments will also be deferred for six months. No collateral or personal guarantees are required.

• Apply through any existing SBA 7(a) lenders or FDIC institutions.
  ○ More information click here.

• What We Don’t Know
  ○ There is no new information about the SBA Debt Relief program—appears to be related to new and existing SBA 7A loans.
  ○ If and/or how these programs work together or separately.
  ○ How to choose the best one for your business.
  ○ NOTE: First time SBA has ever developed and rolled out a disaster response for all 50 states and US territories.

• Tips & Tricks for a seamless process.
  ○ NOTE: If anyone applies for any of these loans the government WILL NOT call and request personal information by phone. Businesses can check with the Better Business Bureau (BBB) website for the latest business scams related to COVID-19.
  ○ Be prepared, have your financials in order, and paperwork completed (Region 10 website-posts) – home page, photo slider, important resources by service area, blog posts with latest updates.
  ○ Work with your accountant to complete the required forms, because a lot of them are IRS forms. If you have questions:
    ■ Call SBA Help Line: 1-800-659-2955
Email SBA Help Line: disastercustomerservice@sba.gov

Latest updates and information

- Business Resources
- SBA programs

Amanda Waltrip, Colorado Workforce

Regional Program Assistant for Western and Southwest Colorado, covering 11 counties. I (Amanda) work in the Colorado Workforce Center and I am an employee of the Colorado Department of Labor and Unemployment. First off, I (Amanda) want to be clear that I am not an expert on unemployment. I’m talking today as a representative of the Montrose Workforce Center where we answer basic questions about unemployment but when it comes to specific personal situations at the workforce center, we look up any unemployment accounts. We don’t have access to your personal information in that aspect.

General update

- Typically at the workforce we are here to help people get back to work. Our jobs now, currently, are to focus on helping customers apply and access unemployment benefits as that’s the biggest need right now.

- We are currently closed, however we’re responding to calls and emails. We do have one person in the office answering the phone during work hours right now. That person is Rich Par, Business Service Representative.

- Specific questions about your business call the main line to Rich at (970) 249-7783

- Unemployment Call Center Line 1-800-388-5515
Currently many systems are overloaded right now, trying to respond to need and that is the same with us (Workforce Center). Unemployment is being bombarded right now and no one expected this. All calls and claims have tripled/quadrupled since the experience during recession back in 2008-2009. I (Amanda) can't stress enough, that if you are applying for unemployment, or trying to call, please be patient and know they are working extremely hard to get everything processed.

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- **NOTE:** Even though the CARES Act has been signed into law those benefits are not yet available until CDLE receives official guidance from the US Department of Labor.

- This includes self-employed, contract workers and those who haven’t accrued qualifying wages.

- For those of you who are self-employed, independent contractors, non-profit employees, and gig economy workers, or you're requesting an extension of benefits, CDLE is encouraging you to right now, do NOT submit a claim. Instead please check back on the UI website for the latest information. They will update this site and notify news outlets when they are ready to accept claims for the nontraditional UI Claim. (It is my understanding (Amanda) that they are backdating claims).

- Two types of Unemployment - for both of these groups you must register for connectingcolorado.com. This registers you with the workforce center. Click [here](#) to file an unemployment claim or keep checking back.
○ What unemployment will look like for both groups is you’ll get 55% of gross weekly wages up to $618 (max).
  ■ $618/week is roughly for someone who made $60k/annually.

○ Now with the CARES Act, also you’ll be getting another additional $600 per week, and extended the unemployment benefit time from 26 total weeks to 39 total weeks.

○ Employer unemployment accounts and premiums will not be affected.

  ■ **Standard Unemployment** — Those who are able and available for work. Have been laid off but might be job attached. They earned at least $2500 in the past eight months.

  ■ **Pandemic Emergency Unemployment** — These are the self-employed, independent contractors, gig workers, non-profit employees, those that didn’t meet income requirements for standard unemployment, those who are unable and unavailable to work due to COVID-19 impacts. (Please be patient as we (workforce center) wait on the federal guidelines so that the Colorado UI system can then be updated to reflect the changes.

**Barbara Bynum, City of Montrose**

● Official Launch of City of Montrose Business Relief Program
  ○ 90-Day Sales Tax Deferral
    ■ Any small businesses which we define as businesses with less than $2M gross annual revenue will have the option to delay their sales tax remittance for 90-days. The important part is that businesses still need to turn in their paperwork and need to work with the city.
    ■ Contact [financemail@cityofmontrose.org](mailto:financemail@cityofmontrose.org)
  ○ Small Business Emergency Loan Fund
■ Council approved $300,000 funds dedicated to providing funds to small businesses.
■ 0% interest with no closing costs
■ Loans up to $5,000 per business that have been affected by the Governor’s Executive Order. Council extended this to businesses that have been closed and affected, not only those that are completely closed.
■ 12-months no repayment
■ It is not a first come first serve application. Applications will be reviewed along with a basic credit check through Region 10.
■ First round of funds will be available Thursday, April 9, 2020.
■ Apply [here](#).

○ **Cooperative Marketing Grant**
    ■ The City is reallocating budgeted tourism and marketing funds on behalf of small businesses who want to advertise.
    ■ Three businesses (do not have to be alike) partner together with a lead contact.
    ■ City of Montrose will pay up to $1,000 of marketing expense for campaign that includes three businesses
    ■ Money can be spent on print media, online advertising, radio marketing, etc.
    ■ Limited graphic design available.
    ■ Applications will be selected on need and ability to work together as a business community.
    ■ All three businesses do not need to express need.
    ■ Apply [here](#).

**Resources**

- Regarding Coronavirus (COVID-19)
  - [State of Colorado](#) (OEDIT)
○ **SBDC Resources for Small Businesses**

○ **CDC Guidance for Employers + Workers**

○ **CLDE Guidance for Businesses + Employees**

○ Region 10 Loan Fund: Dan Scinto 970-765-3126 - loans for working capital up to $10,000

○ **SBA Economic Injury Disaster Loan program** (SBA)- loans for working capital up to $2million

○ Regional SBDC contact: Nancy Murphy 970-765-3130

● **County Updates Related to COVID-19**

  ○ **Delta County**

  ○ **Gunnison County**

  ○ **Montrose County**

  ○ **Ouray County**

  ○ **San Miguel County**

● **Rural Utilities Service**

  ○ On March 20, 2020, USDA extended for 60 days the deadline for Telecommunications and Electric Program borrowers and grantees to submit their annual CPA audit. In most cases, such audits are due to the agency by April 30, 2020.

  ○ USDA is waiving borrower covenant requirements for loan agreement financial ratios for the period from Jan. 1, 2020, through Dec. 31, 2020. Additionally, USDA is waiving all financial reporting requirements associated with existing Rural Utilities Service (RUS) loan and grant covenants beginning Jan. 1, 2020 through June 30, 2020.

  ○ The RUS Administrator has delegated authority to the RUS Telecommunications, Electric, and Water and Environmental Programs to consider requests to waive certain site inspection requirements during the current COVID-19 National Emergency.

  ○ Applicants will be able to use alternative methods to notify the public, such as through videoconferences, teleconferences and public notices on websites and in local newspapers, as a substitute for the public meeting notification requirement for water and waste projects.

  ○ On a case-by-case basis, USDA will help Electric Program borrowers gain access to obligated funds more quickly at current low interest rates by considering extensions of loan terms (within statutory limits); considering requests to move obligated funds between the Electric Program’s six budget purposes where the new
purpose has cleared environmental review; and by considering Temporary Normal Inventory (TNI) requests.

○ For assistance, please contact:
  ■ Electric Program: Christopher McLean, Christopher.mclean@usda.gov, 202-407-2986
  ■ Telecommunications Program: Laurel Leverrier, laurel.leverrier@usda.gov, 202-495-9142
  ■ Water and Environmental Programs: Edna Primrose, edna.primrose@usda.gov, 202-494-5610

● Financial assistance for small businesses and employees


  ○ Kabbage (helping any business sign up to sell gifts certificates online, free service but a 2.5% payment processing charge per gift certificate): https://www.kabbage.com/helpsmallbusiness

  ○ James Beard Foundation (Food and Beverage Relief Fund, details still to be determined, but interest can be indicted now): https://airtable.com/shr4d9x0OwCFCkCLn


  ○ Yelp and GoFundMe partnership for “Donate Now” through claimed Yelp profiles. Read more in this article: https://www.entrepreneur.com/article/348266

● The COVID19 Business Resource Center will host Business For All emergency grants, between $10,000 - $50,000 to help owners through an application process with their cash flow. This grants pool will be run through application technology and ultimately will be approved through a grants council of entrepreneur networks.

QUESTIONS & COMMENTS

1. To Region 10 - How long does it take to apply and get cash in hand for EIDL? If you apply for that $10,000 advance, supposedly they are able to get that to you within three days of the application. They don’t know how long those large EIDL program will work because they are covering 50
states and US territory. The best way to insure the fastest payment is to submit complete applications.

2. To Region 10 - Would you recommend to business owners who aren’t sure which program is best for them to go ahead and apply for multiple programs and as more information comes to life to decline if they are approved or would it be better to have the paperwork ready but don’t submit until we’re totally sure which option is best? The one that I (Nancy) would recommend is definitely apply for the EIDL Loan right off the bat because if you are awarded that loan/grant you can always deny it. Apply for the EIDL Advance to get the $10,000 for working capital immediately, and then figure out where to go from that.

3. From Dave Frank - Unfortunately, the Montrose rumor mill is spreading the info that if you receive an SBA loan, they require you to surrender some control of your business, could we counter that with some factual info, please. I (Nancy) have never heard of that.

4. Region 10 does not review the applications. What we do is have a series of consultants and it includes two CPAs who can answer questions.

5. To the Workforce Center - If you have already applied for unemployment and been approved, are the extra funds available or just the regular unemployment? Not yet, but they will be. It’s for everyone. The other thing that they changed is that usually you have to do five work check activities (Job Contacts) but they have reduced that to zero.

6. To the Workforce Center - For someone who worked part time, do they also get the $600/week or is it prorated based on hours worked per week? I (Amanda) don’t think it’s prorated. I don’t know for a fact, but my daughter for instance works at the movie theater which was part of the first to shut down, she applied for unemployment and we’re just waiting to hear what her situation is going to look like. She was working about 22 hours per week, but we decided to still go through and apply, because the only thing they can do is say no. If you don’t apply it’s automatically a no, if you do apply you have an option there.

7. To the Workforce Center - Do you apply through Colorado Connect or through UI? This depends on what type of employee you are, if you’ve
been laid off and fall under the non-tradition unemployment group (self-employed, independent contractor, gig workers, the non-profit employees) I’m telling you all to hang on and wait. If you had a job and you were just laid off, you’re job attached kind of thing, then yes go ahead and apply.

8. If you know if your non-profit has been paying into your unemployment then you can go ahead and apply for unemployment. If your non-profit has not been paying into your unemployment then wait till the pandemic emergency unemployment is available.

Attachments

Click here for today's video call.

NEXT WEEK’S AGENDA

Wednesday, April 8, 2020 at 8:30 AM

Click here to register.