

**CITY OF ISSAQUAH
Economic Vitality Commission**

5:00 PM
July 15, 2020

**SPECIAL MEETING
MINUTES**

Virtual Meeting

COMMISSION AND ADMINISTRATIVE PERSONNEL PRESENT

Commissioners Present:

Therese Garcia, Chair
Christopher Beaudoin, Vice Chair
Kathy McCorry
Kristi Tripple
Amit Bhardwaj

Ashwin Muthuvenkataraman

Commissioners Not Present:

Pavel Aprikian (Excused)
Tom Rogers

Administration/Staff:

Jen Davis Hayes, Economic Dev. Mgr.
Benton Coblenz, Economic Dev. Coord.

CALL TO ORDER

Davis Hayes made some introductory remarks about how tonight's virtual meeting will be conducted. She introduced Benton Coblenz, the City's new Economic Development Coordinator, and Commissioners introduced themselves. GARCIA called the meeting to order at 5:10 PM.

AGENDA ITEMS

Davis Hayes suggested she present the Business Recovery Plan information while waiting for additional members to join the meeting. GARCIA agreed.

b) Business Recovery Plan, (I)

Presented by:

Jen Davis Hayes, Economic Development Manager

Davis Hayes explained the Business Recovery Plan (details on pages 11-21 of the agenda), including some background on how the plan was developed in response to Covid-19; the purpose of the plan; and the four recovery components contained in the plan, as follows:

- business assistance and services (outreach and direct communication with businesses, in-depth professional business assistance, workforce assistance, use of park space, direct economic assistance)
- regulatory relief (permitting, opening up Front Street for businesses)
- promotion and messaging (marketing campaign—"Issaquah Loyal"), and
- measurement and reporting (tracking taxes, occupancy rates, and economic health; monthly economic development updates).

APPROVAL OF MINUTES

[BHARDWAJ joined the meeting at this time.]

MOVED BY BEAUDOIN, SECONDED BY McCORRY that minutes of the November 13, 2019 meeting be approved as presented. MOTION CARRIED.

MOVED BY BEAUDOIN, SECONDED BY McCORRY that minutes of the January 22, 2020 meeting be approved as presented. MOTION CARRIED.

AGENDA ITEMS

a) **Approve EVC Annual Report, (A)**

Presented by:

Jen Davis Hayes, Economic Development Manager

Davis Hayes referred to the Economic Vitality Commission's Annual Report (pages 9-10 of the agenda) developed in January 2020. She explained a motion to formally transmit the report from EVC to the Council is required at tonight's meeting. [MUTHUVENKATARAMAN joined the meeting at this time.]

MOVED BY McCORRY, SECONDED BY GARCIA that the Economic Vitality Commission's Annual Report be transmitted to Council as presented. MOTION CARRIED UNANIMOUSLY.

c) **Business Recovery & Reinvention Grant, (D)**

Presented by:

Jen Davis Hayes, Economic Development Manager

Davis Hayes explained that Council recently approved \$550,000 in grant funding for businesses—a Small Business Grant Program and a Business Recovery & Reinvention Grant Program. The Recovery & Reinvention Grant Program was allocated \$50,000. A task force of Economic Vitality Commission members met on July 6, 2020 to do some initial thinking about the scope, eligibility, application process, and evaluation of the Recovery and Reinvention Grant Program. Davis Hayes referred to the notes of that meeting (pages 23-27 in the agenda packet), and asked for additional discussion and comments by the full Commission.

The Commission began its discussion of eligibility, specifically whether businesses should be eligible based on their number of FTEs (full-time equivalents). BEAUDOIN suggested that establishing eligibility criteria, as well as the other criteria for applying, is really driven by how complicated vs. how simple the City wants the process to be. He asked staff to clarify the City's capacity for working on this program. Davis Hayes replied the objective is to get the grant money out to businesses as soon as possible, so there is some benefit to keeping the process as simple to administer. A simple process is also likely to be less confusing for businesses, she added. Other Commissioners agreed there is merit in keeping the process uncomplicated.

McCORRY asked whether there is any overlap between the Small Business Response Grant Program and the Business Recovery & Reinvention Grant Program. In other words, can a business receive funds from both. Davis Hayes replied a business would not be eligible for both.

BEAUDOIN said establishing just two or three grant levels, such as \$2,500, \$5,000, and \$7,500, might help simplify administration of the program. The Commission discussed the benefits and drawbacks of establishing a maximum number of employees, such as 25, for a business to be considered eligible. The Commissioners generally agreed that the focus should be on "what" a business is doing in response to the pandemic that is innovative, not on "who" the business is. TRIPPLE asked for information on the sizes of the 3,500 or so businesses in the City. Davis Hayes said about 1,600 businesses self-report having 10 or fewer employees, and a relatively small number, say something like 25 to 50, report having more than 75 employees. All others fall into the "more than 10, fewer than 75" group. The Commissioners continued to discuss

whether a criteria should be established for the number of employees in order to be considered eligible for the Recovery & Reinvention Grant.

Davis Hayes asked for ideas about how to best communicate what the grant is intended to recognize. McCORRY suggested the messaging could contain a few bullet points of ideas and examples to give businesses the idea of what the grant is intended for. GARCIA said the application needs to be simple so that people will not be discouraged from applying because the information the City is seeking seems complicated. BEAUDOIN agreed, and said this is really more of a micro-grant, given the low monetary award. It should be simple, both for applicants and for the City to administer, so that the City can get the cash out the door and into the hands of the businesses that need it. He suggested the application should ask basic questions, like number of employees, type of industry, and so on; then give a few examples of innovative ways to meet the Covid-19 situation and ask the applicant to explain what they have done. Then, in the background, the City can have some evaluation criteria it uses to determine awards. He spoke in favor of the City not spending too much time on what are essentially micro-grant awards, and concentrate on getting the money awarded fairly and quickly.

McCORRY said she also likes the idea of fewer questions, and gave examples of how King County and others use a scoring system based on weighted questions.

BEAUDOIN asked for clarification that this is a grant program, so the City has no expectation that the money will be paid back, or that receipts would be required. Davis Hayes replied correct.

Davis Hayes asked Commissioners for their thoughts on eligibility for home-based businesses as well as brick-and-mortar businesses. TRIPPLE noted that this is a tough question; a very entrepreneurial business can be home-based. BEAUDOIN said perhaps making that distinction for eligibility isn't necessary. McCORRY noted a City of Snoqualmie grant application she recently saw didn't exclude any businesses, but did award more weight in its evaluation system to brick-and-mortar businesses. The Commissioners continued their discussion and concluded making the distinction between a home-based business and a brick-and-mortar business wasn't necessary, could unnecessarily exclude some businesses, and was not in keeping with the goal of making the process as simple as possible.

BEAUDOIN raised the issue of whether a business would have had to be in business when the pandemic started in order to qualify. He suggested setting a date that a business would have had to have a business license, like January 1, or March 1, 2020, as opposed to a business that just started up last week. GARCIA agreed. McCORRY said she was aware of only a couple of businesses in the City that started up in the period from February to April.

Davis Hayes thanked the Commissioners for their thoughts. She said staff will create a sample application form, using information from the task force's meeting on July 9 and tonight's discussion, and send it to Commissioners for review. MUTHUVENKATARAMAN added staff and the City should be aware that "shell companies" are increasingly being formed by those seeking to take advantage of grant opportunities such as this one.

AUDIENCE COMMENTS

None.

OTHER BUSINESS / ANNOUNCEMENTS

Davis Hayes noted the City Council will receive an update on the Business Recovery Plan at its July 20, 2020 meeting at 7:00 PM.

ADJOURNMENT

With no further business to conduct, GARCIA adjourned the meeting at 6:30 PM.

Respectfully submitted,

Susan Lowe
Recording Secretary

NOTE: Due to the Governor's Proclamation 20-28 related to the COVID-19 emergency and open public meetings, this meeting was held remotely. Participation and listening options were provided in the meeting agenda.