



City of Muscatine

ITEM NUMBER 2022-0394

AGENDA ITEM SUMMARY

DATE: 10/6/2022

STAFF

Jodi Royal-Goodwin, Community Development Director

SUBJECT

Request to Approve Payment of Economic Assistance for Certain Small Businesses in the Grandview Corridor

EXECUTIVE SUMMARY

Presented for Council's consideration is a request to approve 6 forgivable loan payments under the economic assistance program designed to support businesses in the Grandview Corridor that have been affected by both the pandemic and traffic restrictions associated with the reconstruction of Grandview Avenue. Loan payments for this round total \$60,000; \$200,000 in tax increment financing was budgeted for this program.

STAFF RECOMMENDATION

Staff recommends approval of the loan payments.

BACKGROUND/DISCUSSION

In April 2020 following Governor Kim Reynolds' declaration of a state of emergency due to the novel coronavirus, staff was directed to establish a program to support local businesses impacted by the state-mandated closures. City Council subsequently approved the use of up to \$400,000 in tax increment financing to fund a small business forgivable loan program to impacted businesses.

Businesses were eligible for up to \$2,500 to cover business expenses if they demonstrated a loss of revenue or increase in expenses as a result of compliance with state mandates. Applications were accepted in two rounds through the Community Foundation application portal, with a total of 116 applications received, 94 loans awarded totaling \$231,267.

While the pandemic has continued, the City has proceeded with construction projects that have also impacted local businesses. Specifically, the scope of the Grandview Avenue reconstruction has significantly limited access to businesses along the corridor. The compounded impact of these conditions has reportedly affected the viability of even long-term

businesses in the area.

January 20, Council approved the economic assistance program supporting businesses impacted first by COVID and subsequently by the Grandview Corridor reconstruction program and allocated \$200,000 in tax increment financing to support the program. Eligible applicants could receive up to \$10,000 as a forgivable loan. To be eligible businesses had to:

1. Be in operation prior to the onset of the pandemic (3/1/2020);
2. Be located at an eligible site prior to the start of the Grandview Avenue reconstruction (4/1/2021); and
3. Illustrate cumulative financial losses.

The first round of funding was open to businesses located between Canal and Brier streets. Twenty-four notices of eligibility were sent out, and five (5) qualified applications were received and all were awarded \$10,000 forgivable loans.

A second round of applications was received in July with eleven complete applications received and 9 approved for funding totaling \$75,000 in forgivable loans.

The final round of applications for funding for businesses throughout the corridor was due September 9. Six applications were received, and the following businesses are recommended for the disbursement of \$10,000 forgivable loans:

- a. Muscatine VFW
- b. Riverside Animal Hospital
- c. CR Landscaping
- d. Rose Bowl
- e. Uptown Motors
- f. Cheri Top Drive In

CITY FINANCIAL IMPACT

There is no impact to the general fund for approving the loans. Tax increment financing in the amount of \$200,000 was allocated to support this program, with approved loans totaling \$185,000.

ATTACHMENTS
