

**RESOLUTION NO: R2020-05**

**A RESOLUTION AUTHORIZING THE ECONOMIC DEVELOPMENT CORPORATION TO ESTABLISH A PROGRAM FOR THE PURPOSE OF PROVIDING FINANCIAL ASSISTANCE FOR BUSINESSES IMPACTED BY THE COVID-19 PANDEMIC; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, on March 20, 2020, President Donald J. Trump declared a national emergency and, immediately thereafter, Governor Gregg Abbott declared a public health disaster in response to the COVID-19 crisis; and

**WHEREAS**, on March 24, 2020, City Council declared the COVID-19 crisis a local disaster and established rules and regulations for the duration of the disaster; and

**WHEREAS**, due to the highly contagious nature of the COVID-19 virus and health risks it presents to the elderly and members of the population with compromised immunity, places of social gatherings, including businesses within the city have experienced a significant decrease in customers; and

**WHEREAS**, due to the decrease in customers, the viability of local businesses is in jeopardy; and

**WHEREAS**, Local Government Code 505.158, the Burnet Economic Development Corporation desires to establish a program to provide monetary assistance to businesses, within the City, in the form of loans, during this time of crisis; and

**WHEREAS**, by this Resolution City Council desires to memorialize its support for the program as described herein.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY BURNET, TEXAS THAT:**

**Section one. Findings.** The foregoing recitals are hereby found to be true and correct, are hereby adopted by City Council and made a part hereof for all purposes as findings of fact.

**Section two. Program Authorized.** The Economic Development Corporation is hereby authorized to establish a program to provide monetary relief to retail, restaurants and service businesses within the City that are experiencing a loss of business due to COVID-19 crisis, which substantially complies with **Exhibit "A"**, attached hereto:

**Section three. Maximum program expenditure.** The total expenditure authorized under this program shall not exceed \$300,000.

**Section four. Open Meetings.** It is hereby officially found and determined that the meeting at which this resolution is passed was open to the public as required and that public notice

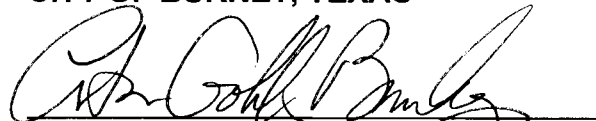
of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, *Chapt. 551, Tex. Gov't. Code*.

**Section five. Effective date.** This resolution shall be immediately effective upon the passage of two readings, and approval on the second reading.

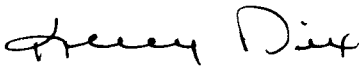
**PASSED ON FIRST READING** this the 24<sup>th</sup> day of **March, 2020**.

**PASSED AND APPROVED ON SECOND READING** this the 27<sup>th</sup> day of **March, 2020**.

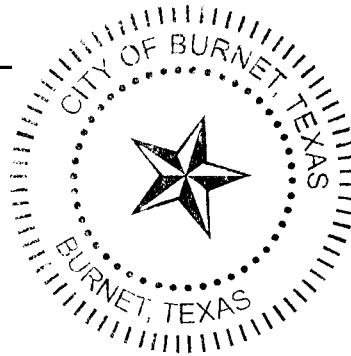
**CITY OF BURNET, TEXAS**

  
Crista Goble Bromley, Mayor

**ATTEST:**



Kelly Dix, City Secretary



## EXHIBIT "A"

### COVID-19 ECONOMIC VIABILITY GRANT PROGRAM

**Purpose:** To provide financial assistance to Burnet businesses adversely impacted by the COVID-19 pandemic.

**Eligibility:** This program may be administered in multiple sub-programs as follows:

**Program One.** Program One monetary funds shall be available to retail and restaurant businesses, which generate city sales tax. Monetary funds provided for under Program One shall be in the form of a loan. The maximum loan amount that may be offered to an applicant is the lesser of the amount of local (City of Burnet) sales tax generated (collected and remitted to the State) by the business for calendar year 2019 or \$5,000. Loans under this program shall begin repayment on June 1, 2021 and shall be payable over a two-year period in equal monthly installments at low or zero interest. The board is authorized to develop criteria for some loan forgiveness to participants who comply with the Program Guidelines.

**Program Two.** Program Two monetary funds shall be available to retail and restaurant businesses, which generate city sales tax. Monetary funds provided for under Program Two shall be in the form of a loan. The maximum loan amount that may be offered to an applicant is the lesser of the amount of local (City of Burnet) sales tax generated (collected and remitted to the State) by the business for calendar year 2019 (less any amount received in Program One) or \$15,000. Loans under this program shall begin repayment on June 1, 2021 and shall be payable over a two-year period in equal monthly installments at low or zero interest. The board is authorized to develop criteria for some loan forgiveness to participants who comply with the Program Guidelines.

**Program Three.** Program Three monetary funds shall be available to retail businesses, restaurants and service providers located within the city of Burnet that create jobs in the community. Monetary funds provided for under Program Three shall be in the form of a loan. The maximum loan amount that may be offered to an applicant shall be determined by the board. Loans under this program shall begin repayment on June 1, 2021 and shall be payable over a two-year period in equal monthly installments at low or zero interest. The board is authorized to develop criteria for some loan forgiveness to participants who comply with the Program Guidelines.

**Program Guidelines.** The City Manager of the City of Burnet is authorized and directed to develop Program Guidelines that address the application process, the documentation (i.e. promissory note) necessary to protect the BEDC's interest in repayment of the loan; and consequences of default. The program guidelines shall require an individual with an ownership interest in the business benefitting from the loan to guarantee repayment of the loan.

**Loan Forgiveness.** The BEDC may amend this program to provide some loan forgiveness for participants who have substantially complied with the Program Guidelines.

**Application review subcommittee:** The Board of Directors shall designate members of the board, in a number less than a quorum, as a subcommittee to review, and act, on applications. Any application denied by the subcommittee will be forwarded to the board for final action. The decision of the board is final.