



Memorandum

DATE: June 30, 2020

TO: Debbie Tarry, City Manager

FROM: Christina Arcidy, Management Analyst

CC: John Norris, Assistant City Manager; Nathan Daum, Economic Development Manager; Tavia Tan, Communications Specialist; Bethany Wolbrecht-Dunn, Grants Administrator

RE: Small Business Support Program Grant Award Recommendations

On June 8, 2020, City Council approved the City establishing a Small Business Support Program in response to the COVID-19 pandemic, which shuttered many businesses for over three months in the first half of 2020. Council made \$500,000 in grant funding available, reimbursable from the CARES Act Funding.

The "COVID-19 Business Support Team" established a set of eligibility and scoring criteria for the grant program, which opened on June 12 and closed on June 22. The City received 70 applications for a total request of \$1,201,518 in grant awards. Of those, two were duplicate entries.

Forty-seven of the applicants self-identified as a minority- and/or woman-owned business. The scoring criteria initially recommended prioritizing minority- and women-owned businesses for possible grant awards. After further discussion with Tony Hanson, Deputy Assistant for Local Government at the WA State Department of Commerce, as well as the City Attorney's Office, the team retracted this as a scoring criterion due to the possibility that awards would not be eligible for CARES Act reimbursement. A "preference" may be seen as discriminating by race or sex, which would not be allowed by federal law. The team's concern was underscored by the continued minimal direction from the WA State Department of Commerce on eligible and ineligible use of funds. While the WA State Department of Commerce is attempting to receive an opinion from the Attorney General on this issue, this opinion was not available in a timely manner relative to the City's grant award timeline. As such we removed it from the scoring criteria. We communicated this change on the grant website and to grant applicants via email.

The team scored applications based on their financial loss, recovery plan, and potential jobs lost, as well as if it is an independent or placemaking business. Partial awards are recommended for

businesses whose scores were lower in those categories while still demonstrating a need aligned with the program. The Business Support Team recommends awarding full or partial awards to the following 35 businesses for a total award of \$500,000:

Business Name	Requested Grant Award	Total Grant Award Recommended
Afro Barber LLC	\$19,830	\$19,830
Bereket salon LLC	\$20,460	\$20,000
Best Teriyaki & Sushi	\$20,000	\$3,500
Cafe Aroma	\$20,000	\$10,000
Easy Monkey Taphouse, LLC	\$20,000	\$20,000
Flo-Anna's Diner	\$10,000	\$10,000
Foyolicious	\$5,000	\$5,000
Frederick's Salon	\$19,887	\$19,887
Get Strong First	\$20,000	\$15,000
Grace Nails	\$19,600	\$10,000
Haenam BBQ	\$20,000	\$20,000
Hand and Stone Shoreline	\$20,000	\$10,000
Happy Nails and Lashes	\$19,000	\$12,000
Issaya Thai Cuisine	\$17,843	\$5,877
Leena's Café	\$20,000	\$20,000
Le's Pho Tai and Sandwiches	\$14,000	\$14,000
Mediterranean Oasis	\$20,000	\$20,000
Monka Brewing Co	\$20,000	\$10,000
North City Bistro and Wine Shop	\$20,000	\$20,000
Polish'd Nail Bar	\$19,400	\$19,400
Sizzling Pot King	\$20,000	\$5,600
Smokin' Pete's BBQ	\$19,082	\$5,266
Spin Alley Bowling	\$20,000	\$20,000
Spirit Nails	\$8,050	\$8,050
Studio Skin & Sculpt	\$20,000	\$20,000
T & D Hair Design	\$17,400	\$17,400
Tasty POT	\$19,900	\$19,900
Teriyaki Island	\$20,000	\$3,500
The Grill King Korean BBQ	\$20,000	\$20,000
TJ Nails	\$7,000	\$7,000
Total Relax	\$20,000	\$10,000
Twist Yoga	\$20,000	\$20,000
Vanity Hair Studio, LLC	\$20,000	\$20,000
Wake N Bacon BBQ	\$20,000	\$20,000
Washington Premier Taekwondo Academy	\$18,790	\$18,790

While not used as a scoring criterion, the recommended applicants represent 10 minority-owned businesses, 6 women-owned businesses, and 9 that are both minority- and women-owned for a total of 25 of the recommended 35 businesses (71%).

Awarded businesses will be required to sign a contract with the City and provide a W-9 before funds are distributed to approved businesses. The team is requesting that you delegate your authority to execute grant award contracts to the Grants Administer to facilitate the processing of awards. Should you accept this proposal, we would ask that you sign the attached memo to be included with the contracts when sent to Accounts Payable for processing.

Please let me know if you have any questions regarding this recommendation. The applications with scoring is attached for your reference. We look forward to hearing from you.