



September 3, 2020

Hon. Mark C. Poloncarz  
Erie County Executive  
95 Franklin Street, Suite 1600  
Buffalo, New York 14202

Hon. April N.M. Baskin  
Chairwoman of the Erie County Legislature  
92 Franklin Streets, 4<sup>th</sup> Floor  
Buffalo, New York 14202

**RE: Small Business Assistance Grant Program**

Dear County Executive Poloncarz and Chairwoman Baskin:

As you are aware, small businesses throughout Erie County are suffering as a result of the economic shutdown caused by the Covid-19 public health crisis. Earlier this year, the Federal Government granted Erie County more than \$160 million in CARES Act funding to provide financial relief during this crisis. We believe the County should act to make this funding available to small businesses that lost revenue as a result of Covid-19 business interruptions.

As Legislators, we would like to work with our colleagues and the Administration to establish a Small Business Assistance Grant Program. As part of that program, we propose using \$22 million of CARES Act funding--\$2 million per legislative district--on grants to support small businesses.

On June 30, 2020, the United States Department of the Treasury issued updated guidance for the Coronavirus Relief Fund for State, Territorial, Local and Tribal Governments. The guidance allows local governments to incur "expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures." As representatives and elected leaders, we have a duty to act. We must work together to draft, propose, and pass legislation establishing a small business grant program utilizing available CARES Act money to deliver economic relief to these businesses, their owners, and employees.

As County Executive, your Administration is in the best position to administer a grant assistance program. As Legislators, we are in the best position to establish the criteria and identify the businesses in our district that are most in need. We should work together and combine our strengths to develop a meaningful program that provides tangible assistance.

We appreciate the County's existing small business assistance loan program and personal protective equipment (PPE) reimbursement program, but believe that businesses need more substantial financial assistance and economic relief. Last month the Erie County Industrial Development Agency (ECIDA) launched a program that appropriated \$500,000 in grant funding to small businesses. This is one small step toward supporting local businesses, but unavoidable program restrictions have ultimately limited its effectiveness. Specifically, the ECIDA program is only applicable in highly distressed business districts as identified by the 2010 census and is unavailable to businesses within the operating territory of another Industrial Development Agency. Quite frankly, Erie County needs a program that is available to all small businesses, and \$500,000 is nowhere near enough.

Attached is a draft resolution establishing a program that we would like to work together to make it effective for Erie County and all of our Legislative districts. In drafting this initial resolution, we looked at similar programs in other counties across the United States. Specifically, we studied programs in Oakland County, MI, Ocean County, NJ, Montgomery County, OH, Kent County, MI, Summit County, OH, Kern County, CA, Tarrant County, TX, Tulsa County, OK, Volusia County, FL, DuPage County, IL, Orange County, CA, Fresno County, CA, Miami-Dade County, FL, and Bucks County, PA. The attached draft resolution includes concepts from each of those programs and can serve as a template for initiating a similar program here in Erie County.

As I'm sure you'll agree, time is of the essence in getting this program up and running. As elected leaders, this is the public policy we should be working on right now, and if we work together, we can get it done.

Sincerely,



Hon. Joseph C. Lorigo  
Minority Leader  
Legislator, 10<sup>th</sup> District



Hon. Edward A. Rath, III  
Legislator, 6<sup>th</sup> District



Hon. Frank J. Todaro  
Legislator, 8<sup>th</sup> District



Hon. John J. Mills  
Legislator, 11<sup>th</sup> District

cc: Hon. Stefan I. Mychajliw, Erie County Comptroller  
Mr. Robert Keating, Budget Director  
Town Supervisors & Village Mayors

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**A RESOLUTION TO BE SUBMITTED BY  
LEGISLATORS LORIGO, RATH, TODARO, AND MILLS**

**Re: Creation of Erie County Small Businesses COVID-19 Relief Grant Program**

**WHEREAS**, COVID-19 has caused the economy across the nation to grind to a halt and the related executive orders have left many businesses shuttered for months or with severely restricted operational ability; and

**WHEREAS**, the federal government has provided funding to local municipalities in the CARES Act that is intended to be used to address the impact the shutdowns and pandemic have had on communities, including small businesses; and

**WHEREAS**, the CARES Act authorizes the expenditure of federal funds for “Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures;” and

**WHEREAS**, Erie County received more than \$160 million in CARES Act funding and money that is not spent by December 31, 2020 must be returned to the US Treasury; and

**WHEREAS**, this honorable body intends to use this funding to create a \$22 million small business relief grant program.

**NOW, THEREFORE, BE IT**

**RESOLVED**, that it is the intent of this honorable body to provide assistance to small businesses within Erie County that have been harmed as a result of the COVID-19 pandemic and the related restrictions; and, be it further

**RESOLVED**, that the economic assistance provided by this resolution shall be made in the form of direct grants to businesses with no other restrictions beyond those explicitly included in this resolution, including any obligation to repay said grant; and, be it further

**RESOLVED**, that a minimum of \$22 million in CARES Act funding shall be designated for the creation of a small business COVID-19 relief grant program within Erie County, with \$2 million in grants appropriated in each legislative district; and, be it further

**RESOLVED**, that this honorable body hereby authorizes the County Executive to enter into a contract with the [an as of yet undesignated entity] for the purposes of managing the established grant program, and, be it further

**RESOLVED**, that the established program shall provide fiscal relief grants to qualifying businesses between \$5,000 and \$20,000 in adherence with the following restrictions:

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- 1) applicants shall be located within Erie County; and
- 2) applicants shall have a three year annual average revenue of \$7.5 million or less, as per Title 13 part 121 of the Code of Federal Regulations; and
- 3) Applicants must provide proof of lost revenue beginning no earlier than March 2020. Constructive proof of loss shall include, but not limited to, comparative monthly revenue statements from the prior three years used in computing their annual average revenue;

and, be it further

**RESOLVED**, that [designated agency] shall provide a mechanism wherein an entity that was not open long enough to have a three year average of sales receipts may apply for a waiver granted by the Erie County Legislature; and, be it further

**RESOLVED**, that [designated agency] shall make electronic grant applications available on the County Legislature's website by October 1<sup>st</sup>; and, be it further

**RESOLVED**, that applicants shall apply by October 15<sup>th</sup>; and, be it further

**RESOLVED**, that [designated agency] shall submit all grant award recommendations to the Erie County Legislature for approval by November 1<sup>st</sup>; and, be it further

**RESOLVED**, that in addition to the grant award applications [designated agency] shall also submit a report listing any applicants who were not awarded a grant with a reason for why the grant was denied; and, be it further

**RESOLVED**, that [designated agency] shall also submit a formal opinion as to the effectiveness of the program and whether or not a second round of grants or additional funding in certain areas is recommended ; and, be it further

**RESOLVED**, to remain in compliance with Local Law 2 of 2018, otherwise known as the Erie County Code of Ethics, any business in which any county-level elected official, or their immediate family, has any ownership interest in shall be ineligible for funding pursuant to this program; and, be it further

**RESOLVED**, that any entity receiving money through this program shall be required to attest to their number of employees, proof of loss, and lack of ethical conflict as being true and correct. Any willful misrepresentation of information submitted in an application shall result in treble damages for the full value of grant received being assessed against the party deemed to have presented falsified information; and, be it further

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**RESOLVED**, that the Director of Budget and Management and the Erie County Comptroller are directed to take any necessary fiscal actions to create the grant account and to ensure payments are made; and, be it further

**RESOLVED**, that certified copies of this Resolution be sent to the Erie County Executive Mark C. Poloncarz, Erie County's Comptroller Stefan Mychajliw, the Director of Budget and Management, and any other party deemed necessary and proper.

Fiscal Impact: No impact on county funds the \$22 million in grant monies will be sourced from the federal CARES Act funding.