

City Manager's Report

December 23, 2021

Council and Colleagues, Happy Holidays! These reports will be included in the City Council packet for regularly scheduled Council meetings, excluding Work Session meetings. The reports are intended to be informational, covering miscellaneous events and topics involving the City organization. This report will include a draft letter related to the Small Business Grant Program for Council's approval. Other than that item, and the appended monthly reports noted below, this is a relatively short report due to the holiday season. Thank you.

Monthly Reports

Attached to this Report are the November monthly reports for Economic Vitality, Sustainability, and Water Services.

Government Finance Officers Association (GFOA)

The City just received notification that the FY 2021-22 Budget has received the GFOA Budget Award! I believe this is the 28th consecutive year! Kudos to Heidi Derryberry, the Finance Team, and the Budget Team for another great achievement.

Out of Office

Council as mentioned previously, I will be out of the office from January 4th through January 15th, taking holiday with my spouse and celebrating our 37th Wedding Anniversary. During this time, Heidi Hansen will be the Acting City Manager.

Small Business Grant Program 2.0

The Flagstaff City Council recently unanimously agreed to offer \$360,000 in ARPA funding to create a second round of a small business grant program. In 2020, a similar small business grant program was created using City funds, as well as funding from NAU and Coconino County. The program was a resounding success in supporting Flagstaff's businesses during the pandemic. City staff, with the support of our elected officials, have been meeting regularly with NAU and Coconino County to encourage a similar partnership and contribution of funds for the second round of the program referred to as the Small Business Grant Program 2.0.

Below is a draft letter from the Flagstaff City Council to the Coconino County Board of Supervisors that will serve as a formal funding request. If the Council grants approval, staff will send the signed letter to the County Board of Supervisors prior to their scheduled January 11th discussion on ARPA funds related to economic development and business support.



December 28, 2021

Dear Coconino County Board of Supervisors:

The Flagstaff City Council recently approved \$360,000 from the City's approved ARPA funds to go towards the Small Business Grant Program 2.0 and are hoping that the County will join us in this business grant program as you did once before in November 2020. Below is information regarding the previous grant program, how many businesses submitted applications for funding, how many received funding, and much more.

Background:

In early September of 2020, in the midst of the COVID-19 pandemic, the Downtown Business Alliance (DBA) approached the City of Flagstaff, Coconino County, and Northern Arizona University (NAU) about a possible partnership on grants to help small businesses impacted by the pandemic. It was agreed that all three organizations would offer \$10,000 toward a micro-grant program that was implemented in November 2020.

Below is a summary of the mini-grant program as provided by Terry Madeskza, who helped oversee the program.

- \$30,000 total was contributed by the City of Flagstaff, Coconino County and NAU (\$10,000 from each partner).
- \$30,000 was distributed to small businesses.
- There were 34 applicants.
- There were 24 grant disbursements (some applicants did not meet eligibility criteria or had sufficient operating funds).
- Grant amounts ranged from \$750 - \$3,000.
- Although the DBA administered the program, 100% of the funds received were awarded to small businesses. The DBA did not receive a fee to administer the program.
- Grants were distributed to businesses located throughout the City (and some of the County's contribution went to businesses located in the County).



CITY OF FLAGSTAFF

FLAGSTAFF CITY COUNCIL

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Since this grant program was such a success, the City of Flagstaff is looking to do another one at a larger scale (we are fondly referring to this as the **Small Business Grant Program 2.0**).

We have created a list of suggestions that can be implemented within the Small Business Grant Program 2.0.

- Include in the grant application ways a business can submit for eligibility besides just being a business in Flagstaff or Coconino County. Ideas included minority-owned, woman-owned, veteran-owned, independently owned, small business (scale the size of businesses), etc.
- Ask the businesses who receive a grant to also donate to a revolving fund for future grants.
- Examine best practices from other cities to help add further detail to the program criteria and look at the feasibility of revolving fund structures, among other things.
- Utilize the Business Services Team business survey to get program information out to businesses and utilize the survey as a resource for identifying needs.
- Share the story of the recipients long after the program ends to help other businesses retain, expand and attract.

It is our understanding that NAU is in the process of obtaining formal permission to again offer \$10,000 to the grant program. NAU is enthusiastic about participating and utilizing their monies to support alumni-owned or run businesses.

We are hoping that Coconino County will match or exceed the City's contribution to the Small Business Grant Program 2.0 so we can continue to help our small businesses that have been impacted by the pandemic and are still in dire need of support.

Sincerely,

That is all for now Council. In late January we will be recognizing work anniversaries for the months of December and January. Thank you and Happy Holidays!