



**FROM:** Suzi Pegg, Economic Development Director

**DATE:** June 30<sup>th</sup>, 2020

**SUBJECT** July Economic Development Report

### **Recommendation**

Accept this report.

### **Social Media/ Marketing**

The priority continues to focus on keeping our business community up to date on federal, state and local assistance. All SM platforms are being utilized on a regular basis with many agencies cross sharing to help keep the public updated.

### **City of Concord Podcast**

The City of Concord podcast has been relaunched and focused on updates for the business community and 'good news'.

### **Measures:**

Economic Development Director Target Visits/Leads for FY2020: 150

Total Visits/Leads for FY20: 165

Target leads/visits for FY 2021: 150

### **Updates:**

#### *Business resource pdf*

Housed on the city's website, this is updated on an as needed basis. An emergency alert is pushed out if any of the information is urgent in nature or time sensitive.

The former Ruby Tuesday's at 327 Loudon Road has been bought by an entity headed by Todd Sheffler, a Concord dentist, for \$1 million.

Dan O'Brien of Dan O'Brien Kia, has purchased 158 Manchester Street for \$3.1 million.

## Discussion - COVID-19: Update on Business Resources



After nearly four months of social distancing and State restriction on the local economy and public life, this month's report will provide an update on the status of the economic stimulus packages and impact on the businesses in Concord.

### **The Paycheck Protection Program:**

Last month, the Senate passed by unanimous consent a bill which amends the small business provisions in the Coronavirus Aid, Relief and Economic Security (CARES) to the following:

- Extends the forgivable period from 8 weeks to 24 weeks or the end of the calendar year.
- Adds flexibility to the forgiveness ratio for non-wage expenses from 75% payroll and 25% non-payroll eligible expenses to 60% payroll and 40% non-payroll.
- Establishes a minimum loan maturity of 5 years for the remaining balance after the balance is adjusted for forgiveness. The CARES Act allowed the Treasury Department to set a maturity of up to 10 years; however, the Department set loans at only two years, which was not consistent with congressional intent and would have been very challenging to most borrowers, extends the required period during which an employer may restore wages to December 31<sup>st</sup>.
- Allows borrowers to defer payments until they receive compensation for forgiven amounts. Those who don't apply for forgiveness can have 10 months from the program's expiration to begin making payments.
- Allows for PPP borrowers to also defer payroll tax payments including payment of principal, interest, and fees, until the date on which the amount of

- forgiveness determined under section 1106 of the CARES Act is remitted to the lender.
- New applications need to be in by June 30<sup>th</sup>.
  - Does not allow for current PPP borrowers to receive additional PPP funding but does allow borrowers extra time to spend the loan without incurring penalties.

### **New Hampshire Main Street Relief Fund - Update**

Governor Chris Sununu authorized the allocation and expenditure of \$400 million from the CARES Act Coronavirus Relief Fund (“flex funds”) to provide emergency financial relief to support New Hampshire small, for-profit businesses due to the economic disruption caused by COVID-19. The Main Street Relief Fund Grant award amounts will be calculated based on the grant formula determined by using the information provided by small businesses in their Prequalification Applications. The State of New Hampshire is not directing businesses on how to spend the money. Businesses must demonstrate they have experienced or anticipate they will experience a financial loss due to COVID-19 in order to qualify for a Main Street Relief Fund Grant. It is expected that businesses will use the funds to assist in covering their operational costs and legal obligations. Applications for the program have now closed

### **SBA Reopens Disaster Loan Program to all Businesses**

The [Economic Injury Disaster Loan \(EIDL\) and EIDL Advance program portal](#) is open to all eligible applicants experiencing economic impacts due to COVID-19.

SBA’s EIDL program offers long-term, low interest assistance for a small business or non-profit. These loans can provide vital economic support to help alleviate temporary loss of revenue. EIDL assistance can be used to cover payroll and inventory, pay debt or fund other expenses. Additionally, the EIDL Advance will provide up to \$10,000 (\$1,000 per employee) of emergency economic relief to businesses that are currently experiencing temporary difficulties. For more information: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loan-emergency-advance>

Overall, many of the businesses in Concord have taken advantage of one or more of the financial lifelines offered by the Federal/State Government. Some businesses were concerned they would not be able to use the money allocated to them under the initial timelines laid out in the PPP program in the original claw back guidelines and welcomed the changes as outlined above to ensure there would be no penalties because they were unable to spend the amount in the timeline given.

A few local companies also had made a couple of mistakes on their initial filing of interest on the NH Main Street Relief Fund. The EDD did contact Commissioner Caswell to ask if GOFERR could re-review these instances.

Going forward, it's going to be very important to keep close to the business community and respond to the needs as they arise. Looking at ways to re-stimulate the local economy to keep and grow the local tax base will be a major focus of the EDD.