



Calgary



**Chief Financial Officer's Department**

**PFC2019-0590**

**Small Business Resiliency Grant**

ISC: UNRESTRICTED



5/14/2019

## Introduction



## **Small Business Resiliency Grant Need for Business Support**

- Recognizing the economic downturn
- Identifying opportunities and collaborating with businesses
- Creating a more business-friendly environment

## Highlights of Proposed Grant Program



## Small Business Sustainment Grant Objectives

- The Small Business Resiliency Grant program is to support those small businesses most severely affected by the economic downturn and the most negatively impacted by the impact of the non-residential property tax redistribution.



## Small Business Sustainment Grant Eligibility

- Step 1 – Determine eligibility
  - Business registered with The City
  - Pay Calgary Non Residential property tax
  - Operating business as of application date
  - Non profit business not eligible
  - Cannot be in arrears on any funds owed to The City or be in violation of any relevant City regulation



## **Small Business Sustainment Grant**

### **Application process and criteria**

- Step 2 – Application
  - Supply key identifying information
  - Supply key supporting business information
- Key Criteria
  - Number of employees (1-19 employees)
- Size of grants available
  - Estimated \$750 to \$4,000



## Small Business Sustainment Grant Feedback from Engagement

### ADVANTAGES

- Business community stakeholders felt that the primary advantage is political - the City was listening and acting upon their concerns.
- A two-year program, if successful, might provide time for economic recovery and diminish or eliminate the need for a substantial tax share shift from Non-Residential to Residential.
  - However unsure of pace of economic recovery



## Small Business Sustainment Grant Feedback from Engagement

### DISADVANTAGES

- A SBS grant program, like its predecessor PTP program, is only a 'band-aid where surgery is required'.
- Funding for SBS grants (\$70.9 million) continues to deplete City reserves and potentially limit adoption of more viable longer term solutions.
- The SBS will add significant administrative costs at a time when taxpayers are expecting the City to cut municipal expenditures and improve cost management.



## Small Business Sustainment Grant Feedback from Engagement

### DISADVANTAGES

- The amount of assistance available over two years may well be immaterial where property tax increases are substantial. Where property taxes have increased perhaps \$10,000 to \$20,000 per year, the SBS grant will provide limited support for struggling business.



## Small Business Sustainment Grant

### Key risks

- Volume of applications
- Effectiveness of grant amounts
- Cost of administration
- Verification and auditing
- Privacy concerns
- Communications
- Legal considerations

## Administration Recommendations

That the Priorities and Finance Committee recommends Council:

1. Receive this report for information;
2. Approve the conceptual framework of a Small Business Resiliency Grant program, including the draft Terms of Reference included in this report;



## Administration Recommendations

3. Direct Administration to develop an implementation plan for the first year of a potential two year grant program utilizing the first \$35.9 million of \$70.9 million of one-time funding (\$44 million from the Fiscal Stability Reserve and \$26.9 million within the Budget Savings Account from the 2017 and 2018 Phased Tax Program funding not required due to appeal resolutions).

Year one of the program will be run based on a Terms of Reference finalized by Q3 2019 to the satisfaction of the City Manager and Chief Financial Officer.

The results from the first year of the program will then be evaluated, and any material changes to be considered will be brought to PFC prior to implementation of year 2;

## Administration Recommendations

4. To facilitate Administration's implementation of this program a budget request of up to \$1.5 million (to be allocated from the \$35.9 million of the grant program funding in the first year) based upon information known at this time;
5. Direct Administration to report back to Priorities and Finance Committee with an implementation report by Q4 2019 for information; and
6. Direct that attachment 7 remain confidential pursuant to section 27(1)(a) of the *Freedom of Information and Protection of Privacy Act*.



## QUESTIONS?



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IN COUNCIL CHAMBER

MAY 14 2019

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