

City of Akron

Downtown Storefront Relief Grant Program

GRANT PROGRAM GUIDELINES

April 7, 2021

The City of Akron recognizes that Coronavirus Disease 2019 (“COVID-19”) has had a significant detrimental impact on the health and economic wellbeing of the residents and businesses within the City of Akron, which has been particularly acute for local small businesses.

The City of Akron is a recipient of certain federal aid under section 601(a) of the Social Security Act, as added by section 5001 of the federal Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”) which established the Coronavirus Relief Fund and Amended Substitute Ohio House Bill 481 of the 133rd General Assembly (H.B. 481).

Storefront businesses support the city’s economic development ecosystem through employment, improving safety, retaining talent, adding character and vibrancy to the neighborhood, and contributing to the local economy. These businesses have been especially impacted by the pandemic and, as such, The City of Akron has made \$500,000 available to provide grant funding and support for a relief grant program targeting businesses with storefronts in the Downtown Special Improvement District of the City of Akron in order to reimburse them the costs of business interruption caused by required closures due to COVID-19; which is an appropriate use of funding under section 5001 of the CARES Act.

The Program has been created by the City of Akron in order to assist storefront operators in the Downtown Special Improvement District of the City of Akron to help pay the costs of business interruption required by closures or costs for which businesses face uncertainty as to their ability to pay due to the pandemic. The below guidelines establish the businesses eligible for funding, the type of business expenses that can be paid with grant funds, the application and award process and other general operating guidelines that govern the use of funds and program administration.

I. General Description of the Program

Eligible businesses will be able to receive grant funds from the program in order to assist those businesses with operating and other eligible business interruption expenses incurred or paid between March 1, 2020 and June 1, 2021, representing the period of time from when the State of Ohio began the process of closing certain businesses within the State, and at which point several businesses were being affected by both mandatory and voluntary closures, cancellations, and postponements of operations, activities, and events, both in and outside of Ohio, and substantial losses in revenue and costs as a result of business interruption and broad economic impact of the pandemic. Generally, the amount of the grant per business will be up to \$4,000 based on demonstration of the costs of COVID-19 impact and/or business interruption of an amount equal to or greater than \$4,000.

Overall, eligibility for the grants will be tied to the attestation and requested expense documentation of applicants that they incurred specific expenses of business interruption due to COVID-19; experienced significant concerns about their ability to pay certain eligible business expenses due to COVID-19; or,

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incurred specific expenses to directly respond to aspects of the interruption or health issues created by COVID-19 for the employees, facilities or in support of customer safety.

Applicants must submit an application in the form determined by Downtown Akron Partnership on behalf of the City of Akron as the program administrator. Downtown Akron Partnership will review the same for completeness and compliance with these guidelines.

Applications will be available on Wednesday, April 7, 2021 at noon and remain open until June 1, 2021 at noon. All complete applications and supporting documentation submitted during that time will be reviewed by Downtown Akron Partnership's Grant Review Team.

Applicants providing complete documentation as requested by the application; meeting the requirements for eligible reimbursable expenses for the grant; and otherwise deemed eligible based on a review of the application and required documentation will be provided a grant agreement from Downtown Akron Partnership. Eligible expenses for purposes of the program are explicitly identified in these guidelines. Upon execution of that agreement, signaling an understanding of the requirements of the grant and affirming the attestations of the applicant, the applicant will be provided a grant in the amount of up to \$4,000. Funds will be issued as soon as possible following the execution of the grant agreement and no later than seven business days after its receipt.

All grants made under the Program are being made with the intention to provide immediate funding to small businesses to reimburse the costs of business interruption caused by required closures, to assist with the payment of costs where the business faces uncertainty as to its ability to pay due to the pandemic, to keep as many small businesses operating in the Downtown Special Improvement District as possible, mitigate ongoing concerns as possible, and to retain jobs that exist among City of Akron Downtown Special Improvement District storefront operators in light of the severe economic hardships brought by the COVID-19 pandemic. The primary objective of the Program is to minimize long-term economic hardship to Downtown Special Improvement District businesses that may result from the COVID-19 pandemic.

II. Eligibility Criteria

A. To be eligible for grant funds under the Program, businesses must meet the following requirements, as of March 1, 2020:

1. The business must operate for profit. Non-profit entities of any type are not eligible. (Businesses that are for-profit generally file an IRS Form 1040 with a Schedule-C, 1040-SR with a Schedule-C, 1065, 1120 or 1120-S.)
2. The business may be a sole proprietorship, partnership, corporation (both S and C), professional association, limited liability company, limited partnership, or limited liability partnership. If a corporation, professional association, limited liability company, limited partnership or limited liability partnership, the business must be registered with the Ohio Secretary of State to do

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business in the State of Ohio. Documentation to establish the legitimacy of the business will be requested through the application process.

- a. Acceptable documentation could include, but is not limited to, evidence of existence of registration of a trade name with the Ohio Secretary of State; income tax returns including business income and expenses and noting the name of the business on the return; business banking or credit accounts; or similar documents.
 - b. In the event that documentation is not available as listed above, Downtown Akron Partnership as administrator of the program, may make a determination of legitimacy for the business based on its review and examination of other evidence as it determines is appropriate. Any decision to accept alternate documentation is at the sole discretion of the Downtown Akron Partnership and its Grant Review Team.
 - c. The business must be a storefront or retail operation located in one of the City of Akron's Downtown Akron Special Improvement District (SID) or on property that is within an area covered by a current Business Membership Contract in which Downtown Akron Partnership (DAP) is a party. For purposes of this program, an eligible storefront or retail operation will be a street/pedestrian walkway facing, ground floor (street level) or 2nd floor commercial business storefront within the Downtown Akron Special Improvement District (SID) or on property that is within an area covered by a current Business Membership Contract in which Downtown Akron Partnership (DAP) is a party. For any additional questions regarding eligibility of your business, email grants@downtownakron.com with a description of your business, links to your web site or pictures of your storefront. If in doubt, Downtown Akron Partnership will have the sole discretion to weigh the characteristics of the applicant's operation with the goal of the program and make a determination of eligibility for the program.
3. The applicant's storefront operation must have been actively established or committed to ongoing operating expenses by March 1, 2020. To the extent there are questions about meeting this requirement, upon request, that date must be evidenced by business bank account documentation, business tax documentation, credit accounts, occupancy permits, business operating licenses or other documentation acceptable to Downtown Akron Partnership, in its sole discretion, as evidence of operations will be required. In cases where business transitions, ownership changes or other activities disrupt the ability to provide specific documentation, Downtown Akron Partnership, as administrator of the program, may decide on the legitimacy for the business for eligibility based on its review and examination of other evidence as it determines is appropriate.
 4. The business must not be permanently closed and must indicate based on answers in its application that it intends to continue its business operations following the COVID-19 pandemic.
 5. The business must have fewer than 50 employees. For purposes of this criteria, "employee" shall mean an individual who (i) is employed as an employee who regularly works at least 20

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hours per week and who is provided an IRS Form W-2 at the end of each calendar year, (ii) is independently contracted with the business, regularly works at least 20 hours per week and who receives an IRS Form 1099 at the end of each calendar year.

6. The business must attest to having less than \$5 million in annual gross receipts.
 7. The business must attest to not be in receivership or bankruptcy.
 8. The business must attest to the fact that it is current on all federal, state and local taxes or is a party to a valid and current delinquent tax contract or payment plan as of the date of application. Those on payment plans will be deemed current if plan payments are up to date as of the application date. All businesses will be required to provide the businesses' federal employer identification number, or, if the business does not have a federal employer identification number, the social security number for the primary owner and under which the business operates.
 9. While prior receipt of support from other federal grant programs including the SBA Payment Protection Program, Summit County COVID-19 Small Business Emergency Relief Grant Program, Downtown CARES Act Grant, or Downtown Akron COVID-19 Recovery Grant, does not affect eligibility for this program, applicants may not use the same specific expenses for multiple grant programs supported by CARES Act funding. This "double dipping" of reimbursement for the same specific expense from multiple programs is prohibited by federal law. (e.g., While June rent and July rent could both be reimbursed from these programs, June rent cannot be reimbursed once from one program and then submitted again to a second program.)
- B. The businesses shall not be one of the following, regardless of its general eligibility under subsection (A), above:
1. The applicant business engages in conduct regulated by the state casino control commission or operates Video Lottery Terminals as that term is defined in [Section 3770.21](#) of the Ohio Revised Code.
 2. Any business operating as a sexually oriented business as that term is defined in Section [2907.40](#) of the Ohio Revised Code.
 3. Any business with a major legal interest owned by individuals who are under the age of eighteen.
 4. Any business that is a utility provider.
 5. Any business that primarily sells tobacco products, cigarettes, electronic smoking devices, or vapor products as those terms are defined in [Section 2927.02](#) of the Ohio Revised Code.

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6. Any financial institution that makes loans or issues credit to the public, including, but not limited to, banks, credit unions, payday lenders, or any other similar business.
7. Any business that generates revenue that is solely considered as passive activity by the Internal Revenue Service for income purposes and/or that is a sole proprietor without employees that reports business income on a 1040 Schedule C that is less than 25% of the adjusted gross income of the individual filing the 1040 Schedule.
8. Any business that is publicly traded.
9. Any business that is operated by a governmental agency or entity.
10. Any business that is a club as defined in section 4301.01 of the Ohio Revised Code.
11. Any business primarily engaged in political or lobbying activities or political issue advocacy.
12. Any business that is a hospital, ambulatory surgical center, private school or long-term care center.
13. Any business that is primarily engaged in the sale, cultivation, or distribution of cannabis products.
14. Any business that is primarily engaged in the sale or distribution of liquor, not including restaurants or bars.

III. Eligible expenses

- A. City of Akron Downtown Storefront Relief Grant funds can be used to reimburse eligible businesses for the following defined "COVID-19 related expenses" incurred between March 1, 2020 and the date the application is submitted relating to their Downtown Special Improvement District business location as long as the costs do not violate State or Federal law and are not otherwise specified as "ineligible expenses":
 1. Personal protective equipment to protect employees, customers, or clients from COVID-19.
 2. Measures taken to protect employees, customers, or clients from COVID-19.
 3. Mortgage or rent payments for business premises (personal residences explicitly excluded).
 4. Utility payments (excludes utilities for personal residences and cellular phones not used primarily for business purposes).
 5. Salaries, wages, or compensation paid to contractors or employees, including an employer's share of employer paid health insurance costs.
 6. Business supplies or equipment.

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- B. City of Akron Downtown Storefront Relief Grant funds cannot be used for the following ineligible expenses:
1. Costs for non-“COVID related expenses” (as defined in section III-A above).
 2. Costs incurred for federal, state, or local tax obligations.
 3. Cost incurred for non-business purposes.
 4. Costs incurred for political purposes.
 5. Costs incurred for which the business has or will receive reimbursement from another source, including any other government grant program, forgivable loan program or insurance proceeds.

IV. Application and Award Process

- A. Businesses that wish to apply for a grant from the Program shall use the electronic application form provided by Downtown Akron Partnership at (<https://www.downtownakron.com/do-business/downtown-akron-covid-grant>) and include tax documentation, a current W-9 and other required documents to establish eligible expenses for the program as requested in that application process. That application will include basic information regarding the business, as well as the following information:
1. Summary level information on 2019 and 2020 revenues and expenses, and an estimate of COVID-19 impact on revenue and expenses.
 2. An indication of business expenses that the business will pay with grant funds awarded from the Program.
 3. For all businesses applying, the first full page of their most recent IRS Form 1040, 1040-SR, 1065, 1120 or 1120-S for tax year 2020, or, if the business has not filed IRS Form 1040, 1040-SR, 1065, 1120 or 1120-S for tax year 2020, but has filed one of said forms for tax year 2019, then the first page of the same. Additionally, any business providing a Form 1040 or 1040-SR must also include the full Schedule C that was filed with the Form 1040 or 1040-SR.
 4. A completed form W-9 for the business or recipient of grant funds to enable IRS reporting and verification.
- B. Applications will be taken beginning at 12 pm on Wednesday, April 7, 2021 and remain open until 12 noon on Tuesday, June 1, 2021. All applications must be fully submitted and completed during this time to be considered. Applications will be received electronically via the online survey application tool.
- C. Complete submission of accurate information is the responsibility of the applicant. The application process includes multiple opportunities for the applicant to review their submission and a final confirmation and copy of the applicant’s submission will be sent from the application system to the applicant’s email. Applicants should retain a copy of that email for their records. Information submitted will be deemed as certified to be accurate and truthful by the applicant and will be relied on for determining eligibility and applicant scoring. False information provided by applicants could result in the requirement to repay grant funds as a result of

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submitting a false or misleading application.

- D. Upon receipt of your application, the Grant Review Team and Downtown Akron Partnership will evaluate your submission for compliance with the requirements of the Grant. To the extent information is missing or incomplete, you will be contacted via email or by phone provided in the application. If after multiple attempts we find we are unable to contact you, we will provide a final written correspondence to your mailing address to notify you that our efforts have been unsuccessful and that we will close your file on a date certain. If we do not hear from you and cannot resolve our questions by that date, you will be ineligible for funding.
- E. Once your application has been approved for funding, Downtown Akron Partnership will issue a grant agreement to you. Your execution of the agreement will be your legally binding commitment to the grant and your attestation of the truthfulness and validity of the information in your application. Once that executed agreement is received by the Downtown Akron Partnership, we will issue a check to your business at the legal address for your business provided in the application. Grant funds will be distributed as soon as possible following the receipt of a signed grant agreement and no later than seven business days following receipt.
- F. Unless otherwise determined by the IRS, these grants may be considered revenue for your business and may contribute to your overall taxable income. Please consult an accountant for detailed guidance on the tax treatment of these CARES Act funds.
- G. Downtown Akron Partnership may require any business owner to complete any necessary documentation to determine if the grant to that business may be funded.
- J. In general, Downtown Akron Partnership will manage the Program and administer the distribution of grants in accordance with these Guidelines.
- K. Nothing contained herein is intended to obligate or bind, nor shall it be construed to obligate or bind, Downtown Akron Partnership or any grantor of funds to the Program, to make, award, or fund any grant to any entity whatsoever, and no entity shall have any claim, action, or cause of action against Downtown Akron Partnership or any grantor of funds for failure to make, award, or fund any grant. All determinations will be made with the best efforts of the Grant Review Team and in the spirit of meeting the objectives of this program. While we will be responsive to inquiries and work to our best capability to support every applicant with an award of funds, final award determinations and decisions are not subject to further appeal and fully within the discretion of the Grant Review Team subject to whatever process modifications they find necessary in the dispatch of their work to meet the guidelines of the program. A statement to this effect shall be included in the application.