



Mayor James "Jim" Darling
Mayor Pro Tem/Commissioner Veronica Whitacre
Commissioner Javier Villalobos
Commissioner Joaquin J. Zamora



Commissioner J. Omar Quintanilla
Commissioner Tania Ramirez
Commissioner Victor "Seby" Haddad
City Manager Roel "Roy" Rodriguez, P.E.

**NOTICE OF SPECIAL JOINT MEETING TO BE HELD BY THE
MCALLEN BOARD OF COMMISSIONERS AND THE
DEVELOPMENT CORPORATION OF MCALLEN
FRIDAY, MAY 15, 2020 – 9:00 AM
MCALLEN CITY HALL
CITY COMMISSION CHAMBERS; 3RD FLOOR
1300 HOUSTON AVENUE
MCALLEN TEXAS, 78501**

AGENDA

"At any time during the course of this meeting, the City Commission may retire to Executive Session under Texas Government Code 551.071(2) to confer with its legal counsel on any subject matter on this agenda in which the duty of the attorney to the City Commission under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code. Further, at any time during the course of this meeting, the City Commission may retire to Executive Session to deliberate on any subject slated for discussion at this meeting, as may be permitted under one or more of the exceptions to the Open Meetings Act set forth in Title 5, Subtitle A, Chapter 551, Subchapter D of the Texas Government Code."

CALL TO ORDER

JOINT MEETING WITH MCALLEN DEVELOPMENT CORPORATION

1. Discussion and Action on Stimulus Loan and Grant Program.

END OF JOINT MEETING

ADJOURNMENT

IF ANY ACCOMMODATION FOR A DISABILITY IS REQUIRED (OR INTERPRETERS FOR THE DEAF), NOTIFY THE CITY SECRETARY'S DEPARTMENT AT 681-1020 FORTY-EIGHT (48) HOURS PRIOR TO THE MEETING DATE. WITH REGARD TO ANY ITEM, THE BOARD OF COMMISSIONERS MAY TAKE VARIOUS ACTIONS INCLUDING BUT NOT LIMITED TO RESCHEDULING AN ITEM IN ITS ENTIRETY FOR A FUTURE DATE OR TIME.

C E R T I F I C A T I O N

I, the Undersigned Authority, do hereby certify that the attached agenda of the meeting of the McAllen Board of Commissioners is a true and correct copy and that I posted a true and correct copy of said notice on the bulletin board in the Municipal Building, a place convenient and readily accessible to the general public at all times, and said Notice was posted on May 12, 2020 at 9:00 AM and will remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting in accordance with Chapter 551 of the Texas Government Code.

/s/
Perla Lara, TRMC/CMC, CPM
City Secretary



ITEM SUMMARY

BOARD: City Commission

AGENDA ITEM

1.

DATE SUBMITTED

MEETING DATE

5/15/2020

1. Agenda Item: Discussion and Action on Stimulus Loan and Grant Program.

2. Party Making Request:

3. Applicant:

4. Nature of Request:

5. Fiscal Impact Summary:

6. Budgeted:

Bid Amount: _____

Under Budget: _____

Budgeted Amount: _____

Over Budget: _____

Amount Remaining: _____

7. Routing:

Cindy Gonzalez

Created -

8. Staff Recommendation:

9. Advisory Board:

10. City Attorney:

11. Manager's Recommendation:

Memo



To: Mayor, City Commissioners, Development Corporation Officers

From: Michelle Rivera, Assistant City Manager

Through: Roel "Roy" Rodriguez, P.E, City Manager

Date: May 12, 2020

Re: Small Business Incentive Program Funding

The City, in conjunction with the McAllen Chamber of Commerce, is proposing to roll out a small business assistance program. The City is receiving CDBG-COVID funding and some eligible activities include:

- Avoid job loss caused by business closures related to social distancing by providing short-term working capital assistance to small businesses to enable retention of jobs held by low- and moderate-income persons.
- Small business assistance through grants or loans to support new businesses or business expansion to create jobs and manufacture medical supplies necessary to respond to infectious disease.

We would like to create a fund in the amount of \$1,000,000 for small business assistance, \$700,000 of which will come from CDBG Funding and the remainder from Development Corporation Funding. The CDBG Action Plan must be amended to include this newly eligible category so we would like to take the entire amount from Development Corporation up front to create this fund and then reimburse the account upon completion of the necessary amendments and subject to expenditure of the funds.

The Chamber has developed the attached summary of the program and we are working together to create an application that will satisfy the requirements of the funding.

-DRAFT-

McAllen Ignite Fund

Purpose and Objective:

The City of McAllen and the McAllen Chamber of Commerce are offering a program to help reignite our local economy. The McAllen Ignite Fund aims to assist displaced businesses within the city of McAllen. This fund will have two programs. The Zero Interest Loan will help buy down the interest rate of the loans from banks. The Zero Interest Loan program is for 24 months. The Ignite Grant will give up to \$5,000/\$10,000 grants to applicants who qualify. The grant will be distributed via third-party pay, meaning that the funds will be paid directly to the applicant's bank, supplier of the products or services. The products and services that qualify for use are:

Bank Zero Interest Loan

- Payroll costs for employees
- Contract labor
- Supplier payments
- Rent, lease or mortgage payment (for real property used for business purposes, like storefront or warehouse, excluding personal residence.)
- Rent, lease or purchase payment for business property (e.g., delivery vehicle; food truck; kitchen equipment; technology, payment, and communications systems and equipment)
- New or expanded technology applications and Wi-Fi services
- Utility payments for business properties, excluding personal residence.
- Cost of critical business operations (raw materials, marketing expenses, etc. payments)
- PPE and sanitation supplies and equipment

Ignite Fund \$5,000/\$10,000

- Launching online presence and sales
- PPE and sanitation supplies and equipment
- Short-term Marketing Campaign
- Qualified opening expense
- Limited interior modification for health and safety purposes
- Job retention

The McAllen Ignite Fund has available \$1,000,000 to assist local businesses during the challenging economic conditions caused by COVID-19 healthcare emergency. This program is designed to help fund businesses or programs that creatively address a need to create, enhance, restore, or protect their McAllen based business.

Business that are ineligible:

- Franchisors
- Real Estate Developers/Investors
- Governmental/taxing agencies/departments
- Hobby businesses as defined by federal law
- Multi-level marketing concern
- Gambling Concerns, including casinos, racing operations or other activities whose purpose involves gambling
- Lobbying organizations and political organizations subject to Internal Revenue Code 527
- Sexually Oriented Businesses (live performances, product sales, items or materials)
- Businesses primarily engaged in lending, investments, or to an otherwise eligible business engaged in financing or factoring.
- Pawn Shops
- An individual who employs household employees such as nannies or housekeepers
- A business where a 20% or more equity owner is incarcerated, on probation, on parole; presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction; or has been convicted of a felony within the last five years;
- Concerns engaged in illegal activities under federal, state or local laws
- A business that is otherwise prohibited by federal or Texas law
- A business that is ineligible or precluded to receive federal or State of Texas funding due to federal laws (including but not limited to the CARES Act) or Texas laws

Documents required:

- Documentation of ongoing concern or business: Secretary of State Texas File number; State of Texas License number; DBA, 2018 or 2019 tax return (return only, schedules not required); Social Security Number, Employer Identification Number, or Individual Taxpayer Identification Number. Click [here for instructions](#) on how to get your Secretary of State File Number.
- Signature on Application required:
- Good Faith Certification as to truth and accuracy of information provided
- That the grant request is necessary due to conditions caused by COVID-19
- Agreement to audit of the use of grant funds received
- Agreement to claw-back provisions if funds are used for ineligible purposes
- Documentation for Zero Interest Loan from bank required with application and for proof of fund uses by September 30, 2020: Proof of payment of eligible expenses including Form W-3, Form 941, utility statements, cancelled checks/receipts or bank statements
- For Sole Proprietor Applicants provide 2018 or 2019 Schedule C Form W-9. For the form W-9 form

Schedules and Deadlines:

Applications will be accepted between May 27, 2020 and June 27, 2020. The applications must be received electronically by June 27, 2020, and applications will be reviewed on a first come first serve basis, providing they comply with the guidelines. Depending on the program's demand, funds may be exhausted before the grant deadline, in which case the program will be closed ahead of the scheduled end date.

The grant awards will be directly announced to each qualifying business during the period of May 11, 2020 and July 11, 2020.

Geographic Area:

All applicants and projects sponsored by the McAllen Ignite Fund must be located within the City of McAllen jurisdiction.

Grant Amount:

McAllen Ignite Fund program is offering \$5,000 and \$10,000 grants. The amount of the grant will be based on the project's needs and the significance of its benefit. It is our desire to make a positive impact on a project or business with this grant assistance rather than be a small increment of a larger project. Funds may not be used for property acquisition, food, drinks, travel reimbursement, or other costs not directly related to helping businesses succeed during these challenging times.

Eligible Entities and Projects

Applicants can only pursue one program of the McAllen Ignite Fund, the 0% loan or the Ignite Grant. Applicants can not apply more than one time for any program. To foster the goals of the McAllen Ignite Fund, the applicant and project must meet the following criteria to be eligible for this program:

Eligible Applicants

To be eligible for the McAllen Ignite Fund, applicant businesses must comply with following:

- Small businesses based within McAllen, Texas city limits
- Businesses should have 100 or less employees
- Must be active businesses that were established at least 3 months before March 20, 2020
- Businesses with more than one physical location may apply for the grant program for one location only.
- The business must have experienced a loss of revenue due to Public Health Orders enacted for COVID-19.
- A business can only apply for the Zero Interest Loan or Ignite Fund, but not both programs.

Applicant Commitments

Telephone interview: Applicants may be requested to provide a telephone interview during the selection processes. The McAllen Chamber of Commerce will review the Grant Applications and take decisions on the approval or denial of each application. A letter of award will be sent to the successful Grant recipient. The recipient must sign a copy of the letter agreeing to the terms and conditions of the guidelines stipulated herein. The signed letter must be returned within one week of receipt by the grant recipient. Failure to return the signed letter within this week will result in the loss of the award and selection of an alternative recipient

Brief presentation may be requested: The organization awarded the grant may be requested to make a brief presentation of the completed project at a latter McAllen Chamber of Commerce event.

McAllen Ignite Fund reserves the right to withhold any or the entire grant award if a significant change in the project scope is implemented without prior McAllen Ignite Fund approval. The decision to withhold grant monies will be at the sole discretion of the McAllen Ignite Fund.