



The Montrose Group, LLC

TRANSFORMING YOUR WORLD

STATE OF OHIO
COVID 19 ECONOMIC
STIMULUS WHITE PAPER

APRIL 8, 2020

ABOUT THE MONTROSE GROUP, LLC

The Montrose Group provides economic development consulting including corporate site location, economic development planning, company financing, and site development services and lobbying on local, state and federal government matters.



David J. Robinson, Principal, Montrose Group. Dave Robinson provides lobbying and business consulting services for corporate site location, economic development planning, and lobbying services for companies and communities based upon 25 years of experience. Prior to forming the Montrose Group, Mr. Robinson managed law firm government relations practices, was a member of the Ohio House of Representatives, executive at Ameritech; senior staff for Columbus Mayor Greg Lashutka, and general counsel of the Ohio Chamber of Commerce. He served as Adjunct Professor at the Ohio State University and is author of *Economic Development from the State & Local Perspective*, and *The Energy Economy*, published by Palgrave.



Nate Green, Director of Economic Development, Montrose Group. Nate Green provides economic development planning and corporate site location services to companies and communities based on over 20 years of economic development experience. Prior to joining Montrose, Mr. Green was a Vice President, Public Finance for Piper Jaffray, manager at JobsOhio, Director of the Strategic Business Investment Division at the Ohio Department of Development (ODOD), Economic Development Director for the Pickaway Progress Partnership, Corporate Finance Manager at the Cleveland-Cuyahoga County Port Authority and began his career at the ODOD. Mr. Green has co-researched and produced the development of 25 economic development strategic plans and infrastructure and incentive strategies and negotiated over \$1 B in corporate site location projects for public and private sector clients.



Tim Biggam, Director of Government Relations, Montrose Group Tim Biggam provides Ohio lobbying services to clients before local, state and federal government officials his over a decade of service in state government. Starting as an aide in the Ohio Senate, Mr. Biggam most recently served as the Legislative Director for Governor John R. Kasich serving as the top lobbyist for the administration and being engaged in all issues facing the state of Ohio that included tax, policy, budget and regulatory matters following service on the Kasich for President campaign, senior level positions at the Ohio Department of Natural Resources and the Ohio Department of Transportation and for the Ohio Municipal League.

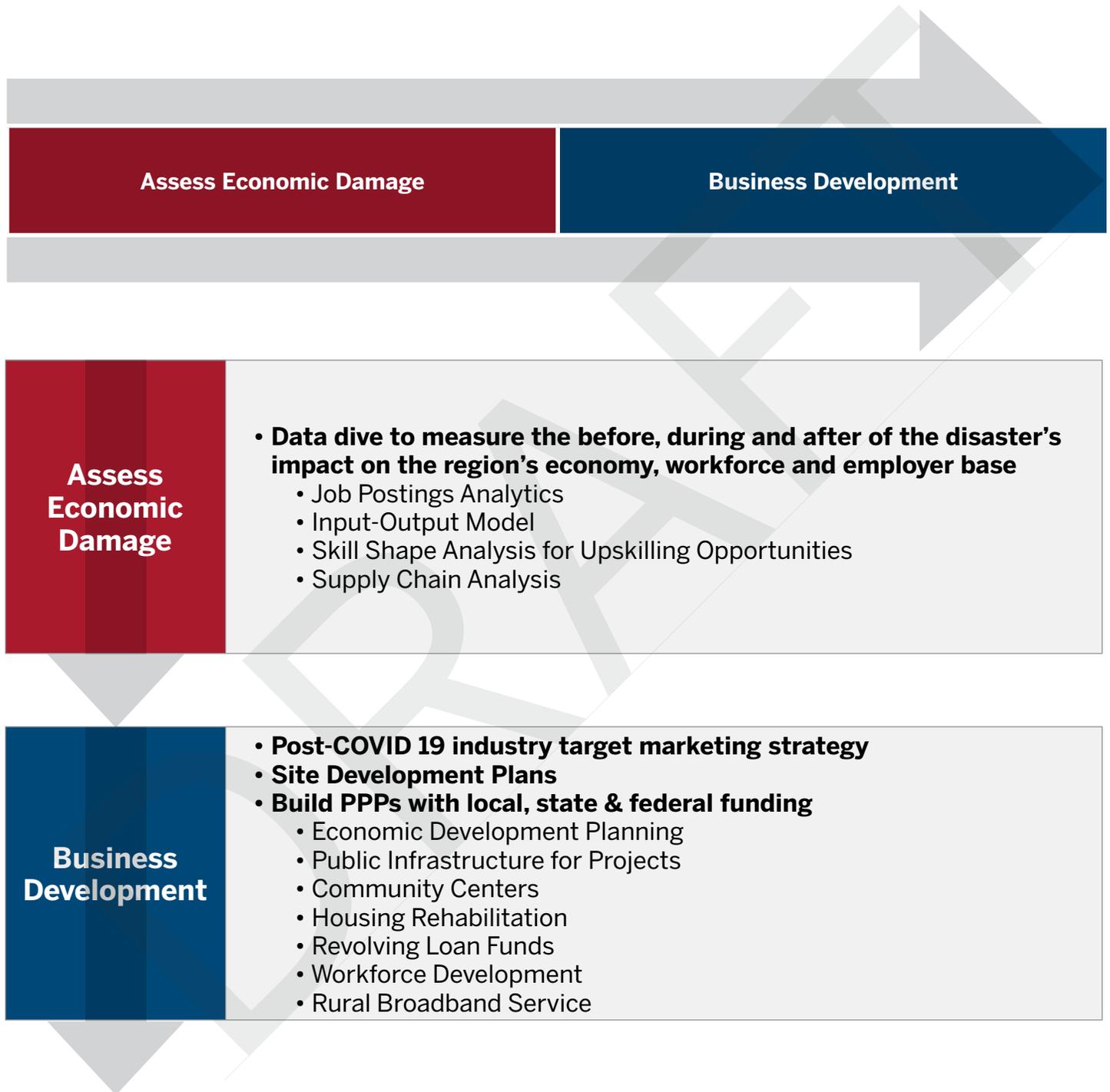


Jamie Beier Grant, Manager of Economic and Workforce Development, Montrose Group. Jamie Beier Grant provides corporate site location, economic development planning, site development and workforce development services based upon her 19 years of local, regional and state economic development experience, including for the Ohio Department of Development in the International Trade Division and Economic Development Division, Northwest Ohio's Regional Growth Partnership and for 16 years as Director of the Ottawa County Improvement Corporation. Jamie brings substantial economic development experience to clients that includes: attraction of \$800 million+ in new business investment and creation of 500+ new jobs; leveraged \$40 million+ in financing and incentives for businesses; project manager for construction of a speculative industrial building and created a comprehensive workforce development program in Ottawa County.



MONTROSE GROUP COVID 19 ECONOMIC RECOVERY SERVICES

The Montrose Group implements a two-step process to provide economic recovery services for disasters like COVID 19 that define the challenge, limit the damage to current employers and prepare a community for growth in a post-disaster marketplace.



MONTROSE GROUP'S OHIO COVID 19 ECONOMIC STIMULUS WHITE PAPER EXECUTIVE SUMMARY

COVID 19 is having a devastating personal and economic toll in the state of Ohio, the United States, and around the globe. Ohio Governor Mike DeWine and state leaders are illustrating bold leadership and addressing this crisis through aggressive public health efforts, support for jobless workers, delays in state workers compensation premiums and federal funding for small businesses and relief from federal government regulation. JPMorgan estimates the Q1 2020 world economy GDP will decline 12%, and 10M Americans filed for unemployment the last two weeks of March, 2020. US restaurants report in March laying off 3 M workers & losing sales of \$25 B, and the St. Louis Federal Reserve estimates COVID 19 could cost 47 M jobs, increase the unemployment rate past 32% and put at risk 67 M jobs. Moody's Analytics estimates COVID 19 will create a 29% decline in America's GDP and hit all fifty states. To avoid long-term economic disruption, the Montrose Group, LLC, a Columbus, Ohio based economic development and public policy consulting firm, recommends the adoption of a state of Ohio Economic Stimulus Package proposal by state government leaders that include:

1. JobsOhio's efforts to fund the development Personal Protective Equipment (PPEs) should be supported as PPEs are needed by a range of professions.
2. The Ohio General Assembly should immediately move to adopt the state of Ohio capital budget to put \$2.5 billion into the Ohio economy to put construction companies and their employees to work on these capital budget projects in 2020.
3. The Ohio General Assembly and Governor Dewine should be supported for their decision to have the state of Ohio follow suit with the federal government and enact a 90-day delay in collecting quarterly minimum income tax payments due on April 15, 2020 to assist Ohio's small business owners with cash flow to keep their companies afloat.
4. State of Ohio regulations should be revised to reflect the current challenges of COVID 19 including: defining all current efforts being taken by public K-12 schools to educate students via distance learning as constituting the definition of students attending school; waive the requirement that employers are responsible for paying the interest on any unemployment compensation loan from the federal government; extend for 60-90 days the statute of limitations for filing refunds for any state administered tax; suspend certain regulatory obligations like inspection, reporting, and testing obligations, which if delayed, will not cause harm to human health or the environment; suspend corporate annual meeting requirements and/or allow all corporations to conduct virtual annual meetings; grant exemption from penalties to state vendors that cannot fulfill deliverables on a state contract due to circumstances related to COVID-19; extend the time, currently 30 days, within which a business is allowed to make a cure offer to a consumer after being served with a lawsuit; and grant civil immunity to public and private sector organizations manufacturing personal protection equipment for use in the COVID 19 crisis.
5. The Ohio Development Services Agency should make \$500 million in funding available through its 166 Direct Loan Fund to support local hospitality, creative services and arts companies and organizations and small businesses negatively impacted by the COVID 19 by 25% to ensure their economic survival through grants of up to \$1 million and no-interest loans of up to \$2.5 million for impacted companies and organizations that can illustrate financial hardship due to COVID 19 as company financing programs at the federal government level will be oversubscribed and JobsOhio financing programs are focused on larger companies who have participated in JobsOhio programs before.
6. Ohio's Job Retention Tax Credit should be temporarily revised to lower the threshold of retained employees to 25 jobs so that Ohio's manufacturing and non-retail service companies who agree to retain their current base of jobs are able to utilize the program and lower their tax burden and free up cash flows. Funding for the Job Retention Tax Credit program needs to be increased to \$500 million from the state's \$2.8 billion Rainy Day Fund.
7. The Ohio General Assembly should adopt Senate Bill 39 which will provide \$50 million in insurance premium-based tax credits to leverage millions more in private investments for large scale, transformational projects in urban and rural communities across Ohio.
8. Economic development strategies crafted by JobsOhio and the Ohio Development Services Agency to develop sites, innovation districts, and talent should be continued as planned and not be halted by calls to move resources to address COVID 19 challenges to ensure the state is positioned to retain and attract high-wage jobs and capital investment when the global economy restarts.



THE MONTROSE GROUP'S STATE OF OHIO COVID 19 ECONOMIC STIMULUS WHITE PAPER

COVID 19 is an unprecedented public health crisis that is having a devastating personal toll on people around the globe and a negative impact on the global economy. Governor Mike DeWine and leaders in the state of Ohio are rightly addressing this crisis through aggressive efforts to limit public interaction by closing schools, restaurants, bars, events, and other businesses where social interaction is at its peak. To avoid long-term economic disruption, the Montrose Group, LLC, a Columbus, Ohio based economic development and public policy consulting firm has created a state of Ohio Stimulus Package proposal for consideration by state government leaders.

Defining the Negative Economic Impact of COVID 19

Limiting the public health impact on its citizens is the first responsibility of government but government at the same time needs to start healing the negative economic impact of the public health cure. To understand the economic impact on COVID 19 on states like Ohio it is critical to understand the current size, state and makeup of the Ohio economy. As the Montrose Group outlined in a 2019 Ohio Competitiveness Report, Ohio has the seventh largest economy among the fifty states with a \$608.1 B GDP as measured in 2015. Pennsylvania ranked 6th in GDP of states and New Jersey as 8th.¹ If it were a country, Ohio's economy would be the 21st largest in the world—just below Saudi Arabia.² On a per capita basis, Ohio's GDP of \$52,363 ranked 26th largest in the nation in 2015.³ Ohio benefits from a large and diverse economy in a prime strategic location.

Ohio's economy when reviewed by industry illustrates it is like the rest of the nation and has transitioned to providing services more than manufacturing goods.

Ohio Employment by Industry 1990 v. 2017

Industry	1990 Ohio	2017 Ohio
Goods-producing	1,307,783	930,920
Natural resource and mining	30,951	27,497
Construction	195,190	216,958
Manufacturing	1,081,643	686,465
Service-producing	2,790,434	3,715,835
Trade, Transportation, and utilities	979,023	1,018,107
Information	104,735	71,562
Financial activities	258,696	288,503

Source: Bureau of Labor Statistics

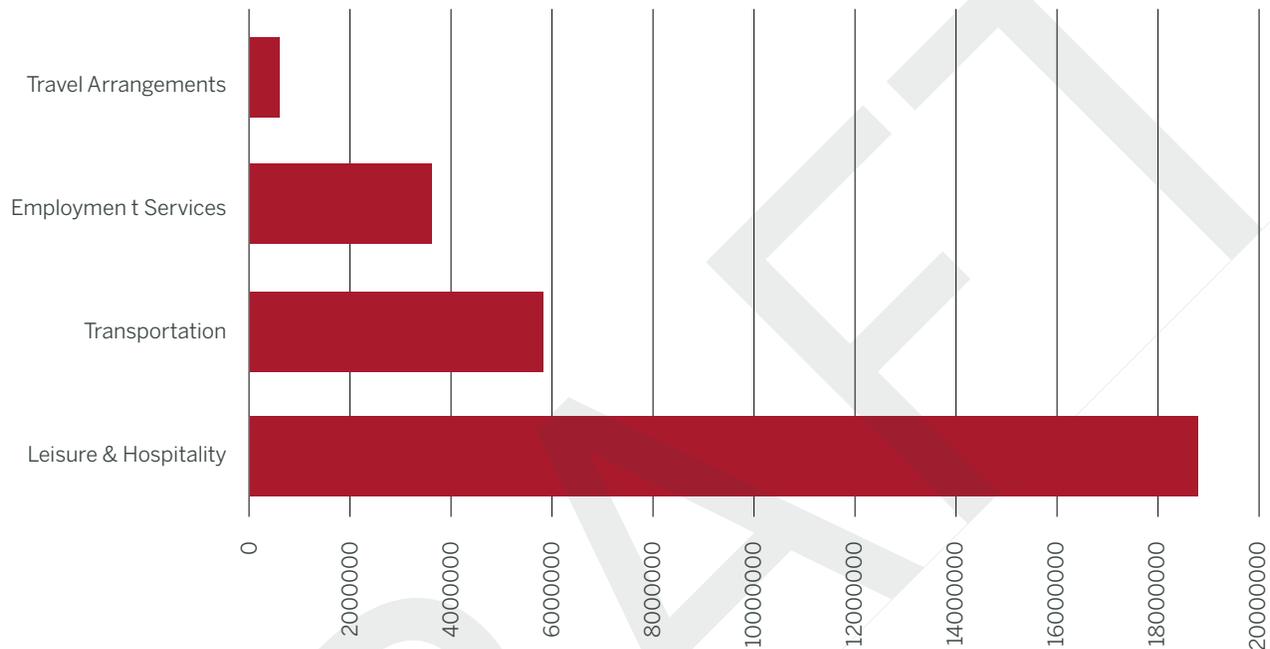
¹<http://www.lsc.ohio.gov/fiscal/ohiofacts/2016/economy.pdf>

²ibid.

³ibid.



As the table above illustrates, Ohio illustrated dramatic growth in its service, professional service, education and health care industry sectors and equally dramatic declines in the state's manufacturing and goods producing sector. There is no news in this analysis. Ohio now operates a service-based economy driven by new players that include leisure and hospitality. As an example, the creative services sector, constituting the arts and related industries and a key part of the Leisure and Hospitality industry, provide \$41B in economic impact for the state of Ohio that includes 289,000 jobs and \$4.5 billion in tax revenue according to a 2019 study by Bowling Green State University. Unfortunately, the leisure and hospitality, transportation, employment services and travel industry will have the largest impact as measured by job losses from COVID 19 forced business closures as the table below illustrates.



Source: Moody Analytics, Wall Street Journal, March 25, 2020

The COVID 19 related business closures include 289,000 Ohio's creative industry jobs and the companies and nonprofit employers. A sustained closure will eliminate many of these jobs, companies and nonprofits on a permanent basis as a financial hole will be created that they cannot climb out of. These workers are typically lower skilled and lower wage employees who often survive paycheck to paycheck. Federal government wage data indicates the 16.8 M workers in the Leisure and Hospitality occupation category earn \$16.78 an hour but work on average only 25 hours a week—earning \$21,931 a year which is nearly \$10,000 below the nation's per capita income. Thus, the workers in the industry impacted the most by COVID 19 are the least able to afford not working for three months.

The service industry is not alone in the negative economic impact of COVID 19. COVID 19 is creating massive job losses and company and nonprofit closures in the service sector that dominates the American and Ohio economy. The near-term negative economic impact of COVID 19 is frightening:

- Manufacturers like Honda, Ford, Fiat Chrysler and others have temporarily shut down U.S. facilities;
- The National Restaurant Association estimates that restaurants and the foodservice industry could sustain \$225 billion in losses and eliminate 5-7 million jobs over the next three months;
- The International Chamber of Shipping has estimated that the pandemic has cost the worldwide industry around \$350 million per week, and, in January, 2020, North American transport volume was down 9.4%, impacting the over 225,000 Americans working in the freight transportation industry according to recent USA Today reports; and

- Ohio unemployment jobless claims moved from under 5,000 the week of March 9, 2020 to nearly 140,000 the week of March 16, 2020 reaching nearly a record high from 1981 when steel mills and factories across the state were closing during a major national recession.

The economic impact of COVID 19 will create a recession in 2020. Current estimates by economist see a double digit drop in the nation's Gross Domestic Product in the 2nd Quarter of 2020 and it is optimistic to think there will be any positive quarterly GDP growth in 2020.

COVID 19 Small Business Financing Spurred by Federal Stimulus Legislation

The passage of the federal Stimulus legislation has substantial changes to the U.S. Small Business Administration which should make this organization a prime stop for companies, sole proprietors, independent contractors, self-employed, tribal business, 501 (c)(3), or a 501 (c)(19) veterans organization with less than 500 employees (full time, part time or other status) seeking financing. Also eligible for SBA funding are companies in the accommodation and food services sector (NAICS 72) with less than 500-employees on a per physical location basis, and, if operating as a franchise or receive financial assistance from an approved Small Business Investment Company the normal affiliation rules do not apply. The Small Business Administration gains a substantial funding increase and has added new flexibility for its 7 (a) loan program and sees the creation of new programs to meet small businesses needs during COVID 19.

Gaining small business financing tied to COVID 19 involves first understanding what new regulatory and funding changes the federal Stimulus legislation provided. First, let's look at the substantial enhancements to several SBA programs made by the federal Stimulus legislation.

SBA Funding Priorities in Federal Stimulus

SBA Use	Funding
Loan Guarantees	\$349,000,000,000
Administration	\$675,000,000
Inspector General	\$25,000,000
SBDC/WBCs	\$240,000,000
Resource Partner Training	\$25,000,000
MBCs	\$10,000,000
EIDL Grants	\$10,000,000,000
Loan Subsidies	\$17,000,000,000
Treasury Administration	\$25,000,000
Secondary Market Guarantees	\$100,000,000,000

Economic Injury Disaster Loans (EIDL). The EIDL SBA program provides up to \$2 M per borrower in working capital loans for small businesses and requires small businesses must meet a list of size standards which vary per NAICS industry code. The federal Stimulus legislation does the following related to the EIDL program:

- **Funding Allocation.** Provides \$10 B for EIDL emergency grants;
- **Eligibility.** Expands eligibility for access to EIDL to include Tribal businesses, cooperatives, and ESOPs with fewer than 500 employees or any individual operating as a sole proprietor or an independent contractor during the covered period (January 31, 2020 to December 31, 2020), and private non-profits are also eligible for both grants and EIDLs.
- **Loan Terms.** Requires that for any SBA EIDL loans made in response to COVID-19 before December 31, 2020, the SBA shall waive any personal guarantee on advances and loans below \$200,000, the requirement that an applicant needs to have been in business for the 1-year period before the disaster, and the credit elsewhere requirement.



- **Loan Approval Criteria.** During the covered period, allows SBA to approve and offer EIDL loans based solely on an applicant's credit score, or use an alternative appropriate alternative method for determining applicant's ability to repay.
- **Emergency EIDL Grant.** Establishes an Emergency Grant to allow an eligible entity who has applied for an EIDL loan due to COVID-19 to request an advance on that loan, of not more than \$10,000, which the SBA must distribute within 3 days, establishes that applicants shall not be required to repay advance payments, even if subsequently denied for an EIDL loan, in advance of disbursing the advance payment, the SBA must verify that the entity is an eligible applicant for an EIDL loan, this approval shall take the form of a certification under penalty of perjury by the applicant that they are eligible, outlines that advance payment may be used for providing paid sick leave to employees, maintaining payroll, meeting increased costs to obtain materials, making rent or mortgage payments, and repaying obligations that cannot be met due to revenue losses, requires that an advance payment be considered when determining loan forgiveness, if the applicant transfers into a loan made under SBA's Paycheck Protection Program, and terminates the authority to carry out Emergency EIDL Grants on December 30, 2020.
- **Authority.** establishes that an emergency involving Federal primary responsibility determined to exist by the President under Section 501(b) of the Stafford Disaster Relief and Emergency Assistance Act qualifies as a new trigger for EIDL loans and, in such circumstances, the SBA Administrator shall deem that each State or subdivision has sufficient economic damage to small business concerns to qualify for assistance under this paragraph and the Administrator shall accept applications for such assistance immediately. Adds "emergency" explicitly into other existing EIDL trigger language under Section 7(b)(2) of the Small Business Act.

Paycheck Protection Program (PPP). Makes temporary changes to the SBA 7(a) loan program by creating a new subset of 7(a) loans called Paycheck Protection Program loans. This program provides lenders 100% loan guarantees for loans of up to \$10 M per small business for payroll losses and select working capital costs. While administered by SBA, loans are issued by private lenders. Under PPP, small businesses are defined as having less than 500 employees or meet SBA NAICS code size standards. The Federal stimulus includes the following provisions for PPP loans:

- **Funding.** Provides \$349 B in new funding for the 7(a) Program through December 31, 2020;
- **Loan Terms.** Increases the government guarantee of all 7(a) loans to 100 percent through December 31, 2020 after which point the guaranty percent will return to 75 percent for loans exceeding \$150,000 and 85 percent for loans equal to or less than \$150,000, and establishes the maximum loan size as equivalent to 250 percent of the employer's average monthly payroll costs (e.g., roughly 10 weeks of payroll expenses) or \$10 M, whichever is less through December 31, 2020, provides a limitation on a borrower from receiving this assistance and an economic injury disaster loan through SBA for the same purpose; however, it allows a borrower who has an EIDL loan unrelated to COVID-19 to apply for a PPP loan, with an option to refinance that loan into the PPP loan but the emergency EIDL grant award of up to \$10,000 would be subtracted from the amount forgiven under the Paycheck Protection Program, requires eligible borrowers to make a good faith certification that the loan is necessary due to the uncertainty of current economic conditions caused by COVID-19, they will use the funds to retain workers and maintain payroll, lease, and utility payments; and are not receiving duplicative funds for the same uses from another SBA program, waives both borrower and lender fees for participation in the Paycheck Protection Program and the credit elsewhere test for funds provided under this program, collateral and personal guarantee requirements under this program, outlines the treatment of any portion of a loan that is not used for forgiveness purposes and the remaining loan balance will have a maturity of not more than 10 years, and the guarantee for that portion of the loan will remain intact, sets a maximum interest rate of four percent, ensures borrowers are not charged any prepayment fees, allows complete deferment of 7(a) loan payments for at least six months and not more than a year, and requires SBA to disseminate guidance to lenders on this deferment process within 30 days, increases the maximum loan for an SBA Express loan from \$350,000 to \$1 M through December 31, 2020, after which point the Express loan will have a maximum of \$350,000; and requires veteran's fee waivers for the 7(a) Express loan program to be permanently waived.



- **Eligibility.** Available for small businesses and nonprofits with fewer than 500 employees with one or more location, below a gross annual receipts threshold in certain industries, waves affiliation rules for businesses in the hospitality and restaurant industries, franchises that are approved on the SBA's Franchise Directory, and small businesses that receive financing through the Small Business Investment Company (SBIC) program for a covered loan period as beginning on February 15, 2020 and ending on June 30, 2020, for eligibility purposes, requires lenders to, instead of determining repayment ability, which is not possible during this crisis, to determine whether a business was operational on February 15, 2020, and had employees for whom it paid salaries and payroll taxes, or a paid independent contractor;
- **Loan Uses.** Specifies allowable uses of the loan include payroll support, such as employee salaries, paid sick or medical leave, insurance premiums, and mortgage, rent, and utility payments;
- **SBA 7(a) Lenders.** provides delegated authority, which is the ability for lenders to make determinations on borrower eligibility and creditworthiness without going through all of SBA's channels, to all current 7(a) lenders who make these loans to small businesses, and provides that same authority to lenders who join the program and make these loans;

PPP Loan Forgiveness. The principal amount of a PPP loan will be eligible for forgiveness (subject to submission of proper documentation) up to an amount equal to the total of the following costs incurred and/ or payments made during the eight-week period following the origination of the loan.

- **Funding.** Provides \$ 100 B for secondary market loan guarantees
- **Eligibility.** Establishes that the borrower shall be eligible for loan forgiveness equal to the amount spent by the borrower during an 8-week period after the origination date of the loan on payroll costs, interest payment on any mortgage incurred prior to February 15, 2020, payment of rent on any lease in force prior to February 15, 2020, and payment on any utility for which service began before February 15, 2020;
- **Loan Forgiveness Terms.** Amounts forgiven may not exceed the principal amount of the loan, eligible payroll costs do not include compensation above \$100,000 in wages, forgiveness on a covered loan is equal to the sum of the following payroll costs incurred during the covered 8-week period compared to the previous year or time period, proportionate to maintaining employees and wages:
 - Payroll costs plus any payment of interest on any covered mortgage obligation (which shall not include any prepayment of or payment of principal on a covered mortgage obligation) plus any payment on any covered rent obligation + and any covered utility payment;
 - The amount forgiven will be reduced proportionally by any reduction in employees retained compared to the prior year and reduced by the reduction in pay of any employee beyond 25 percent of their prior year compensation;
 - To encourage employers to rehire any employees who have already been laid off due to the COVID-19 crisis, borrowers that re-hire workers previously laid off will not be penalized for having a reduced payroll at the beginning of the period;
 - Allows forgiveness for additional wages paid to tipped workers;
 - Borrowers will verify through documentation to lenders their payments during the period. Lenders that receive the required documentation will not be subject to an enforcement action or penalties by the Administrator relating to loan forgiveness for eligible uses;
 - Upon a lender's report of an expected loan forgiveness amount for a loan or pool of loans, the SBA will purchase such amount of the loan from the lender;
 - Canceled indebtedness resulting from this section will not be included in the borrower's taxable income; and
 - Any loan amounts not forgiven at the end of one year is carried forward as an ongoing loan with terms of a max of 10 years, at max 4% interest and the 100% loan guarantee remains intact.

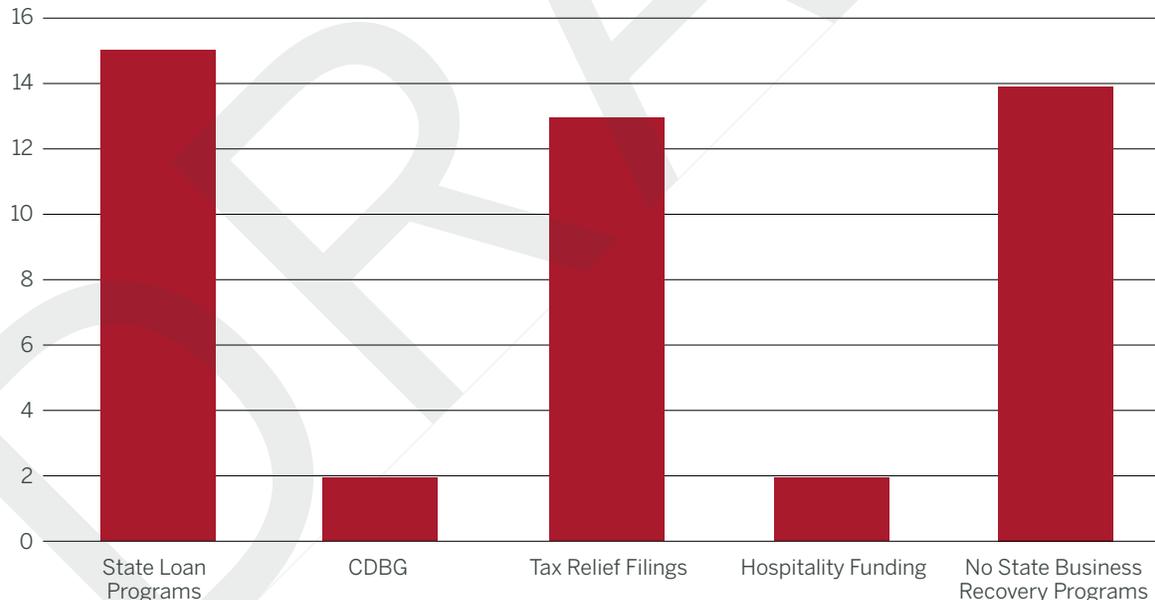


Subsidy for Certain SBA Loan Payments. A special loan subsidy is provided for covered SBA loans to include existing 7(a) (including Community Advantage), 504, or microloan products.

- **Funding.** Provides \$17 B for loan subsidies;
- **Loan Subsidy Terms.** Requires the SBA to pay the principal, interest, and any associated fees that are owed on the covered loans for a six-month period starting on the next payment due, loans that are already on deferment will receive six months of payment by the SBA beginning with the first payment after the deferral period, and loans made up until six months after enactment will also receive a full 6 months of loan payments by the SBA. SBA must make payments no later than 30 days after the date on which the first payment is due, requires the SBA to still make payments even if the loan was sold on the secondary market; and requires SBA to encourage lenders to provide deferments and allows lenders, up until one year after enactment, to extend the maturity of SBA loans in deferment beyond existing statutory limits.

CITIES AND STATES CONTINUE TO LAUNCH COVID 19 BUSINESS RECOVERY PROGRAMS⁴

Local and state government leaders are working actively with the federal government and economic development leaders to support the survival and growth of local employers during COVID 19. Below is a state by state list of business programs designed to assist companies impacted by COVID 19. First, 36 of the 50 states are offering some form of COVID 19 state government regulatory or funding support for a business recovery program beyond the federal government COVID 19 stimulus program. States in the minority and offering little state-based support for COVID 19 impacted businesses include: Georgia, Hawaii, Idaho, Mississippi, Nevada, New Hampshire, New York, Oklahoma, Tennessee, Texas, Utah, Vermont, West Virginia and Wyoming. 15 states are offering some form of state government or private sector loan program for businesses impacted by COVID 19 with large programs in California and Ohio serving targeted companies. Two states are creatively using their Community Development Block grants for impacted businesses and communities, 13 states are offering some form of tax relief for businesses impacted by COVID 19 primarily in the form of delaying the filing of taxes and tax payments in line with the federal government's tax filing delays and two states, Kansas and Delaware, created programs to specifically support the hospitality industry.



Several cities have also enacted business related programs, and many of those are focused on preventing evictions as well as financing COVID impacted business. With an SBA program that is likely to be oversubscribed by small to medium sized companies, support from state and local government for business recovery programs is critical for an economic rebound from COVID 19.

⁴This material is updated for April 7, 2020 and other state and local programs may exist but were not found at that time. For a complete list contact the relevant local and state government partners.



SURVEY OF STATE COVID 19 BUSINESS SUPPORT PROGRAMS

Alabama

- Governor Ivey and the Alabama Department of Revenue have extended the state income tax filing due date from April 15, 2020, to July 15, 2020, without penalties or interest.

Alaska

- Established the Alaska COVID-19 Emergency Business Loan Program to provide 100% state-guaranteed loans to Alaskan businesses for immediate relief and loan program will be administered by local banks and structured to meet Alaska's unique needs.

Arizona

- The Arizona Legislature approved a \$50M coronavirus relief package that allows Governor Ducey's administration to fund response programs related to housing assistance, business support and relief for nonprofits and healthcare providers, and Governor Ducey announced the formation of the AZ Coronavirus Relief Fund and as part of the Arizona Together, an initiative to support Arizonans during the COVID-19 outbreak, connecting individuals and businesses to resources, raising money for community organizations and providing information on volunteer opportunities.

Arkansas

- Allocation of \$4,000,000 from the Governor's Quick Action Closing Fund, and an additional \$3,000,000 from the Attorney General's Consumer Education and Enforcement Fund for eligible companies may apply for a loan or loan guaranty of up to \$250,000 with a prioritization for small to medium-sized companies that are in the supply chain of essential goods and services (including healthcare, food manufacturing, logistics) including both loan guaranties and direct lending to businesses.
- Up to \$12 million in CDBG assistance will be made available for COVID19 relief and recovery for grants to eligible local governments with which to provide direct economic assistance in the form of loans to companies impacted by COVID19 and grants to clinics, hospitals and other non-profits who are working hard to provide care in rural Arkansas and to vulnerable populations such as the homeless.

California

- California's Infrastructure and Economic Development Bank (IBank) will issue loan guarantees up to 95 percent of the loan through its partner Financial Development Corporations to help small business borrowers who were impacted by disasters or public safety power shutoffs and who need term loans or lines of credit for working capital. Small businesses, including small farms, nurseries, agriculture-related enterprises and nonprofits that have suffered an economic loss Resources for Businesses and/or physical damage may apply, and this disaster program will help lenders and small businesses by providing loan guarantees of up to \$1 million for small business borrowers in declared disaster areas; and
- California's IBank is offering loans from \$500 to \$10,000 to low-wealth entrepreneurs in the declared disaster and emergency areas through its Jump Start Loan Program, IBank established the Jump Start Loan Program in 2016 as a small loan and financial literacy/technical assistance program designed for low-income small businesses in low-wealth communities, including businesses owned by women, minorities, veterans, people with disabilities and those previously incarcerated, and access to IBank's Disaster Relief Loan Guarantee Program and Jump Start Loan Program can be made through its partner Financial Development Corporations (FDCs).

Colorado

- The Colorado Department of Labor and Employment (CDLE) published emergency rules which temporarily require employers in certain industries to provide a small amount of paid sick leave to employees with flu-like symptoms while awaiting COVID-19 testing.
- If you work for a ski resort or other employer that closed or reduced your hours to help stop the spread of COVID-19, you can file or reopen an unemployment claim through the Colorado Department of Labor and Employment.



Connecticut

- Connecticut small businesses and nonprofits that have been negatively impacted by the global spread of the COVID-19 pandemic can now apply for one-year, no-interest loans of up to \$75,000 under the launch of a new program administered by the state's Department of Economic and Community Development (DECD), the Connecticut Recovery Bridge Loan Program will make \$25 million available to Connecticut businesses and nonprofits that have 100 or fewer employees to assist with cash flow, and loan amounts are up to the lesser of either three months operating expenses and/or \$75,000.
- The Connecticut Department of Revenue Services has extended deadlines for filing and payments associated with certain state business tax returns, effective immediately, the filing deadlines for certain annual tax returns due on or after March 15, 2020, before June 1, 2020, are extended by at least 30 days, and the payments associated with these returns are also extended to the corresponding due date in June.

Delaware

- Created Hospitality Emergency Loan Program to provide no-interest loans are capped at \$10,000 per business per month to cover rent, utilities and other unavoidable bills but cannot be used for personnel costs, the loans have a 10-year term with payments deferred for nine months, the Delaware Division of Small Business will administer the program using existing state funds, and eligible businesses must have been in operation for at least a year, have annual revenue below \$1.5 million and be in a certain hospitality-connected industries.

District of Columbia

- District of Columbia City Council created a small business grant program to assist nonprofit organizations and small contractors who do not qualify for unemployment insurance.

Florida

- Florida Small Business Emergency Bridge Loan expanded for business owners with two to 100 employees located in Florida affected by COVID-19 for short-term loans up to \$50,000, these loans are interest-free for up to one year and are designed to bridge the gap to either federal SBA loans or commercially available loans.

Illinois

- Illinois Hospitality Emergency Grant Program the with \$14 million drawn from funds originally budgeted for job training, tourism promotion, and other purposes, grant funds will support working capital like payroll and rent, as well as job training, retraining, and technology to support shifts in operations, like increased pick-up and delivery, bars and restaurants that generated between \$500K and \$1M in revenue in 2019 are eligible for up to \$25,000, and bars and restaurants that generated less than \$500K in revenue in 2019 are eligible for up to \$10,000, hotels that generated less than \$8M in revenue in 2019 are eligible for up to \$50,000, and the Hospitality Emergency Grant Program application is now closed.
- Illinois Small Business Emergency Loan Fund offers small businesses located outside of the City of Chicago with fewer than 50 workers and less than \$3 million in revenue in 2019 will be eligible to apply for low interest loans of up to \$50,000, successful applicants will owe nothing for six months and will then begin making fixed payments at a below market interest rate for the remainder of a five-year loan term.
- Illinois Downstate Small Business Stabilization Program the DCEO is repurposing \$20 million in CDBG funds to stand up the Downstate Small Business Stabilization Program to offer small businesses of up to 50 employees the opportunity to partner with their local governments to obtain grants of up to \$25,000 in working capital and these grants will be offered on a rolling basis.
- Illinois Department of Revenue is waiving any penalty and interest that would have been imposed on late Sales Tax payments from qualified taxpayers for taxpayers operating eating and drinking establishments that incurred a total Sales Tax liability of less than \$75,000 in calendar year 2019.



Indiana

- Indiana will align with the federal government to delay state income tax payments from April 15 to July 15 and penalties will be waived for 60 days for property tax paid after May 11.

Iowa

- Iowa COVID-19 Targeted Small Business Sole Operator Fund to support employers with zero employees that have been impacted by the COVID-19 pandemic with loans available up to \$50,000 for businesses looking to start or expand, loan funds can be used for business improvements and expenses, including (but not limited to) the purchase of equipment, furnishings, inventory and specific operating expenses.

Kansas

- Hospitality Industry Relief Emergency fund provides eligible businesses in Kansas will be able to apply for a one-time loan of up to \$20 thousand at 0% interest for a period of 36 months with be no principal or interest payments for the first four months.
- Small business impacted by COVID 19 without credit available elsewhere located in the state are eligible to apply for low-interest (small business 3.75 and nonprofits 2.75), long-term (up to 30 years based upon borrower's ability to repay) loans for fixed debts payroll, accounts payable and other bills that cannot be paid because of the disaster's impact, of up to \$2 M through the U.S. Small Business Administration's Economic Injury Disaster Loan program.

Kentucky

- Mirrored the federal government by delaying the tax filing deadline by three months from April 15 to July 15.

Louisiana

- Gov. John Bel Edwards announced a new Louisiana Loan Portfolio Guaranty Program, which will offer loans of up to \$100,000 to Louisiana small businesses of fewer than 100 employees that are impacted by the COVID-19 crisis, the loans will require no payments and will bear no interest for 180 days and carry below-market interest rates of no more than 3.5 percent, is a partnership of Louisiana Economic Development, which will provide a loan guaranty fund, the Louisiana Bankers Association, whose membership will provide the loans; and the Louisiana Public Facilities Authority, which will administer the program with a total loan pool of \$50 million will be quickly disbursed to eligible small businesses across Louisiana.

Maine

- Finance Authority of Maine and participating lenders will make special terms available to Maine-based businesses that have experienced interruption or hardship due to COVID-19, various benefits include: loans up to \$50,000 offered at reduced interest rates; interest-only payments; up to 75% pro-rata loan insurance on loans up to \$100,000; interim financing in conjunction with the SBA wherein FAME makes loan proceeds available while approved SBA borrowers await federal funding.
- COVID-19 Relief Consumer Loan Program provides no-to low-interest consumer loans through a loan guarantee program involving Maine's banks, credit unions, and FAME. Interested borrowers should contact their local bank or credit union (not FAME) to see if the lender is offering this program and to apply, the program offers loans of up to \$5,000 (minus any unemployment benefits received by borrower) and a borrower may apply for up to three (3) loans, one per each 30-day period.

Maryland

- Maryland business and individual income taxpayers will be given a 90-day extension for tax payments, no interest or penalty for late payments will be imposed if 2019 tax payments are made by July 15, 2020.
- Comptroller extended business-related tax filing deadlines to June 1.
- Businesses who paid their Maryland Sales & Use Taxes for March early may request a refund of their payment.
- Maryland has authorized \$130 million in loan and grant funding for small businesses and manufacturers that have been negatively impacted by the Coronavirus (COVID-19), this emergency assistance provides interim relief and proceeds that can be used to pay cash operating expenses including payroll, suppliers, rent, fixed debt payments and other mission critical cash operating costs.



- Maryland Small Business COVID-19 Emergency Relief Loan Fund - This \$75 million loan fund (for for-profit businesses only) offers no interest or principal payments due for the first 12 months, then converts to a 36-month term loan of principal and interest payments, with an interest rate at 2% per annum. Learn more.
- Maryland Small Business COVID-19 Emergency Relief Grant Fund - This \$50 million grant program for businesses and non-profits offers grant amounts up to \$10,000, not to exceed 3 months of demonstrated cash operating expenses for the first quarter of 2020. Learn more.
- Maryland COVID-19 Emergency Relief Manufacturing Fund - This \$5 million incentive program helps Maryland manufacturers to produce personal protective equipment (PPE) that is urgently needed by hospitals and health-care workers across the country.

Massachusetts

- Massachusetts offered tax relief that includes postponing the collection of regular sales tax, meals tax, and room occupancy taxes that would be due in March, April and May so that they will instead be due on June 20, all penalties and interest that would otherwise apply will be waived, businesses that paid less than \$150,000 in regular sales plus meals taxes in the year ending February 29, 2020 will be eligible for relief for sales and meals taxes, and business that paid less than \$150,000 in room occupancy taxes in the year ending February 29, 2020 will be eligible for relief with respect to room occupancy taxes.

Michigan

- Michigan Small Business Relief Program provides both grants and loans to small businesses affected by the coronavirus starting on or around April 1, grants will be available in amounts of up to \$10,000 to help cover working capital, loans will be available in amounts from \$50,000 to \$200,000 at interest rates of 0.25%, companies with 50 employees or fewer can qualify for grants, while loans are targeted at companies with 100 employees or fewer that can't get credit elsewhere. In both cases, businesses must show income loss.
- Michigan PPE Loan Program provides grants ranging from 10,000 to \$150,000 up to \$1 M in grants for Michigan manufacturers looking to transition their business to produce PPEs.

Minnesota

- Minnesota Department of Employment and Economic Development small business emergency loans provides interest-free loans ranging from \$2,500 to \$35,000 and will be based on the firm's economic injury and the financial need.
- Minnesota Department of Employment and Economic Development created the Minnesota Small Business Loan Guarantee Program, which was approved by the Minnesota Legislature last week, established in response to impacts of COVID-19, and will guarantee \$20 million to \$25 million in loans for Minnesota small businesses.
- Restaurants, bars and other hospitality businesses impacted by the temporary closure order have a 30-day grace period in paying sales and use tax, during this time the Minnesota department of Revenue will not assess penalties or interest, this means that affected businesses with a monthly Sales and Use Tax payment due March 20, 2020 will have until April 20 to make that payment, and these customers should still file their return by March 20.

Missouri

- Income tax payment deadlines for individual and corporate income returns with a due date of April 15, 2020, are extended until July 15, 2020, applies to all individual income tax returns, income tax returns filed by C Corporations, and income tax returns filed by trusts or estates, individuals and corporations will also include estimated tax payments for tax year 2020 that are due on April 15, 2020, and penalties and interest will begin to accrue on any remaining unpaid balances as of July 16, 2020.

Montana

- Montana Facility Finance Authority, Emergency Loan Program makes short-term loans to eligible institutions at competitive interest rates during periods of declared emergency. Eligible projects include construction and renovation, facility acquisition, refinancing of qualified outstanding debt, the purchase of equipment, operations expenses, and financing costs.



- Montana Facility Finance Authority, Emergency Forbearance Program is limited to current Direct and Trust Fund Loan clients of the Authority. The program can only be activated when the State or Federal government declares an emergency for all or part of the State of Montana. The Program will close upon end of the emergency declaration unless extended by Authority Board action.
- Montana Department of Commerce, MicroBusiness Finance Program for Montana-based businesses with fewer than ten full-time equivalent employees and gross annual revenues of less than \$1,000,000 can apply for a microbusiness loan up to \$100,000 by contacting a MicroBusiness Development Corporation (MBDC). MBDCs provide capital to start or expand a business, training and technical assistance, and pre- and post-loan training valuable for the success of a small business.
- Montana Department of Commerce, Native American Collateral Support Program addresses the lack of access to capital for Native American-owned businesses. NACS addresses access to capital issues by providing collateral support security for Lenders making loans with Native American-owned businesses that only lack in sufficient collateral/equity for a business loan according to their loan risk profiles. (All other aspects of the credit analysis are satisfactory: cash flow, climate, character, and credit-worthiness). There is no origination fee to Lenders to access these funds from the Montana Department of Commerce.
- Montana Department of Commerce, Big Sky Economic Development Trust Fund Planning Grants provides planning funds to eligible applicants to assist with economic development planning efforts that promote long-term, stable economic growth in Montana. Applications which support a critical activity to move an economic development project forward and directly assist a basic sector company are the highest priority for the Department.
- Montana Department of Commerce, Wood Product Revolving Loan Fund (WP RLF) is available to wood product businesses experiencing loss or are financially in distress (these are loan funds).
- Montana Department of Agriculture, Growth Through Agriculture Mini-Grant Program provides mini-grants available to food and ag companies for education, promotion, marketing, and travel projects to expand agricultural development, economic activity, and employment growth. Given the current public health situation with COVID-19, special attention will be paid to projects that strengthen and expand local food offerings, distribution, and infrastructure.
- Montana Department of Agriculture, Rural Assistance Loan program are available to producers with modest financial investments in agriculture. These loans finance agricultural enterprises to enhance producers' operations and assist in the economic growth and welfare of Montana agriculture.

Nebraska

- Nebraska Department of Economic Development (DED) has allocated Community Development Block Grant (CDBG) funds to assist qualified businesses that have been impacted by the COVID-19 outbreak. This funding is currently available through DED's CDBG Economic Development (ED) funding category. Businesses located in the city limits of Omaha, Lincoln, Bellevue and Grand Island are not eligible for this program. All counties are eligible if the business is located in their jurisdiction and not in the ineligible cities.

New Jersey

- New Jersey Economic Development Authority (NJEDA) has a portfolio of loan, financing, and technical assistance programs available to support small and medium-sized businesses.

New Mexico

- The New Mexico Economic Development Department (NMEDD) has created a program to assist businesses seeking emergency loans or lines of credit to deal with negative economic impacts from COVID-19. NMEDD can guarantee a portion of a loan or line of credit up to 80% of principal or \$50,000. Loan proceeds are flexible and can be used for (and not limited to) the following: working capital, inventory and payroll.
- Small business impacted by COVID 19 without credit available elsewhere located in the state are eligible to apply for low-interest (small business 3.75 and nonprofits 2.75), long-term (up to 30 years based upon borrower's ability to repay) loans for fixed debts payroll, accounts payable and other bills that cannot be paid because of the disaster's impact, of up to \$2 M through the U.S. Small Business Administration's Economic Injury Disaster Loan program.



North Carolina

- N.C. Department of Revenue will not impose a penalty upon individuals and businesses who do not pay their outstanding State income tax liability on tax returns due on April 15, 2020, so long as the taxpayers pay the tax due by July 15, 2020.
- In response to the unique economic challenges of COVID-19, a consortium of public, private and nonprofit partners have come together and launched an innovative recovery-lending program to support entrepreneurs like you and stabilize North Carolina's small business sector. Applicants are encouraged to apply for the NC COVID-19 Rapid Recovery Loans online.

North Dakota

- Loans and equity investments are available to companies certified as primary sector under the North Dakota Development Fund, evolving Rural Loan Fund and the Venture Capital Program: up to \$1 million, lower than market interest rate, can be in the form of a loan or equity investment, and funding can be used for working capital, equipment or real estate.
- Rural Growth Incentive Program Emergency Loans-the Department may declare an emergency and make loans to "Essential Service Companies" that includes gas stations; pharmacies; grocers and, in some cases, restaurants in communities with less than 2,500 in population are eligible, requires a dollar-for-dollar match by the city, a community can apply for \$25,000 to \$75,000 in matching funding, and loan terms are based on individual needs.

Ohio

- Ohio is allowing businesses to forgo workers' compensation payments for March, April and May in an effort to inject \$200 M into the economy.
- Ohio granted the Ohio Department of Job and Family Services (ODJFS) with the authority to accept and grant requests for unemployment compensation suspending the normal 1-week waiting period and give relief to applicants who are not offered paid leave through their job, as well as those who have been quarantined by a medical professional, their employer, or whose employers must temporarily close by exempting from the requirement that they be actively seeking work to gain unemployment benefits.
- JobsOhio execute an alcohol buy-back initiative allowing bars, restaurants, and F2 permit holders (non-profits) to return surplus product purchased in the last 30 days for a full refund upon return of their supply, this buy-back has a potential of providing restaurant and bar owners across Ohio up to \$30 Million total savings, and nearly 800 buyback requests have been made to-date.
- JobsOhio is offering a program for businesses with a current JobsOhio's existing loan only that offers a payment deferment (no interest and no principal payments) for the next six months to fifty companies who are eligible, with over 9,500 employees around Ohio;
- JobsOhio is offering a program for existing JobsOhio client businesses only that expands allowable expenses and near-term relaxed compliance audit allowing expenses such as work from home technology and equipment and services to implement guidance associated with COVID-19;
- JobsOhio is offering a program for existing JobsOhio client businesses only to provide forgivable, six-month interest-free loan to companies who would use the loan to retain their workforce {this would act as a credit line for payroll that is targeted to medium size private companies with least \$50,000/month in hourly payroll workers, after 6-months, if employees are still working, the loan is forgiven, and JobsOhio will invest up to a \$100 Million;
- JobsOhio is planning a program for small business in Ohio's small communities in partnership with 2 Ohio community banks to support their existing loan portfolio with JobsOhio investing up to \$50 Million in loan guarantees enabling partnering banks to extend \$500 million more business lending across the state with almost all the businesses supported will likely be OUTSIDE of the current JobsOhio client portfolio;
- JobsOhio is allocating up to \$10 Million to support Ohio's air service and airport infrastructure to uniquely position the state to jumpstart service in key business markets; and



- JobsOhio is planning to invest up to \$50 Million of reserve funds to backstop Ohio's Port Authorities, and they anticipate this investment will result in over \$250 Million of additional Port Authority investment activity across Ohio.
- JobsOhio launched a Personal Protective Equipment and medical supply program, including:
 - Several Ohio distillers have started making alcohol-based hand sanitizer which is in heavy-demand across the state, JobsOhio Beverage System has purchased 500 cases (22,000 individual bottles) and is distributing them to Ohio's 12 Food Banks across the state with its built-in logistics and transportation network;
 - The JobsOhio Business Sector & Research Team created a robust database of PPE manufacturers, distributors, and other FDA-approved entities and shared with Strike Force and stakeholders like the OMA, Ohio's OEMA, and others as a resource;
 - JobsOhio connected stakeholders resulting in donation of 14,000 pairs of CROCS through the Greater Dayton Area Hospital Association for health workers and patients;
 - JobsOhio approved \$4.5 Million to purchase of 1 Million N95 masks to support front-line medical professionals around Ohio's healthcare system; and
 - JobsOhio connected Fuyao efforts to donate 1.2 Million disposable medical masks, 10,000 KN95 masks, & tens of thousands of protective clothing, shoe covers, and medical goggles, and connected Cardinal Health to support logistics, taxes and import fees of over \$50K.

Oregon

- Small Business Loan Modifications and Forgiveness administered by Business Oregon (Oregon Business Development Fund, Entrepreneurial Development Loan Fund, Oregon Royalty Fund) that defer payments and interest, with no fees, provides loan modifications for the Business Oregon loan guarantee and loan loss reserve programs (Credit Enhancement Fund, Capital Access Program), and forgiveness of existing loans through Business Oregon to Community Development Financial Institutions (CDFIs), to strengthen the CDFIs' financial position and ability to continue small business lending.
- Creation of the "Small Business Stabilization Fund" within the Oregon Community Foundation with initial contribution of \$700,000 from the Oregon Growth Fund. This fund will include capital from additional sources to leverage and deploy to intermediary organizations around the state to put money in the hands of small businesses. Request for \$10 million of the Oregon Cultural Trust fund to create an emergency relief funding program for arts and cultural organizations. \$300 Above-the-Line Charitable Deduction to support non-profits: for tax year starting in 2020, an individual taxpayer who does not itemize is permitted to claim up to \$300 in qualified charitable contributions.
- WaFD Bank Small Business Lifeline- bank is offering small business lines of credit up to \$200,000 interest free for 90 days to businesses affected by Coronavirus (COVID-19), will expedite processing for lines of credit up to \$30,000 to existing and new credit worthy clients in their regional market who have been in operation at least two years and can show a 10 percent loss in revenue due to the impact of Coronavirus.

Pennsylvania

- COVID-19 Working Capital Access (CWCA) Program is administered by the Pennsylvania Industrial Development Authority (PIDA) and provides critical working capital financing to small businesses located within the Commonwealth that are adversely impacted by the COVID-19 outbreak, and all CWCA loan applications must be submitted through a Certified Economic Development Organization (CEDO).

Rhode Island

- For businesses, municipalities, K-12 and other entities, Microsoft is providing six months of Office 365 tools for free to enable remote collaboration, file sharing and video conferencing and they're also offering free assistance to set up these tools.

South Carolina

- South Carolina's income tax deadline was conformed to the federal government's July 15, 2020 and includes quarterly estimated payments due on April



South Dakota

- Small Business Relief Fund is now available to South Dakota businesses that need assistance to help make ends meet, companies must be a small for-profit or non-profit business as defined by SBA, but with less than 250 employees, have a physical presence in South Dakota, established prior to March 2020, provide a certification from a South Dakota banker and/or South Dakota CPA that: he/she has reviewed recent financial condition of the applicant, that the applicant's business has incurred economic injury as a result of the COVID-19 pandemic, and the applicant needs the funds for SD operations, have a personal credit with a minimum score of 650; lower requires a special exception, and demonstrate 1:1 debt coverage ratio with the new debt factored under normal circumstances.

Virginia

- Virginia Businesses impacted by COVID-19 can request to defer the payment of state sales tax due tomorrow, March 20, 2020 for 30 days, when granted, businesses will be able to file no later than April 20, 2020 with a waiver of any penalties, the Virginia Department of Taxation is extending the due date of payment of Virginia individuals and corporate income taxes, while filing deadlines remain the same, the due date for individual and corporate income tax will now be June 1, 2020, but interest will still accrue, so taxpayers who are able to pay by the original deadlines were encouraged to do so.

Washington

- Washington's State Employment Security Department's (ESD) Paid Family and Medical Leave program can provide paid leave benefits for Washington workers who need to take time off from work due to a serious health condition or to care for a family member with a serious health condition, and certification by a healthcare provider is required for applications for Paid Family and Medical Leave due to a serious health condition; and
- If COVID-19 disrupts a Washington business and causes a mass layoff or closure, the Washington ESD and its local workforce development board partners can respond with Rapid Response services and funding to help impacted workers get connected to unemployment benefits and re-employment services, including re-training, worker support services, and referrals to other social services.

Wisconsin

- Wisconsin Economic Development Corporation approved \$5 million in funding for Small Business 20/20 that will provide grants of up to \$20,000 to targeted businesses with no more than 20 employees to cover rent and to meet payroll expenses, including paid leave (including sick, family and other leave related to COVID-19).

CITIES

Chicago

- Chicago's Small Business Resiliency Fund, starting March 31, small businesses in Chicago can apply for low-interest loans of up to \$50,000 with repayment terms of up to five years, the amount of the loan you'll qualify for depends on your revenues before business was affected by the coronavirus, applicants must demonstrate a 25% drop in revenue, have less than \$3 million in revenue and fewer than 50 employees, and have no current tax liens or legal judgments.

Denver

- Denver's Small Business Emergency Relief program offers cash grants of up to \$7,500 to businesses in industries particularly hard-hit by the coronavirus for small businesses that have lost the ability to operate, including restaurants, retail shops, barbershops and nail salons, grants will be distributed monthly, and the first applications will be due March 31.



Los Angeles

- Los Angeles Small Business Emergency Microloan Program provides businesses and microenterprises in Los Angeles that are responsible for providing low-income jobs can get an emergency microloan of \$5,000 to \$20,000, loans with repayment terms of six months to one year carry an interest rate of 0% and five-year loans have interest rates of 3% to 5%, to get a loan, you must meet requirements including having “reasonable and responsible” individual credit history, committing to use the loan for working capital only and ensuring your business is located within the City of Los Angeles, and if you own 20% or more of the business, you must guarantee the loan, and Los Angeles has also instituted a moratorium on evictions of businesses impacted by the coronavirus through March 31.

New York City

- New York City Employee Retention Grant Program offers small businesses with one to four employees a grant of up to \$27,000 that covers 40% of payroll costs over the course of two months for companies that lost 25% of your revenue due to the coronavirus; and
- New York City Small Business Continuity Fund is available for a business with fewer than 100 employees, you can get up to \$75,000 in interest-free loans from the city to cover revenue losses, eligibility includes businesses within the five boroughs that have experienced at least a 25% reduction in revenue can qualify, with no tax liens or legal judgments, with a loss in revenue and able to repay the loan.

Portland

- In Portland, small businesses in the Jade District and Old Town Chinatown neighborhoods can apply for emergency funding to support their businesses by March 23. Up to \$190,000 total is available from local government sources. Priority will be given to Asian- and Pacific Islander-owned businesses.

San Francisco

- San Francisco COVID-19 Small Business Resiliency Fund is offered for businesses with between one and five employees can apply for up to \$10,000 in emergency funding to help cover rent and employee salaries, who lost 25% or more of their revenue, has less than \$2.5 million in gross receipts and is properly licensed to operate in San Francisco, the city of San Francisco has also initiated a moratorium on evictions for small- and medium-sized businesses whose revenue has been affected by the coronavirus effective for 30 days starting March 17, and the mayor has the capability to extend it for another 30 days.

OHIO STARTS COVID 19 RESPONSE TO REGULATORY RELIEF AND BUSINESS SUPPORT PROGRAM

Governor Mike DeWine, the Ohio General Assembly and JobsOhio are starting to push an agenda to provide COVID 19 regulatory relief and support for Ohio based companies.

The Ohio General Assembly jump into the COVID 19 recovery effort as well as they reconvened to pass legislation addressing areas of state government impacted by the outbreak. Meeting over a period of few hours both the Ohio House and Ohio Senate passed Am. Sub. House Bill 197 with broad bi-partisan support. The legislation included a number of provisions such as extending Ohio’s income tax filing deadline from April 15th to July 15th of this year, extending Ohioans ability to vote by mail for the March 17th primary by establishing a new date absentee ballot deadline to April 28th, codified Governor DeWine’s executive order on unemployment compensation to allow for mutualization within the program for Ohio’s employers, prohibits water service disconnections, extended renewals for professional licenses, allows local governments, education boards, and other public entities the ability to meet remotely as long as they provide a way for the public to access the meeting via video or telephone.

Additionally, Sub. House Bill 197 dealt with a number of education issues due to the ordered school building closure from the Ohio Department of Health such as the suspension of State mandated testing for the 2019-2020 school year, the ability for schools to use distance-learning, and allowing for Ohio’s school districts to graduate students who were on track to graduate prior to the COVID19 outbreak and school building closure.



The legislation provided additional flexibility to Governor DeWine's administration to handle expected upcoming funding needs by authorizing the Director of the Office of Budget and Management to access the state's budget stabilization fund, or "rainy day" fund with at least 2 members from both the Ohio House and Ohio Senate support on the State Controlling Board. The bill delayed Step Up To Quality requirements for Ohio's childcare centers during the state of emergency. States across the union are taking leadership roles to address COVID 19 and making tough decisions to limit the spread of the virus, treat the surge of sick and help the impacted residents and businesses survive the slowdown in the economy.

COVID 19 TO CREATE CORPORATE SITE LOCATION WINNERS & LOSERS IN 2020

With or without COVID 19, the United States remains a global economic powerhouse. The U.S. has an unmatched base of manufacturing companies, leadership in quality global health care, an open and thriving capital market and financial services industry and the largest venture capital industry in the world driving technology disruption and a high-tech revolution going on for thirty years. However, COVID 19's near term economic impacts should not be underestimated: the closure of manufacturers like Honda, Ford, Fiat Chrysler and others generates lost employment with these companies and a large supply chain; restaurants are estimated to lose \$225B and 5-7 M jobs; global shipping is estimated by to down \$350 a week; closure of Broadway alone is jeopardizing a \$1.8 B New York tourism industry; and states unemployment ranks are swelling—Ohio's jobless unemployment claims moved from under 5000 the week of March 9 to nearly 140,000 to finish the week of March 16, 2020 reaching near a record high.

Past thoughts on corporate site location trends trying to pick industry winners and loser are well.. in the past. We are in the COVID 19 world now. Limiting the spread of the virus and treating the sick is the immediate concern and tough decisions by public officials to make this happen need to be supported no matter the near-term disruption to life and commerce. However, a COVID 19 economy creates corporate site location winners and losers in 2020. Some industries and weaker companies will collapse while other existing industries will prosper and new companies will grow.

COVID 19 Corporate Site Location Losers. Prime among the COVID 19 corporate site location losers are underperforming, lowly capitalized or overly full markets in industries that were struggling prior to COVID 19. Look at traditional retail. Large, traditional, 1950's era shopping malls and their cousin the 1980's retail strip center are closing for public health reasons may not reopen when COVID 19 is gone but not forgotten. These malls and strip have been struggling to compete in the Age of Amazon. Losing millions of dollars in revenue is likely to kill many of these retail institutions. Along with the malls is likely more big box retail stores that have not made the transition to the digital age and the distribution fulfillment center. Craft beer companies are facing equal challenges but not because their market is dying but because their market has overheated. Many craft beer companies have publicly discussed turning their facilities into sources for hand sanitizer to fill this pressing public need. Hundreds of restaurants will likely not survive a three-month closure without government support. Financial services operations like bank branches may have hundreds of locations close and many not open again. Global manufacturing outside of the United States will also become a harder sell. Lax environmental and health standards in China and third world countries should cause U.S. policy makers and consumers to question more where the products they use come from.

COVID 19 Corporate Site Location Winners. Much like COVID 19 corporate site location losers, many of the winners will be in industries who were trending the right way before the public health crisis. Look at retail's unruly cousin logistics, distribution and fulfillment centers. The COVID 19 consumer with the widespread closure of most non-grocery or pharmacy stores is on-line right now shopping on Amazon, Chewy or other on-line retailers to fill their needs. Assuming these on-line purchases are delivered on time, what starts as a forced consumer behavior is going to become the common practice for millions more global consumers. Consumers won't buy less when this public health crisis is over they will just change more how they buy goods and services. COVID 19 is like "pouring gasoline on a fire" for the logistics, distribution and fulfillment industry. It creates a substantial opportunity for regions with large scale industrial parks prepared with zoning, tax



incentives, infrastructure finance and construction financing to add thousands of jobs to make up for other economic losses in the coming months and years. Equal to logistics growth, the source of COVID 19 will drive more manufacturing back to the United States in many industry categories. Starting with protective personal equipment, hospital equipment, pharmaceuticals and any product that policy makers and consumers needed in the current crisis but was manufactured in China. Then add in the hostility that is coming China's way following the conclusion of the spread of COVID 19. Hopefully the summer of 2020 will be when the "hangover" from COVID 19 happens. This should be a period of economic revival but also may be a time when policy makers and consumers really question if "Made in China" is the stamp they want on their products. Automation in the manufacturing sector makes the United States more appealing for these jobs as fewer, higher skilled, higher wage workers are needed. Thus, U.S. manufacturing is positioned for future growth.

Lots can change. We pray COVID 19 is a couple month public health care due to decision action by policy makers and the world's best first responders, doctors, nurses and health care workers. We also pray that COVID 19 is followed by a renewed run of large-scale corporate site location projections and substantial economic growth.

MONTROSE GROUP COVID 19 STATE ECONOMIC STIMULUS PACKAGE RECOMMENDATIONS

The Montrose Group recommends critical public policy steps that need to be taken in the next several weeks by state governments across the United States if they wish to limit the negative economic and governmental fiscal impact of the current public health crisis. To simplify the process, the Montrose Group recommends the creation of a state of Ohio COVID 19 stimulus package to address current public health and economic challenges but also to position our state to bounce back quickly once the public health challenge declines.

COVID 19 Response



Personal Protective Equipment Purchases

The first job of government is to slow the spread of COVID 19. An important step in that process is to ensure that health care professionals, first responders, companies and the public have access to personal protective equipment and other equipment needed to prevent the spread of this virus. The World Health Organization has been warning for weeks about the lack of available personal protective equipment, and the even greater challenge is that much of this product is manufactured in China where the COVID 19 virus started. State governments are working to fill this gap. The Washington state Department of Health on March 13, 2020, reported they filled more than 50 requests for personal protective equipment including: 72,930 surgical gowns, 6,350 protective face/eye shields, more than 145,000 N-95 respirators, 238,560 surgical/procedure masks, and more than 100,000 gloves. JobsOhio announced a major purchase of PPEs and developed an Ohio Manufacturing Alliance to support the development of more PPEs by Ohio based companies.

Recommendation #1: The efforts of JobsOhio to purchase additional PPEs for the state of Ohio should be supported as PPEs are needed by a range of professions and the general public.

Capital Construction Investments

The National Association of State Budget Officers determined that 32 states coordinate state government capital and infrastructure spending through a budget process separate from the operating budget. 18 states include capital budget spending in their operating budget. Whether capital and infrastructure spending are included in a separate budget bill, states should immediately enact passage of state capital budgets to spur construction spending and employ workers in 2020. The steep decline in economic activity created by government forcing companies to close, government construction permitting slowing to a halt, and development companies unable to meet with public and private sector partners to move forward with projects will result in a substantial slowdown in the construction of buildings and infrastructure across the United States.

Recommendation #2: The Ohio General Assembly should immediately move to adopt the state of Ohio capital budget to put \$2.5 billion into the Ohio economy.

Small Business Taxpayer Cash-Flow

Many small business owners operate companies that often require the owners to pay quarterly minimum tax payments to the local, state and federal government. The federal government, recognizing the current public health crisis' impact on small business, has decided to delay the collecting of estimated federal income tax payments due on April 15, 2020 for ninety days to increase the cash flow for these mostly small business owners hoping to have their company survive mandated government shutdowns.

Recommendation #3: The state of Ohio should be complemented for their effort to follow the federal government and extend income tax filing deadlines to give companies additional needed to keep their companies afloat.



Industry Regulatory Relief

State governments are a prime regulator of public and private sector organizations. The COVID 19 crisis is illustrating not just the power of public health directors to exercise unprecedented political authority to close companies and schools, delay elections and restrict public movement but those actions create substantial changes in how the United States operates. Some changes are subtle and shift face to face meetings to conference calls or web meetings. Other changes are substantial such as transitioning our public and private K-12 school system to an on-line model overnight and addressing a range of state regulations and accountability standards not relevant in the COVID 19 instructional environment. Most of these changes were made by the Ohio General Assembly in House Bill 197.

Recommendation #4: The state of Ohio needs to examine their laws to make sure these public and private sector organizations are permitted to operating under this new model. Governor DeWine and the Ohio General Assembly should be supported for their strong start to address state mandates impractical in a COVID 19 environment. Additional regulatory steps should be taken that include:

- Defining all current efforts being taken by public K-12 schools to educate students via distance learning as constituting the definition of students attending school;
- Waive the requirement that employers are responsible for paying the interest on any unemployment compensation loan from the federal government;
- Extend for 60-90 days the statute of limitations for filing refunds for any state-administered tax;
- Suspend certain regulatory obligations like inspection, reporting, and testing obligations, which if delayed, will not cause harm to human health or the environment;
- Suspend corporate annual meeting requirements and/or allow all corporations to conduct virtual annual meetings;
- Grant exemption from penalties to state vendors that cannot fulfill deliverables on a state contract due to circumstances related to COVID-19; and
- Extend the time, currently 30 days, within which a business is allowed to make a cure offer to a consumer after being served with a lawsuit.
- Grant civil immunity to public and private sector organizations manufacturing personal protection equipment for use in the COVID 19 crisis

Save Hospitality, Creative Industries and Impacted Small Business

Few industries are negatively impacted more than the hospitality and creative industries by COVID 19. Governor DeWine's decision to close restaurants and bars, sporting, theater and creative services venues and any place the public gathers, while correct from a public health standpoint, will have a billion-dollar negative economic impact on these industries. The closure of theaters and other creative services venues has a major economic impact on these organizations and their workers. Many of these companies and jobs are locally owned and operated. Equally important, the hospitality and creative industries are major drivers of local and state tax revenue which is more and more dependent upon sales tax to operate. The state of Colorado has predicted a 30 percent decline in general revenues in 2020 as part of what's dubbed a "simulated recession," and 2021 projections show a \$400 million decline in general fund revenue and a \$52 million dip in Colorado's cash fund revenue according to recent media reports. Cities, counties and state governments dependent upon sales tax and need the hospitality and creative services industry to survive the current public health crisis.

Recommendation #5: The state of Ohio, to protect the state's base of hospitality employers and creative services organizations and small employers negatively impacted by COVID 19 employers, should provide direct grants to locally owned and operated hospitality, creative services and arts organizations and small business who can illustrate a loss of more than 25% of their revenue due to COVID 19 to ensure their economic survival over the next several months. The Ohio Development Services Agency should make \$500 million in funding available through its 166 Direct Loan Fund to support local hospitality, creative services and arts companies and organizations to ensure their economic survival through grants of up to \$1 million and no-interest loans of up to \$2.5 million for impacted companies and organizations that can illustrate financial hardship due to COVID 19.



Support Retention of Existing Manufacturing and High-Wage Service Workers & Companies

Local and state governments are where most economic development happens. Through an array of public and private sector organizations, private sector regional economic development organizations, local governments and state governments conduct the day to day Business Retention & Expansion visits to work to retain their current employment base and work to attract new industry to their community. 80% of corporate site location projects come from a region's existing employers. When Honda, Ford and other global manufacturing powers shutdown production due to COVID 19, the economic ripple effect on manufacturing will be dramatic as these auto assembly plants support thousands of manufacturing jobs in their supply chain. Mix in the impact of automation and 2020 is going to be a tough year for manufacturing workers to remain in this high-wage job industry. The same challenge is created for many high-wage service jobs as the economy is likely to see a double-digit economic decline in the second half of 2020. Local and state governments need to understand this 2020 "new normal" of their employment base and aggressively update their economic development incentive programs to support the retention of existing companies that do not add employees or make capital investments.

Recommendation #6: Ohio's Job Retention Tax Credit should be temporarily revised to lower the threshold of retained employees to 25 jobs so that Ohio's manufacturing and non-retail service companies who agree to retain their current base of jobs are able to utilize the program and lower their tax burden and free up cash flows. Funding for the Job Retention Tax Credit program needs to be increased to \$500 million from the state's \$2.8 billion Rainy Day Fund.

Prepare Major Projects for Development

Finally, state government leaders focused on economic development cannot stop doing their "day job" of promoting high-wage job creation and capital investment. COVID 19 does not change the fact that complicated sites need government and economic development organization support to succeed.

Recommendation #7: The Ohio General Assembly should move to adopt Senate Bill 39 which has passed the Senate and the House Education Committee. SB 39 authorizes a nonrefundable insurance premiums tax credit for capital contributions to the construction of "transformational mixed use developments" (TMUDs), sets the credit at 10% of documented development costs or 10% of an insurance company's capital contribution, and permits unclaimed credit amounts to be carried forward for up to five years, allows insurance companies to apply directly for the credit or to purchase the right to claim the credit from the property owner, establishes procedures by which the Director of Development Services may certify a development plan, monitor construction progress, and award tax credit certificates upon completion of the TMUD, sets a total project cost exceed of \$50 million, but can include all phases of a project, creates an overall \$100 million per fiscal year cap with no more than \$40 million going to a single project, establishes project eligibility for both small and large cities: small city projects requirements (\$20 million cap); development is not located within ten miles of a major city (100,000 or more) project includes at least one new or previously vacant building; is 4 or more stories; or is at least 250,000 sq ft.; and Large City project requirements (\$80 million cap); development is located within ten miles of a major city; project includes at least one new or previously vacant building; is 15 stories in height; or is at least 350,000 sq. ft.



Don't Lose Sight of Long-Term Economic Development Strategies

John D. Rockefeller didn't typically grow his business substantially in the early days when the economy was doing well. Instead, the future millionaire identified opportunities and capitalized on them when times were bad. Regions, states and companies that not only think about surviving COVID 19 but figure out how to be positioned when the recovery starts will gain a substantial, strategic advantage. Efforts by state economic development organizations to retain and attract high-wage jobs and capital investment cannot have their resources diverted to COVID 19 public health needs. Local and state governments have other resources including Rainy Day funds, bond debt from capital budgets, and unallocated agency resources that should be used to implement important COVID 19 public health responses.

Recommendation #8: The plans for the Ohio Development Services Agency to operate critical programs such as the Ohio Historic Preservation Tax Credit Program, New Market Tax Credit Program, Energy Efficiency, Rural Industrial Loan Program and others, and the JobsOhio 2.0 program to promote investment in high-wage job, sites, innovation districts and talent need to move forward aggressively. A commitment to remain focused on the JobsOhio 2.0 strategy will position Ohio to proactively respond to business site location decisions and grow the state's economy when this crisis subsides. State policy makers and business leaders should not interfere with well-made plans that can position Ohio to succeed going into the future.

The state of Ohio stimulus packages can address public health and economic development concerns caused by COVID 19 to limit its damage to people and regional economies in 2020 and prepare for strong economic growth in the coming years.

