



Legislation Details (With Text)

File #:	21-0065	Version:	1	Name:	Resolution to Approve CARES Act RLF Tri-Party Agreement
Type:	Motion	Status:			Passed
File created:	1/28/2021	In control:			City Council Legislative Session
On agenda:	2/24/2021	Final action:			2/24/2021

Title: Resolution Authorizing the Approval and Execution of an Agreement between the City of Hampton, Virginia, the City of Newport News, Virginia, and the Peninsula Industrial Finance Corporation to Facilitate the Receipt, Administration, and Distribution of a CARES Act Recovery Assistance Grant from the Economic Development Administration of the United States Department of Commerce to Prevent, Prepare for, and Respond to the Coronavirus Pandemic

Sponsors:

Indexes: , , Economic Development Authority

Code sections:

Attachments: 1. EDA RLF STCs - Apr 30 2019, 2. AGREEMENT BETWEEN NEWPORT NEWS HAMPTON and PIFC - Final 2.17.2021, 3. Award Letter_Newport_01-79-14981, 4. Exhibit 1 - Current Administrative Plan, 5. Exhibit 1-A - CARES Act RLF Admin Plan Amendment, 6. Specific Award Conditions RLF Award-Newport News_01-79-14983

Date	Ver.	Action By	Action	Result
2/24/2021	1	City Council Legislative Session	approved	Pass

Resolution Authorizing the Approval and Execution of an Agreement between the City of Hampton, Virginia, the City of Newport News, Virginia, and the Peninsula Industrial Finance Corporation to Facilitate the Receipt, Administration, and Distribution of a CARES Act Recovery Assistance Grant from the Economic Development Administration of the United States Department of Commerce to Prevent, Prepare for, and Respond to the Coronavirus Pandemic

PURPOSE/BACKGROUND:

The Peninsula Industrial Finance Corporation ("PIFC") has provided loans to businesses in the Cities of Hampton and Newport News since its inception in 1946. The City of Newport News, on behalf of itself, the City of Hampton, and the PIFC, applied to and received from the Economic Development Administration of the United States Department of Commerce ("US EDA"), as part of the US EDA's CARES Act Recovery Assistance program, a grant in the amount of \$1,596,000. The scope of work for this grant is to establish, through the PIFC, the Peninsula CARES Act Fund, a revolving loan fund (the "RLF") to alleviate some of the sudden and severe economic dislocation caused by the COVID-19 pandemic, and to provide permanent resources to support economic resiliency.

The PIF's Board is comprised of five (5) members. Three (3) members are appointed by the Newport News EDA and two (2) members are appointed by the Hampton EDA. Two (2) of the Board appointees from Newport News and one (1) from Hampton shall serve a three (3) year term. One (1) of the Board appointees from Newport News and one (1) from Hampton shall serve a two (2) year term. The current members of the Board are:

MEMBER	CITY
Laura Sanford	Hampton
Carlton M. Campbell, Sr., Vice President & Vice Chair	Hampton
Jocelyn Spight Roache, President & Chair	Newport News
Beth W. Moore	Newport News
Sylvia Weinstein Craft	Newport News

The Cities of Hampton and Newport News will each receive grant applications and prepare them for presentation to the PIFC Board. The PIFC's Board has the authority and responsibility to disburse \$1,500,000 of the grant as loans to the businesses via the RLF and in accordance with the Administrative Plan approved by the US EDA. The Board may take no action which would result in more than sixty percent (60%) or \$900,000 of this fund being committed to businesses in one of the two cities, except with the consent of the other city's representatives. The \$96,000 balance of the grant funds are allocated to administrative cost.

A respective business must first submit an application to its city's Economic Development Department for review and to prepare a loan write-up in a specific format for presentation to the Board. It is important to note, the cities' Economic Development Departments have no authority to approve or decline a loan request. Each serves as a facilitator for transmitting the business loan requests to the PIFC Board. Upon receipt of a loan application package by the Board, it is reviewed and a decision is rendered during a scheduled meeting. A majority vote by the quorum of Board members present at the meeting will constitute a valid approval or denial vote.

Discussion:

See Purpose/Background above.

Impact:in the

See Purpose/Background above.

Recommendation:

Approve the Resolution.

WHEREAS, the City of Newport News, on behalf of itself, the City of Hampton, and the Peninsula Industrial Finance Corporation ("PIFC"), applied to and received from the Economic Development Administration of the United States Department of Commerce ("US EDA"), as part of the US EDA's CARES Act Recovery Assistance program, a grant in the amount of \$1,596,000 (the "CARES Grant");

WHEREAS, the scope of work for the CARES Grant is to establish, through the PIFC, the Peninsula CARES Act Fund, a revolving loan fund (the "RLF") to alleviate some of the sudden and severe economic dislocation caused by the COVID-19 pandemic, and to provide permanent resources to support economic resiliency;

WHEREAS, \$1,500,000 of the CARES Grant will be used to fund the RLF, with the remaining balance used to pay administrative costs associated with the loan program;

WHEREAS, businesses in the cities of Newport News and Hampton may apply for loans through the Economic Development Departments of each respective city;

WHEREAS, applications will be provided to the PIFC for approval or denial in accordance with the Administrative Plan approved by the US EDA;

WHEREAS, a maximum amount of \$900,000 may be disbursed to businesses in the City of Hampton;

WHEREAS, neither the City of Newport News nor the City of Hampton may utilize more than sixty percent (60%) of the RLF without the approval of the other city; and

WHEREAS, it is desirable to make this opportunity for relief available to Hampton businesses.

NOW, THEREFORE, the City Council of the City of Hampton, Virginia hereby authorizes the City Manager to enter into an agreement with the City of Newport News and the Peninsula Industrial Finance Corporation to allow and provide for the receipt, administration, and distribution of those certain CARES Grant funds in accordance with US EDA's conditions, regulations, and reporting requirements; and subject to the approval of the City Attorney.