



The Montrose Group, LLC

COVID 19 Economic Recovery Strategy

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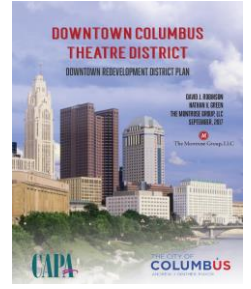
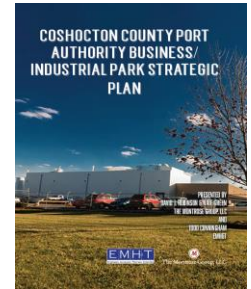
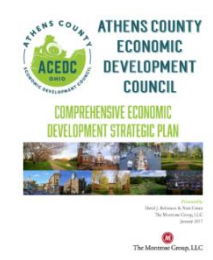
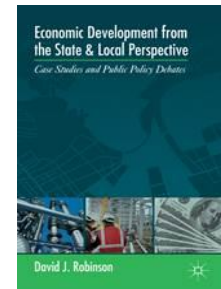
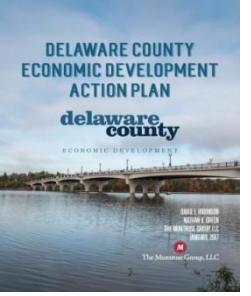
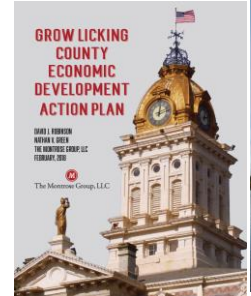
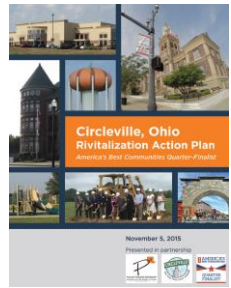
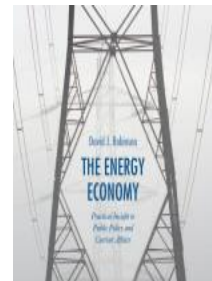




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Montrose Group, LLC Wrote the Book on Economic Development

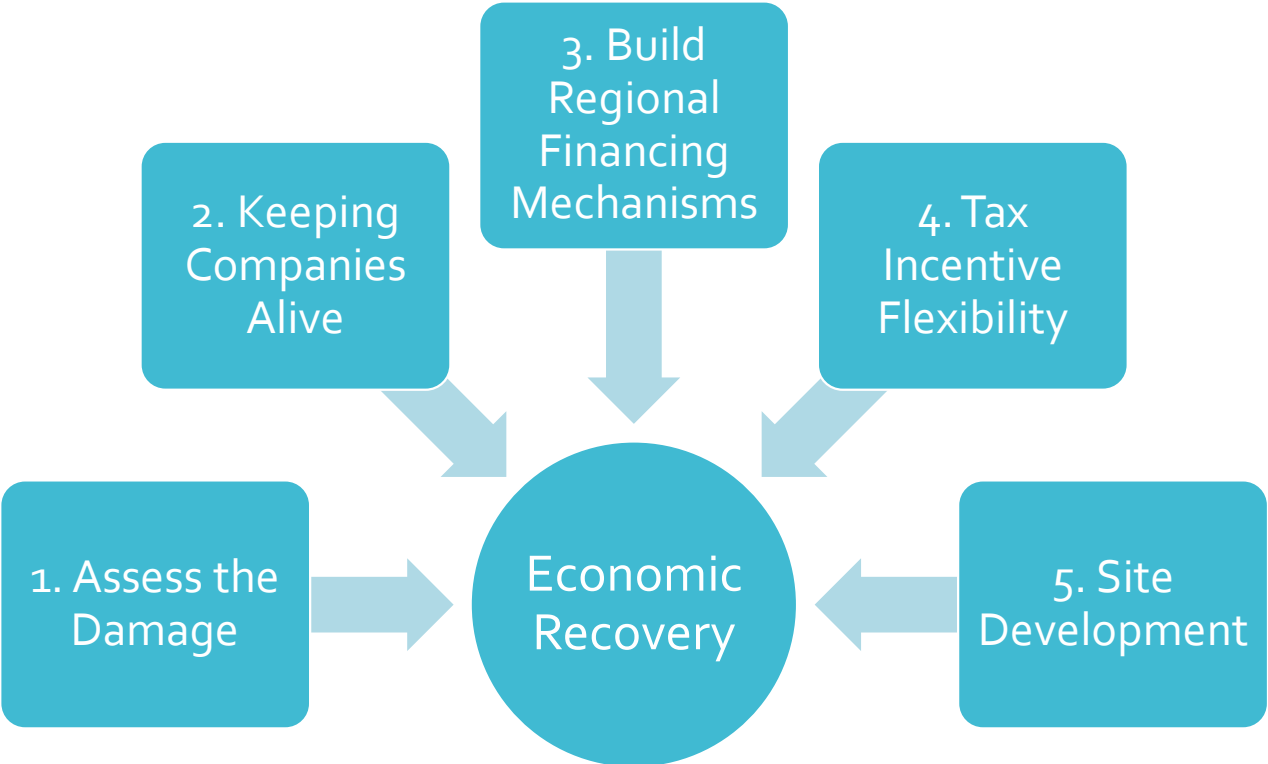


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State of Ohio | COVID - 19 Dashboard

Last Updated: 05-12-20
Updated daily at 2 p.m.

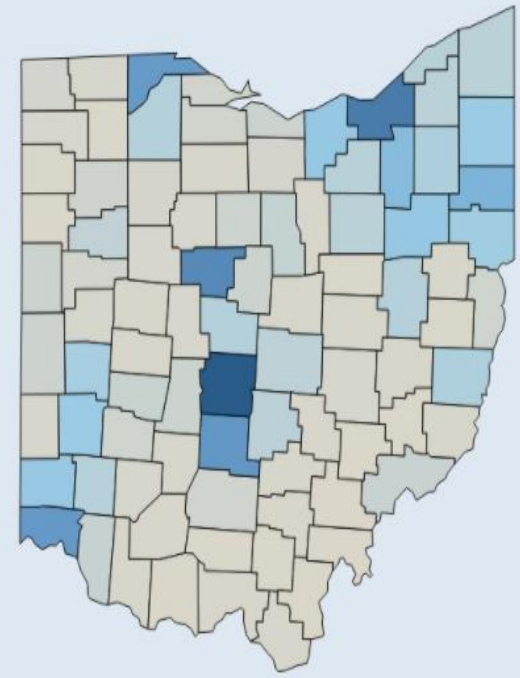
County Map | Cases

Select a County To Filter Dashboard

Case Classification Status
 Filter all views by case classification
 (All) Total Cases

View By
 Pick an option to view in map
 Cases

County Search
 Search a county to highlight
 Highlight County



© OpenStreetMap

Key Metrics | By County

Metrics | Cumulative and Daily Count



View Count By:
Select to view hospitalization counts by daily or cumulative

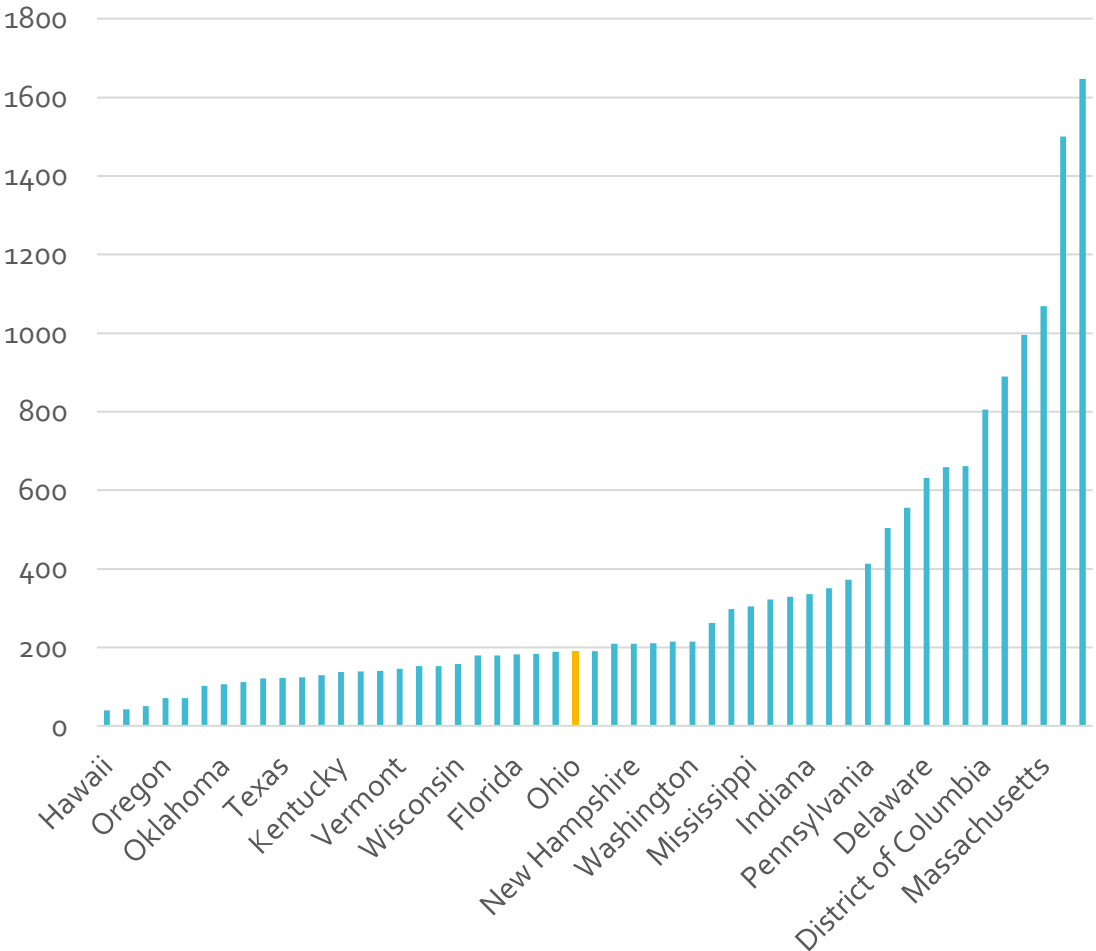
Cumulative Count





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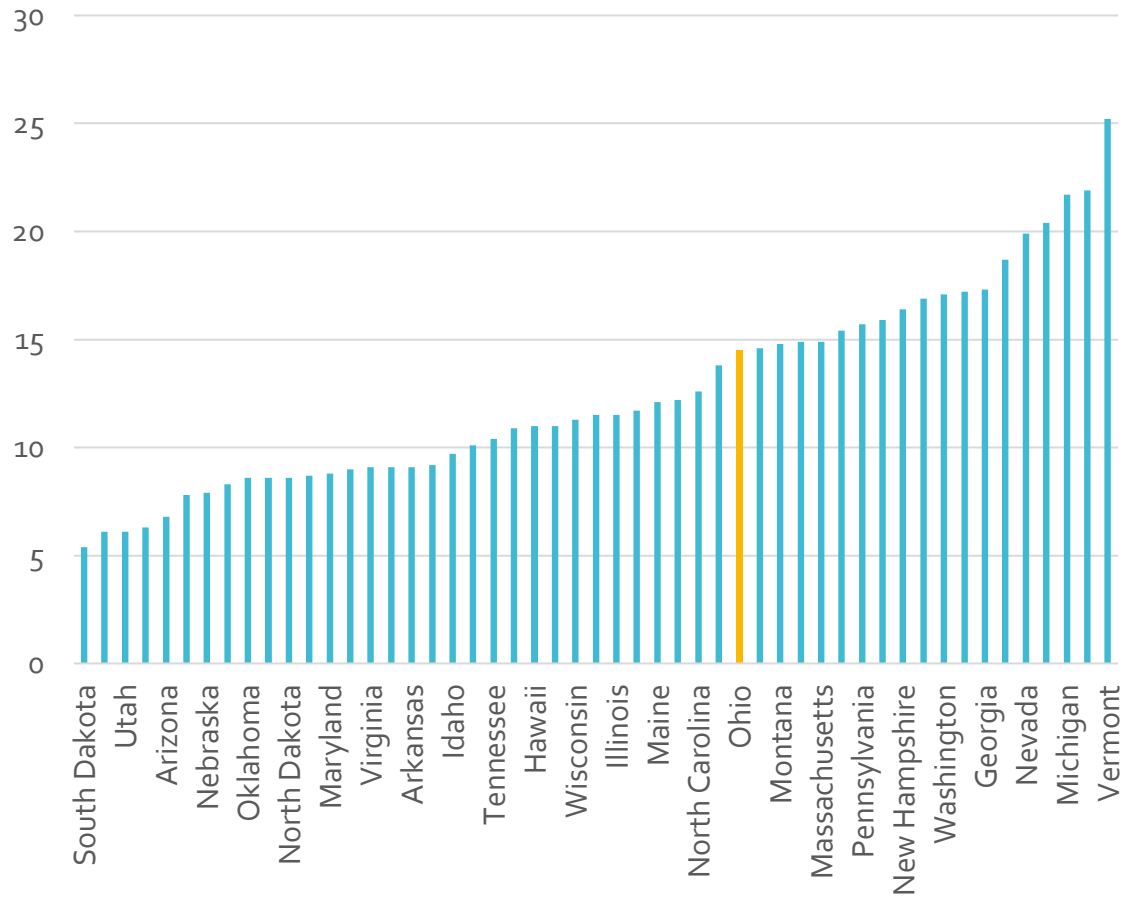
COVID 19 Rate per 100,000 State Rank





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Unemployment Rate State Comparison, April 18, 2020





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Ohio's Safe Business Practices for Getting Back to Work

- *Recommend face coverings*
 - For employees and clients/customers at all times
- *Conduct daily health assessments*
 - By employers and employees (self-evaluation) to determine if "fit for duty"
- *Maintain good hygiene*
 - At all times-hand washing and social distancing
- Clean and sanitize
 - Workplaces throughout workday and at the close of business or between shifts
- *Limit capacity to meet social distancing guidelines*
 - Establish maximum capacity at 50% of fire code
 - And, use appointment setting where possible to limit congestion



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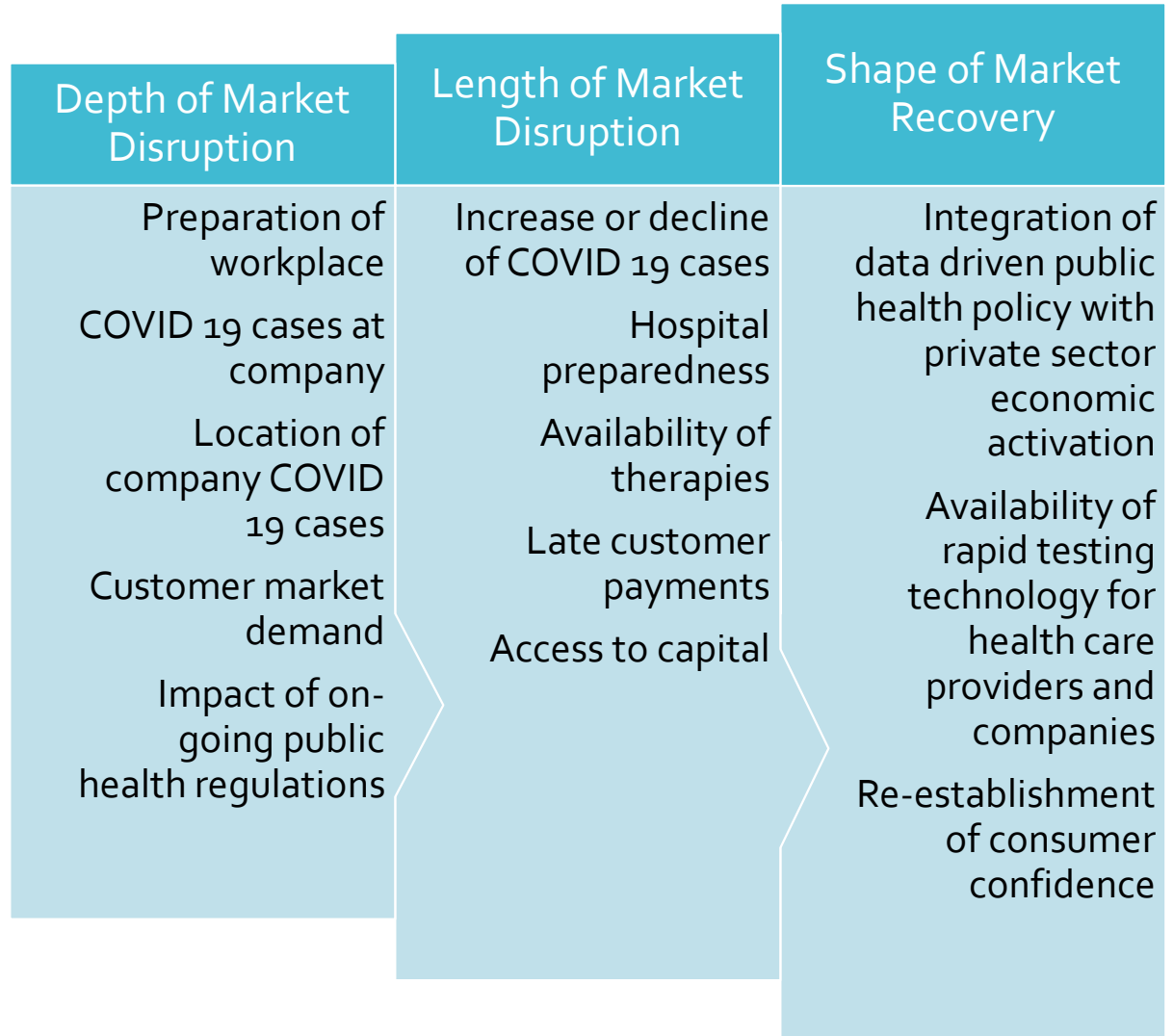
Ohio Back to Work Timeframe

- May 1st
 - Ohio's hospitals and healthcare permitted to perform all medical outpatient procedures
- May 4th
 - Manufacturing
 - Distribution
 - Construction
 - General office operations
- May 12th
 - Consumer
 - Retail
 - Services



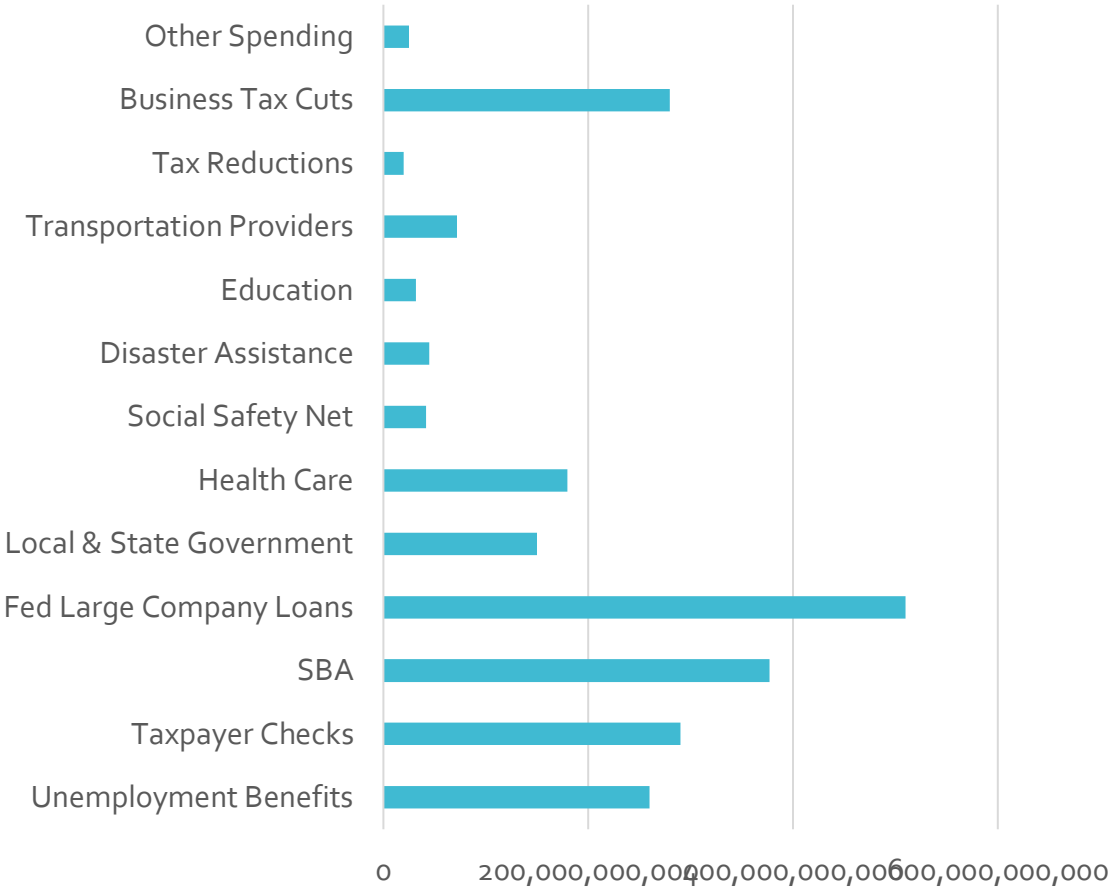
Factors Impacting Company Reopening Decision

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CARES Act Business Development Project Funding: Federal Stimulus 3.0

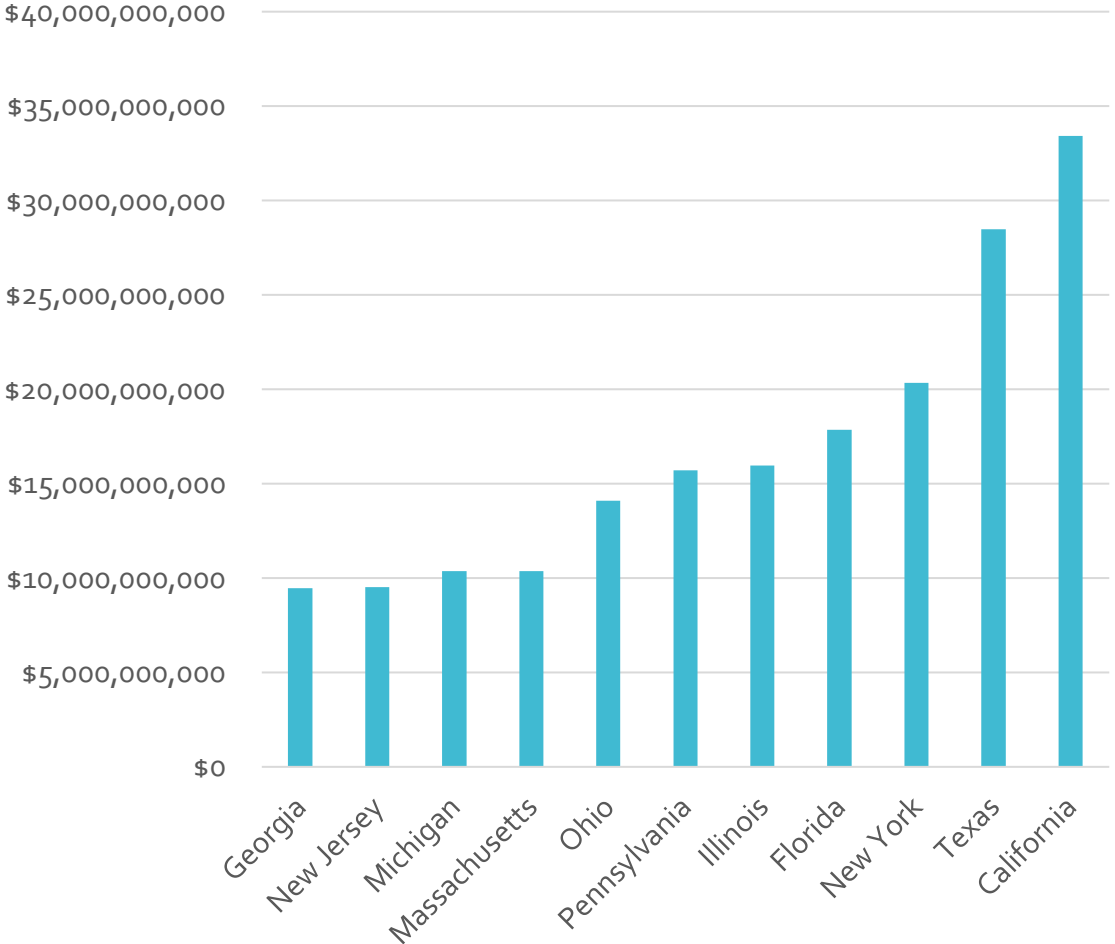


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PPP Round 1



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EDA's Economic Adjustment Assistance (EAA) Program

- \$1.5B in supplemental funding for the Economic Adjustment Assistance program
- Funds technical, planning, and public works and infrastructure assistance
- Regions experiencing adverse economic changes that occur suddenly or over time

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CARES Act EDA EAA Opportunities

- Notice of Funding Opportunity (NOFO)
- CARES Act NOFO increases funding ceiling to \$30M; award floor remains \$100,000
- Assistance to help communities prevent, prepare for, and respond to impacts of COVID 19
- Open funding cycle



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\$5B in COVID 19 federal stimulus CDBG funding

- \$2B distributed by 2020 allocation to large cities and states
- \$1B distributed to states in 45 days to combat COVID 19
- \$2B distributed to states for longer term economic and housing disruptions



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CDBG Fund Uses

- Infrastructure
- Economic development projects
- Public facilities installations
- Community centers
- Housing rehabilitation
- Public services
- Microenterprise assistance

CDBG Funds Rules

- Typically funds up to 50% of total project costs
- Loans and grants are made based on a certain \$\$ for every full-time equivalent job created or retained as a result of the project
- Public infrastructure projects (e.g., water, sewer, roads) are eligible for up to 50% CDBG grant funding
- Private, for-profit projects can qualify for up to 50% CDBG low-interest loans



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CDBG Case Studies

City of Neodesha, KS CDBG + USDA

- City Gas System Upgrades
- \$2.3M Total Project Cost
 - \$600,000 CDBG Grant
 - \$1.76M USDA Rural Development Grant
- Public infrastructure upgrades to service 2,500 residents and businesses in community

Highland County Ohio CDBG RLF

- Corvac Composites, LLC new automotive manufacturing facility sited in Highland County
- \$12.5M Total Project Cost
 - \$500,000 CDBG RLF
 - \$12M Outside Funding
- Total Jobs Created – 55
 - 29 LMI Jobs (52.7%) - \$9,090/job created



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Federal Stimulus & USDA Rural Development

- \$48.9 B to USDA – Close the “digital divide” in America’s rural communities
 - \$145 M USDA’s Rural Development programs
 - \$20.5 M for the Rural Business-Cooperative Service, adding \$1 B in lending authority
 - \$100 M in grants for Rural Broadband Service
 - \$25 M for Distance Learning and Telemedicine Programs



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Rural Development Broadband ReConnect Loan and Grant Program

- Loans and grants
- Construction, improvement, or acquisition of facilities and equipment needed to provide broadband service in eligible rural areas that do not have access to at least 10 Mbps downstream and 1 Mbps upstream
- 100% Grant – up to \$25,000,000 max grant request
- 50% Loan / 50% Grant – up to \$25,000,000 loan and \$25,000,000 grant request and loan/grant requests will always be equal
- 100% Loan – up to \$50,000,000 max loan request
- Eligible Applicants
 - Cooperatives, non-profits, or mutual associations, for-profit corporations, state or local governments, territory or an Indian tribe



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USDA DLT Case Studies

- Owensboro Health Inc. received \$460,820 grant to install telemedicine equipment at 10 sites in Kentucky and Indiana. The equipment expands health care resources to ~35,000 residents, including ~2,000 patients.
- Lisbon (OH) Exempted Village School District received \$323,478 to create distance learning network at 8 sites in Columbiana County. District is offering classes and behavioral health services to 850 students.

USDA Rural Broadband Case Study

- Logan Telephone Cooperative Inc. received a \$34.4 M USDA Telecommunications Program loan to upgrade a FTTH system in Butler, Logan and Muhlenberg counties in southwestern Kentucky
- Morton County, N.D., USDA is partnering with BEK Communications Cooperative to provide an \$844,000 Community Connect Program grant for a 49-mile Fiber-to-the-Home network will bring high-speed broadband to 125 underserved households
- SW Virginia, iGo Technology Inc. received a \$3 M Community Connect grant to bring enhanced broadband opportunities to 820 homes and businesses giving the Bee Community Center, in the town of Bee in Dickenson County, free broadband for two years



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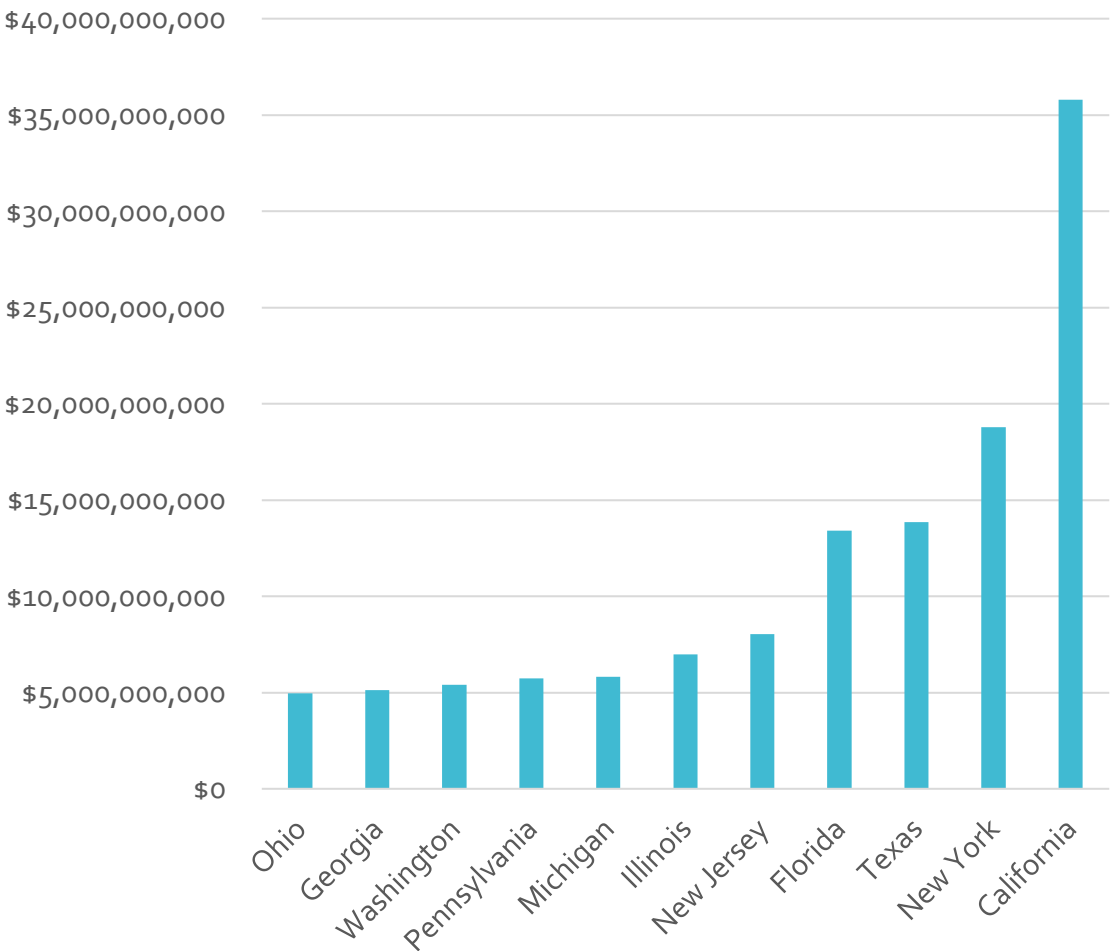
Federal Stimulus “3.5” Overview

- \$484 B in COVID 19 federal stimulus “3.5” funding
 - \$321 B replenishing Paycheck Protection Program
 - \$60 B set aside for underbanked businesses
 - \$250 B unrestricted
 - \$60 B in additional SBA EIDL funding for loans (\$50 B) and grants (\$10 B)
 - \$75 B for hospitals to cover increased expenses and lost revenue
 - \$25 B for COVID 19 testing, of which \$11 B will go to states and federal government to develop, purchase, administer, process and analyze tests
 - ~\$2 B for SBA administrative expenses
 - \$150 B request for state and local government aid not included



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PPP Round 2





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JobsOhio COVID 19 Impact Plan

- \$250 M PPE Purchases
- \$30 M Liquor Buy Back
- \$7 M Liquor Rebate
- \$4 M 6-Month Loan Deferment
- \$50 Workforce Retention Loan
- \$50 M Commercial Bank Loan Program
- \$2 M Appalachian Capital Program
- \$50 M JobsOhio Innovation Fund
- \$50 M Port Authority Reserve Fund
- \$10 M Air Service Restoration



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Economic Development Incentive Reporting and Managing Job & Capital Investment Commitments

Market Conditions and Other Factors

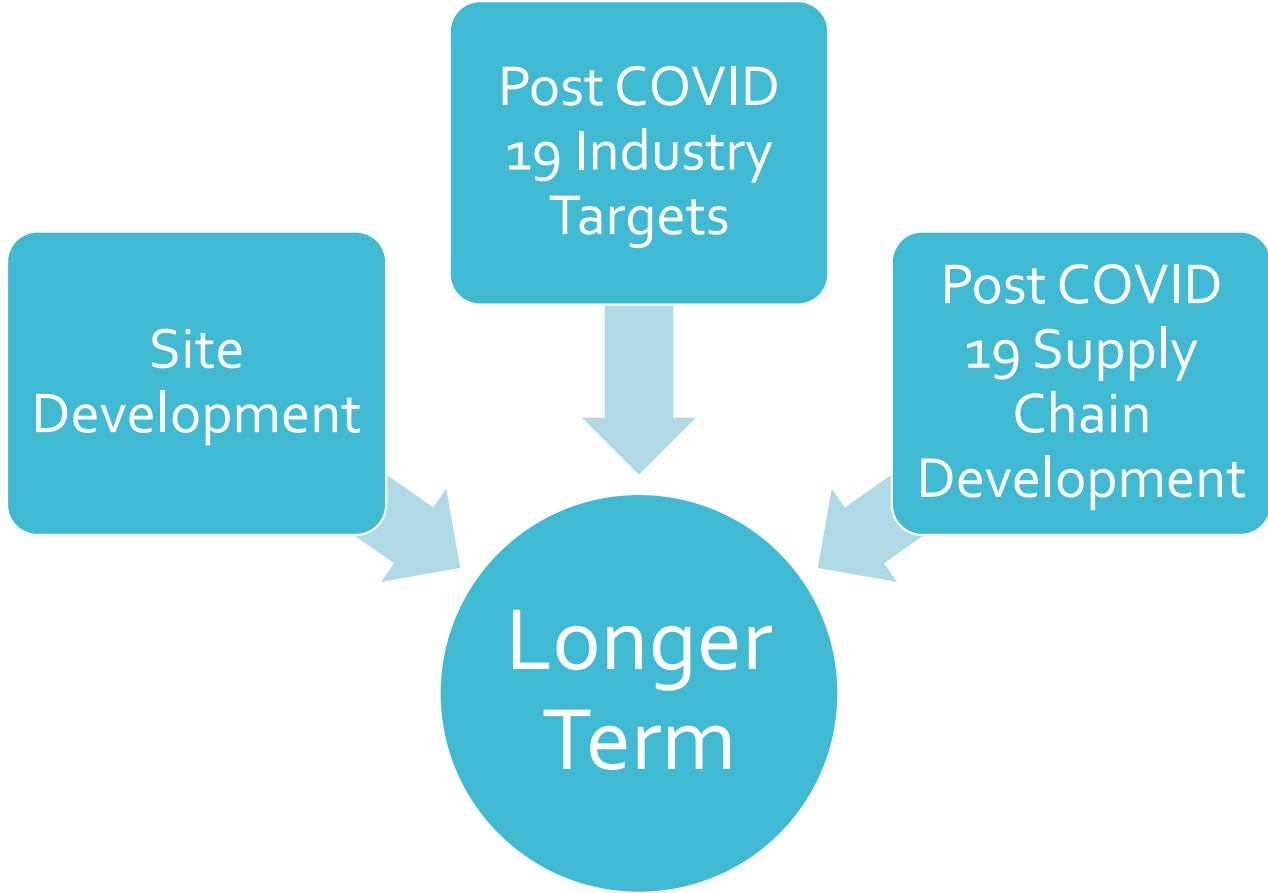
- Economic development incentive agreements gives the government or economic development organization partner the ability to keep the incentive agreement in place if the company does not meet its economic development commitments due to factors outside of their control

Force Majeure

- Common Law notion that gives the ability of parties to a contract to be excused from their obligations when certain circumstances arise beyond the party's control making performance inadvisable, commercially impracticable, illegal, or impossible
- Extreme events such as epidemics or pandemics, along with war, terrorist attacks, "acts of God," famine, strikes, and fire in the list of events excusing overall performance or delay in performance



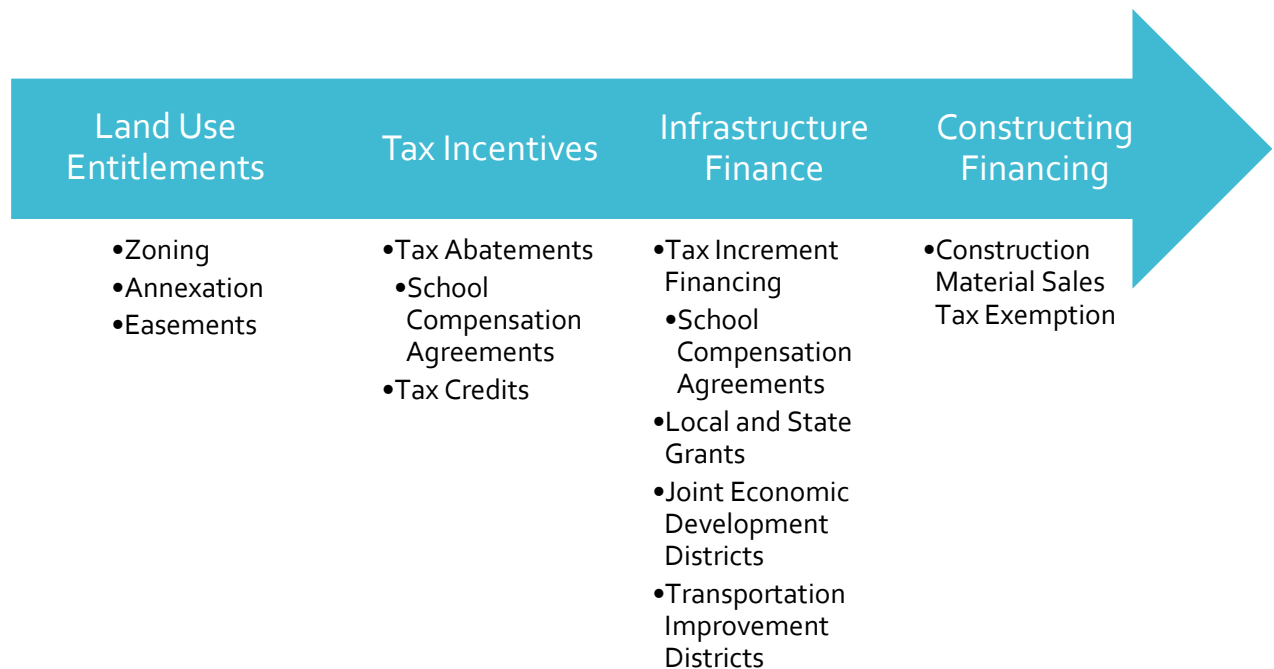
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COVID 19 Creates Opportunity for Site Development





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Post-COVID 19 Industry Winners

- Logistics
- Medical Equipment Manufacturers
- PhRMA
- E-Commerce

Post-COVID 19 Industry Losers

- Traditional brick & mortar retail
- Airlines
- Events
- Hospitality



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Ohio Site Improvement Funding Options

- Ohio Rural Industrial Loan Program
- JobsOhio Revitalization Program
- JobsOhio OSIP
- Tax Increment Financing
- Joint Economic Development Districts
- Ohio 629 Roadwork Grants
- Community Development Block Grant
- Economic Development Administration
- JobsOhio/OhioSE Site Initiative
- Ohio Department of Transportation Jobs and Commerce



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**Summit
County Case
Study**

**Delaware
County Case
Study**



Summit County COVID-19 Small Business Emergency Relief Grant Program

Who created the fund and for what reason?

- Initiated with \$750K from Summit County - \$530K in general funds and \$220K County CDBG dollars
- Local municipalities and townships contributed over \$300K in support and \$100K in additional CDBG funds
- Private and philanthropic sources added over \$400K in funding
- For every Summit County dollar, there was at least one additional dollar from other funders
- City and Municipality funding was able to be restricted to their communities
- Authorized by Summit County Council on March 30, the grant program was designed to provide grants of up to \$5,000 to small for-profit businesses impacted by COVID-19.
- Funds can be used for any deductible business expense



Summit County COVID-19 Small Business Emergency Relief Grant Program

What businesses were eligible?

- Have applied for either the SBA EIDL or PPP COVID Relief loan programs
- Must be a for profit business with its principal place of business located within the County of Summit.
- In operation for at least one year prior to March 15, 2020
- Employ 3-25 individuals, with at least 50% of those employees being permanent residents of Summit County
- The business must be current on all Summit County municipal and Joint Economic Development District income tax obligations and Summit County property tax obligations.



Summit County COVID-19 Small Business Emergency Relief Grant Program

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Objective Evaluation Rubric

Total Weight (must be 100%)	100%	Applicant Point Contribution	24.5
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Criteria	Disqualifying Level	Level 1	Level 2	Level 3	Level 4	Total Applicant Points	Weighting of Criteria (of 100%)	Weighted Point Contribution
1 Business Profile						20	15%	3
The length of time the business has been in operation.	<1 year	>1, <3	>3, <7	>7, <20	>20			
<i>scoring</i>	0	3	7	10	6	10		
Applicant Points (mark x)								
The average years of experience in the industry for the business' owners.	<1 year	>1, <3	>3, <7	>7, <20	>20			
<i>scoring</i>	0	2	4	7	10	10		
Applicant Points (mark x)								
2 Business Financial Impact						30	25%	7.5
The financial impact of COVID-19 on the business, defined as [the decrease in revenue plus the increase in expenses] due to COVID-19, divided by 2019 operating revenue.	0	<20%	>20, <40	>40, <60	>60			
<i>scoring</i>	0	2	4	7	10	10		
Applicant Points (mark x)								
2019 operating revenue		<100K	>100K, <\$250K	>250K, <1 MM	>1 MM			
<i>scoring</i>		3	7	10	5	10		
Applicant Points (mark x)								
2019 average monthly non-payroll expenses (to measure the impact of the \$5,000 grant)		<10K	>10K, <\$20K	>20K, <80k	>80k			
<i>scoring</i>		10	7	5	3	10		
Applicant Points (mark x)								
3 Business Employment Impact						20	35%	7
The number of full-time employees employed by the business on March 15, 2020.	<3 or >25	>3, <7	>7, <15	>15, <25				
<i>scoring</i>	0	4	8	10		10		
Applicant Points (mark x)								
% FT Employees that Reside in Summit County	<50%	>50, <65	>65, <90	>90				
<i>scoring</i>	0	5	8	10		10		
Applicant Points (mark x)								
4 Sector & Community Economic Impact						30	20%	6
Is the business located in a low-middle income area and/or a job hub?	Not in Summit	Job Hub Qualifier	LMI Qualified	Job Hub and LMI Qualified				
<i>scoring</i>	0	4	7	10		10		
Applicant Points (mark x)								
Weight the relative vulnerability of the industry the business operates in, relative to the economic effects of COVID-19.		Industry has long-term vulnerability to COVID-19	Industry has near-term vulnerability to COVID-19	Industry has immediate vulnerability to COVID-19				
<i>scoring</i>		3	6	10		10		
Applicant Points (mark x)								
Is the business a minority-owned, woman-owned, veteran-owned or other disadvantaged business?		Not Disadvantaged	Single-Disadvantaged Business	Multiple-Disadvantaged Business				
<i>scoring</i>		0	5	10		10		
Applicant Points (mark x)								
5 Bonus Scoring Factors						20	5%	1
Recommendations or support from (i) the municipality or township where the business is located, (ii) the grantor that contributed funds to the Program from which the grant will be funded, or (iii) other businesses, non-profits or other entities.		No Specific Recommendation	General Recommendation or Support	Strong Recommendation or Support				
<i>scoring</i>		0	10	20		20		
Applicant Points (mark x)								



Summit County COVID-19 Small Business Emergency Relief Grant Program



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Who got grants?

- 1,046 Submissions; 610 eligible; 311 awarded; \$1,546,178 in grants
- We awarded 147 disadvantaged businesses (147 of 311 = 47%)
- 35% of DBE applicants were awarded, compared to 26% of non-DBE applicants
- 32% of Black-owned business applicants were eligible, 55% of WBE applicants were eligible 60% of non-Black and non-WBE owned business applicants
- 88% of eligible Black-owned applicants were awarded, 61% eligible WBE applicants awarded
- 56% of awardees have 3-7 employees; 44% have 8-25 employees
- 54% of awardees have \$250k - \$1m in revenue; 5% have less than \$100k, 19% have \$100k-\$250k, and 22% have over \$1m
- 73% of our awardees are located in either a LMA or Job Hub (28% in Job Hub; 65% in LMA; 19% in both Job Hub and LMA)



Summit County COVID-19 Small Business Emergency Relief Grant Program

Round 2 Opens Thursday, May 14th

- Funded with \$5 million in CARES Act dollars
- Removed SBA EIDL or PPP COVID Relief loan application requirements
- Changed employee size eligibility to 2 – 30 employees
- Added single employee \$2,000 grant program with allowance for revenue replacement
- Approximately \$1.4 million will be used to fund existing applicants who were eligible in round 1 but not funded.
- Approximately \$1.0 million will be used to fund existing applicants who are rescored and may be deemed eligible
- Approximately \$1.6 million will be used to fund \$5,000 grants to new applicants
- Approximately \$1.0 million will be used to fund \$2,000 grants to new applicants



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Questions

Thoughts

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