TO: All news media

FROM: Mayor Tim Kabat

DATE: Friday, March 20, 2020

RE: La Crosse small businesses relief - COVID-19

The City of La Crosse’s small business owners are facing an unprecedented challenge with store closings and declining consumer traffic due to the COVID-19 pandemic.

Our Planning & Development Department has reached out to La Crosse businesses over the last few days and their resounding message is the COVID-19 situation will force closures and layoffs. To date, approximately 100 of our downtown businesses have been forced to close their doors or dramatically change their business operations, which have forced them to significantly cut back on staff.

In solidarity with the owners of these businesses, the City of La Crosse wants to help employers retain staff, pay their vendors, keep their lights on, and help restaurants dealing with expensive, perishable inventory. We recognize there are resources available at the State and Federal levels, but our businesses need immediate reassurance that the City is a partner in this and we are here to help them keep their doors open.

In order to assist with these unprecedented challenges, the City proposes the following programs:

1. **Small Business Disaster Relief Grant.** The City proposes a relief grant to assist businesses to supplement State and Federal programs. Grants would be based on payroll, providing up to $5,000 per 10 employees for a maximum of $25,000 per business. Details of the grant are in the works, with the planned program to be reviewed and acted on by the La Crosse Common Council at their April 9th meeting.

2. **An immediate pause** for all businesses currently participating in any of the City-loan payments, including capital, small business development and upper floor renovation loans for the next three (3) months.
Below are programs being offered by the State of Wisconsin and the Federal governments:

**Small Business Administration:**
The U.S. Small Business’s **Economic Injury Disaster Loans** offer up to $2 million in loans to small businesses to pay fixed debts, payroll, accounts payable and other bills that can’t be paid because of the disaster’s impact. **The interest rate is 3.75% for small businesses (under 500 people) without credit available elsewhere; businesses with credit available elsewhere are not eligible.** The interest rate for non-profits is 2.75% over a 30-year term. It is anticipated these loans will be available by the beginning of next week. [https://www.sba.gov/about-sba/sba-newsroom/press-releases-media-advisories/sba-provide-disaster-assistance-loans-small-businesses-impacted-coronavirus-covid-19](https://www.sba.gov/about-sba/sba-newsroom/press-releases-media-advisories/sba-provide-disaster-assistance-loans-small-businesses-impacted-coronavirus-covid-19)

**Wisconsin Economic Development Corporation (WEDC):**
**Small Business 2020 (SB20/20)** is a $5 million grant program to assist businesses with **no more than 20 employees** to cover rent and to meet payroll expenses, including paid leave; providing grants of up to $20,000 to targeted businesses, especially retailers, restaurants and small service providers. The grants will be deployed by partnering with the State’s 23 community development financial institutions (CDFIs). According to the WEDC, the intention is to expand this program to larger businesses as resources become available. The City of La Crosse will be working with WWBIC to partner with applications and distribution of funds. [https://wedc.org/programs-and-resources-small-business-2020/](https://wedc.org/programs-and-resources-small-business-2020/)

**Kiva:**
Kiva.org is a crowd-lending platform that provides 0% loans to small businesses through a platform of online lenders (local and global). WEDC initiated a 1:1 match for loans for downtown businesses that are women, minority or veteran-owned last year to expedite funding for these projects. Effective immediately, U.S. applicants for a Kiva loan will have access to the following:

- Expanded eligibility: More businesses will be eligible for a Kiva loan.
- Larger loans: the maximum loan on the Kiva platform will increase from $10,000 to $15,000.
- Grace period: Applicants may receive a grace period of up to 6 months for greater financial flexibility.

For questions and more information about the City’s small business relief effort, please contact:

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