



MEMORANDUM

Date: December 30, 2020

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator 

The Honorable Supervisors Elect
Pima County Board of Supervisors

Re: **December 17, 2020 Letter from the Tucson Metro Chamber Regarding CARES Funds Allocated for Business Assistance Grants**

Recently, the Chairman and perhaps other members of the Board received communication from the Tucson Metro Chamber requesting the County to increase our business related grant support for COVID-19 to match that of the City of Tucson. Their letter indicates the City provided \$9.6 million for Small Business Continuity Grants and the County only allocated \$2.9 million to businesses. (Attachment 1)

Please see the attached response from me. (Attachment 2) I would also like to highlight that, not included in the enumerated expenditures in my December 18 letter, is our support of rental and utility assistance to prevent eviction. To date, we have received and allocated approximately \$12.3 million for this purpose. These funds essentially find their way to landlords, business rental activities and utility companies. Hence, an additional \$12.3 million can be added to the expenditures enumerated in my letter in response to the Tucson Metro Chamber.

Finally, by December 31, we will have effectively spent all of the federal Coronavirus Relief Act funding provided to the County or \$87,107,597. Unfortunately, the pandemic is now worse than ever with the number of cases in December exceeding 30,000, 2 times more than the November cases and 3 times the July cases. Our cost for this testing, contact tracing and case investigation is accelerating at a time where federal relief funding has been exhausted. However, with the recent federal relief package signed into law, it is unknown when or what will be allocated to Pima County. We will not let up in our public health effort of testing and contact tracing. We will pay for these efforts out of our General Fund revenues and unless reimbursed by federal or State funding we will be required to further reduce the budget of other General Fund departments.

Attachments

c: Jan Leshner, Chief Deputy County Administrator
Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer,
Health and Community Services
Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Regina Kelly, Director, Grants Management and Innovation Office

ATTACHMENT 1



December 17, 2020

The Honorable Ramon Valadez
Chairman
Pima County Board of Supervisors
130 W. Congress
Tucson, AZ 85701

RE: CARES Funds Allocated for Business Assistance Grants

Dear Chairman Valadez:

The recent actions taken by Pima County to enact a mandatory curfew and increased penalties for non-compliance of the County's Proclamation is directly affecting business revenues. As we have stated in previous letters, placing strict regulations on business will only result in more businesses closing, higher unemployment and greater pressure on governments who will have to use limited resources to assist people in need which will become even more difficult because of reduced tax revenues.

To date, Pima County has received \$87 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act dollars. When combined with other Federal funds, State and Private dollars received by the County for COVID-19 relief, the total funds equal just over \$102 million. The Pima County Memorandum dated August 24, 2020 titled *COVID-19 Pandemic Update* outlined the following expenditures and allocations for small businesses:

- \$303,500 to Downtown Tucson Partnership to facilitate the safe and successful reopening of businesses
- Downtown Outdoor Café Grant Program – up to \$5,000 and the County received 15 applications
- Downtown Rebound Grant program - up to \$2,000 to off-set costs associated with COVID-19 related expenses and 17 businesses applied
- Small Business Assistance - \$2 million for small business assistance with a primary initial focus being on assisting daycare and childcare businesses
- Ready For You Marketing – Allocated \$550,000 to Ready For You materials and Hilton & Myers to help demonstrate businesses are complying with the measures contained within the Proclamation

The total of these allocations is \$2.9 million. In comparison, the City of Tucson has allocated \$9.6 million for Small Business Continuity Grants that help offset rent, utilities and other business expenses. Businesses with less than 50 employees can receive up to \$20,000 if their application meets the qualifications and is accepted by the program administrators. While a preference is given to women, veteran and disabled-owned businesses, the grant is open to all businesses within the City limits.



Honorable Ramon Valadez
December 17, 2020
Page 2 of 2

Based on recent conversations, it is clear demand is far exceeding supply in relation to the need for assistance. While uncertainty remains with what the federal government will authorize, we know that a large cliff is looming in front of small businesses at the close of the year. Specific areas of assistance requested largely relate to covering overhead like utilities, rent and payroll. While there are protection orders against evictions, this is a false notion that merely postpones the inevitable rent that will still be due, not excused.

Numerous businesses located in unincorporated Pima County need any and all assistance, especially those in the hospitality industry. The voluntary and now mandatory curfew is curtailing these business' opportunity to generate revenue making their circumstance even more dire than before this recent spike. These recent actions are in addition to prior actions that have limited the occupancy in various establishments which has resulted, in some instances, a 70% reduction in revenue compared to previous years.

We respectfully ask that Pima County create a similar small business relief program wherein businesses in Pima County can apply for grants to offset revenue losses as a result of recent actions approved by the Board of Supervisors. Additionally, we request that preference be given to either those in 1) in the hospitality industry including restaurants, bars and hotels, or 2) businesses in unincorporated Pima County.

Sincerely,

A handwritten signature in black ink, appearing to read "Amber Smith", written over a white background.

Amber Smith
President & CEO

Cc: The Honorable Members of the Pima County Board of Supervisors
Mr. Chuck Huckelberry, County Administrator
Dr. Francisco Garcia, Deputy County Administrator
Dr. Theresa Cullen, Director, Pima County Health Department

ATTACHMENT 2



COUNTY ADMINISTRATOR'S OFFICE

PIMA COUNTY GOVERNMENTAL CENTER
130 W. CONGRESS, FLOOR 10, TUCSON, AZ 85701-1317
(520) 724-8661 FAX (520) 724-8171

C.H. HUCKELBERRY
County Administrator

December 18, 2020

Amber Smith, President and CEO
Tucson Metro Chamber
212 E. Broadway Blvd.
Tucson, Arizona 85701

Re: **Your December 17, 2020 Letter Regarding CARES Funds Allocated for Business Assistance Grants**

Dear Ms. Smith:

Chairman of the Board, Ramon Valadez, asked that I respond to your December 17, 2020 letter regarding a number of issues associated with the COVID-19 pandemic. Comparing the County's small business allocations to the City of Tucson's allocation is like comparing apples and oranges.

Given our continued efforts to contain the COVID-19 outbreak and to provide not only public health, vaccinations and medical assistance to the healthcare workers, your letter demonstrates your lack of awareness or understanding of what has occurred in this community relative to response to the COVID-19 pandemic.

As you may not know, Pima County is the only regional agency responsible for public health and as such is entirely responsible for COVID-19 testing, contact tracing, case investigation and a number of other activities related to reducing the spread of community infectious diseases. The \$87 million in Coronavirus Relief aid referenced in your letter has been primarily spent on these obligations. In fact, we have spent approximately \$38 million thus far, in contact tracing and COVID-19 testing, and \$1,200,000 to prepare for the storage and distribution of vaccine, none of which has been the obligation of the City of Tucson.

It should also be remembered Pima County provided all personal protective equipment (PPE) to anyone who needed it. To date, we have spent approximately \$6,000,000 in providing PPE, mostly to businesses to which we provided monthly allocations of PPE to any business with 50 employees or less.

Last Spring, Pima County developed and launched the Back to Business Program. Please recall that you served on the Steering Committee, which I co-chaired with University President Bobby Robbins. That effort guided a community education program that included a \$1,500,000 local advertising campaign featuring both Spanish and English media and accompanying collateral materials to support area businesses.

Ms. Amber Smith

Re: **Your December 17, 2020 Letter Regarding CARES Funds Allocated for Business Assistance Grants**

December 18, 2020

Page 2

In addition, Pima County awarded JobPath an additional \$750,000 to expand job training programs, which directly support area businesses. Also of assistance to area businesses is the \$1,100,000 of direct aid to local fire districts.

Finally, area tenants and landlords, which are frequently small businesses, received \$7,800,000 in direct assistance.

While the \$56,350,000 million delineated above supported the business community in general, much has also been done by Pima County to directly support area merchants.

Perhaps you were simply unaware that Pima County has had offered a wide variety of grants programs to area businesses. These include:

- Small Business and Child Care grants - Countywide \$2,000,000
- Small Business Assistance Program – Downtown Tucson Partnership \$554,000
- Small Business Assistance Program – 4th Avenue Merchants Association \$455,0000
- Small Business Assistance Program – Mount Lemmon Business Economic Association \$50,000
- Back to Business HOWND Gift Card for local businesses \$25,000
- Direct Assistance to area Attractions & Tourism Venues – \$1,136,277
- Direct support to Visit Tucson to support the tourism industry \$ 500,000

When the \$4,720,277 in direct support is added to the \$56,350,000 in general support of business during the pandemic, a total of \$61,075,277 or 70 percent of the Coronavirus Relief Funds receive by Pima County have been spent in direct support of business.

As you can see, Pima County has been more than concerned about the impact of COVID-19 on the public and economic health of the community and has provided dollars directly to address these needs.

Sincerely,



C.H. Huckelberry
County Administrator

Enclosure

c: The Honorable Chairman and Members, Pima County Board of Supervisors
The Honorable Supervisors-elect, Pima County Board of Supervisors
Board of Directors, Tucson Metro Chamber