

Industrial Development Authority of the City of Lexington, Virginia

Monday, October 26, 5:00 p.m.

Electronic Meeting

1. Call to Order
2. Election of IDA Officers
  - a. Election of Chairman
  - b. Election of Vice Chairman
3. Approval of Minutes
  - a. IDA meeting, Monday, June 22, 2020\*
4. Adoption of Resolution Authorizing Procedures for Electronic Public Meetings\*
5. Consideration of a Block Grant Agreement with Main Street Lexington for a Small Business Support Program – Jim Halasz, City Manager, Jake Adams, Finance Director and Rebecca Logan, Main Street Lexington Executive Director\*
6. Discussion of a Site Development Matrix and Marketing Program\*
7. Adjourn

**Minutes**  
**Industrial Development Authority (IDA)**  
**Of the City of Lexington, VA**  
**Monday, June 22, 2020 at 5:00 p.m.**

IDA:

Present: Bruce Summers, Chair  
Charles Aligood  
Felicia Bush  
Dick Halseth (arrived later)  
Tammi Hellwig

Also present:

Staff: Jim Halasz, Secretary  
Jake Adams, Treasurer  
  
Rebecca Logan, MSL Executive Director  
Leslie Straughan, MSL City Council Liaison

Absent: Buddy Derrick

The Industrial Development Authority (IDA) met on June 22, 2020 in the Second Floor Meeting Room of City Hall. Chairman Bruce Summers called the meeting to order at 5:00 p.m.

Approval of Minutes –

**Tammi Hellwig abstained due to being absent at the February 24, 2020 meeting. Felicia Bush moved to approve the February 24, 2020 Industrial Development Authority Minutes. Bruce Summers seconded, and the motion carried unanimously (2/0).**

Appointment of Finance Director Jake Adams as IDA Treasurer –

**Tammi Hellwig moved to appoint Finance Director Jake Adams as IDA Treasurer. Felicia Bush seconded, and the motion carried unanimously (4/0).**

Adoption of Resolution Authorizing Procedures for Electronic Public Meetings –

**Felicia Bush moved to adopt the resolution authorizing procedures for electronic public meetings. Tammi Hellwig seconded, and the motion carried unanimously (4/0).**

Consideration of a Block Grant Agreement with Main Street Lexington (MSL) for a Small Business Support Program –

City Manager Halasz explained the expectations of City Council for the IDAs role in this agreement and getting the CARES funding distributed. He said that City Council would like to see the CARES funding put into the City’s businesses that have suffered losses and disruptions due to COVID-19. City Manager Halasz said that there is no expectation as to how that will occur or how much went to each business. He said that the IDA and MSL will work together to determine those businesses. MSL Executive Director Rebecca Logan gave a background on MSLs mission.

C. Aligood asked how non-profits receive help during COVID-19. Director Logan explained that non-profits are a separate fund and City Council has taken a portion of the CARES money and it is available to non-profits. She added that organizations like RARA have received federal money

and have been offered Community Foundation money. Director Logan said that small businesses in Lexington are the economic engine of the community and they are equally important. T. Hellwig pointed out that providing funding to those small businesses helps those employees keep their jobs.

**Tammi Hellwig disclosed that she does serve on the MSL Board.**

T. Hellwig asked what the pros and cons are to MSL being the mechanism for the distribution of the CARES funds. Director Logan said that the cons are that the funding is a larger amount of money and MSL is not as familiar with businesses outside the commercial district, but they are hoping to collect data from the survey they are creating in order to better understand those businesses. She added that the pros are that MSL has done this and has worked with the City before.

T. Hellwig asked if it is appropriate to ask MSL to handle CARES funds and distribute them to small businesses and if MSL feels they can handle it. Director Logan said that after meeting with B. Summers, City Manager Halasz and Director Adams, she took a draft agreement to the MSL Executive Committee and everything was discussed. The Committee was concerned about the amount of energy that this would take, so they came up with a few variations. After much discussion, the committee and Director Logan are comfortable with the final version. Director Logan added that the City has allocated some of the funds to help with the costs associated with MSL awarding the funds.

D. Halseth asked if MSL has staff that are able to read financial statements and other items that are part of the requirement. Director Logan said that financial statements will not be part of the requirements and MSL has found other ways to make a determination. C. Aligood asked when an audit happens and the auditors ask how the CARES funds were handled and spent who would be in charge of the money. City Manager Halasz said that the City is in charge and responsible of all CARES funds.

**Bruce Summers read the following motion:**

**Now, therefore be it resolved, by the Board of Directors of the Industrial Development Authority as follows:**

- 1. That the Proposal submitted by Main Street Lexington for management of the small business grant program is hereby authorized and ratified.**
- 2. That the Agreement between Main Street Lexington and the Industrial Development Authority for a block grant program not to exceed \$129,927, with all incorporated terms and conditions, is hereby authorized and ratified.**

**Dick Halseth accepted the motion. Tammi Hellwig seconded.**

Referring to Item #9 in the IDA Block Grant agreement:

9. *Main Street Lexington shall indemnify, defend, and hold harmless the Industrial Development Authority and the City of Lexington for all claims against IDA related to the actions or inactions of Main Street Lexington or its agents.*

B. Summers made a recommendation that Item #9 be removed from the agreement. He added that removal of this item has been informally discussed with City Council members and the City Manager and they are comfortable with the removal.

Referring to Item #8 in the IDA Block Grant agreement:

8. *Main Street Lexington may, at its discretion, submit a written request for reimbursement for any actual and direct reasonable expenses incurred from the administration of this grant program, not to exceed 5% of the total amount of disbursed grant funding, to the City Manager of the City of Lexington once all grant funds have been distributed.*

F. Bush asked about MSLs reimbursement fee. Director Logan said that she is happy to discuss the fee with the IDA once it is decided upon.

Referring to Item #6 in the IDA Block Grant agreement:

6. *Main Street Lexington shall set a cap of \$5,000 on the grant funding amount each Eligible Business may receive in order to maximize the number of grant recipients and create an equitable procedure for distribution of grant funds.*

C. Aligood asked why the cap was at \$5,000 in the block agreement, but \$2,000 in the Memorandum of Agreement between the IDA and MSL. It was pointed out that the \$2,000 cap was part of an example and it was suggested that the cap be changed in the MOA to reflect the Block Grant agreement. Director Logan said she accepted the change.

T. Hellwig asked if the monthly gross sales and percentage of lost revenue would be the two calculations made for determination of who receives the grant money. Director Logan explained that they are still debating if it is based on sales, number of employees, expenses, rent, overhead, and payroll. She added that the monthly gross sales and percentage of lost revenue is one example of a way to establish different levels for different sized businesses.

D. Halseth asked if MSLs thought process was to establish the application and once the applications come in and needs are established, then MSL will establish a way to disperse funds based upon those needs. He added that MSL will not know the needs until they see the applications and Director Logan agreed. D. Halseth said his other concern is the confidentiality of the

information. Director Logan explained that the latest form of this application is a word document that is sent from the applicant to MSL. B. Summers verified that Director Logan is saying this is a confidential transaction and the confidentiality will be stated up front to the applicant. Director Logan agreed and said that the data is put into an excel matrix and once the information is put into that matrix, the application gets filed. F. Bush asked if the applications would be subject to the Freedom of Information Act. Director Logan explained that MSL can report the amounts, but the businesses are kept anonymous. B. Summers asked if there will be an announcement at the end of the distribution that lists the businesses that received grants. Director Logan said she thinks it should be in a press release.

D. Halseth referred to the process and asked if the MSL would come back to the IDA on a bulk basis or an individual basis. Director Logan said that MSL would come back to the IDA on a bulk basis. B. Summers asked how MSL plans to segregate the funds from the City and IDA. Director Logan said that the funds from the City and IDA will go into a separate bank account that will not be comingled with MSL funds.

F. Bush suggested adding language to the MOA that reads “have one or more full time employees including the owner.” There were conversations regarding if it should say including the owner or in addition to the owner. B. Summers asked if “have one or more full time employees in addition to the owner,” was sufficient, to which F. Bush agreed.

F. Bush asked when the cutoff date is for applications. Director Logan said that the program will be launched Wednesday, July 1, 2020 and it will be open until Friday, July 10, 2020 close of business.

D. Halseth suggested giving preference to number of employees, so the MOA to read, “To be equitable to all businesses, MSL proposes granting funds based on the size of the business as determined by monthly gross sales, percentage of lost revenue and number of employees.”

**Bruce Summers said that the motion being considered is approval of the MOA with the following two changes:**

- 1. Inserting language that requires an applicant to “have one or more full time equivalent employees in addition to the owner.”**
- 2. Inserting the criteria, “...as determined by monthly gross sales, percentage of lost revenue and number of employees.”**

**Additionally, the IDA Block Grant agreement will have Item #9 removed.**

**Tammi Hellwig recused herself from the vote due to being on the MSL Board.**

**The amended MOA and Agreement was approved unanimously (4/0) as presented by Roll Call Vote:**

**AYES: Aligood, Bush, Halseth, Summers**

**NAYS: None**

Adjournment

Chairman Bruce Summers adjourned the meeting at 6:01 p.m.

---

Bruce Summers, IDA Chair

---

Jim Halasz, IDA Secretary

RESOLUTION OF THE CITY OF LEXINGTON INDUSTRIAL DEVELOPMENT AUTHORITY

**AUTHORIZING THE ADOPTION OF PROCEDURES FOR ELECTRONIC PUBLIC MEETINGS AND PUBLIC HEARINGS TO ENSURE THE CONTINUITY OF GOVERNMENT DURING THE COVID-19 PANDEMIC DISASTER**

WHEREAS, on March 12, 2020, Governor Ralph S. Northam issued Executive Order Fifty-One declaring a state of emergency for the Commonwealth of Virginia arising from the novel Coronavirus (COVID-19) pandemic; and

WHEREAS, Executive Order Fifty-One acknowledged the existence of a public health emergency which constitutes a disaster as defined by Virginia Code § 44-146.16 arising from the public health threat presented by a communicable disease anticipated to spread; and

WHEREAS, Executive Order Fifty-One ordered implementation of the Commonwealth of Virginia Emergency Operations Plan, activation of the Virginia Emergency Operations Center to provide assistance to local governments, and authorization for executive branch agencies to waive “any state requirement or regulation” as appropriate; and

WHEREAS, on March 13, 2020, the President of the United States declared a national emergency, beginning March 1, 2020, in response to the spread of COVID-19; and

WHEREAS, on March 11, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic; and

WHEREAS, on October 1, 2020, the governing body of the City of Lexington (“City Council”) confirmed the declaration of local emergency made by the local director of emergency management on March 17, 2020, specifically finding that the COVID-19 Pandemic constitutes a “disaster” as defined in Virginia Code § 44-146.16, being a “communicable disease of public health threat”; and

WHEREAS, Virginia Code § 15.2-1413 provides that, notwithstanding any contrary provision of law, a locality may, by ordinance, provide a method to assure continuity of government in the event of a disaster for a period not to exceed six months; and

WHEREAS, on October 1, 2020, the City Council, pursuant to Virginia Code § 15.2-1413, adopted an Emergency Ordinance to Effectuate Temporary Changes in Certain Deadlines and to Modify Public Meeting and Public Hearing Practices and Procedures to Address Continuity of Operations Associated with Pandemic Disaster (“Emergency Ordinance”); and

WHEREAS, through its Emergency Ordinance, the City Council specifically found that COVID-19 constitutes a real and substantial threat to public health and safety and constitutes a “disaster” as defined by Virginia Code § 44-146.16 being a “communicable disease of public health threat”; and

WHEREAS, through its Emergency Ordinance, the City Council further found that the COVID-19 pandemic makes it unsafe to assemble in one location a quorum for public bodies including the City Council, the School Board, the Planning Commission, and all local and regional boards, commissions, committees and authorities created by the City Council or to which the City Council appoints all or a portion of its members (collectively “Public Entities” and individually “Public Entity”), or for such Public Entities to conduct meetings in accordance with normal practices and procedures; and

WHEREAS, through its Emergency Ordinance, the City Council adopted certain procedures to ensure

the continuity of government during the COVID-19 Pandemic disaster (“Continuity Procedures”), suspended any deadlines applicable to Public Entities and their staff during the COVID-19 disaster, and authorized Public Entities, at their discretion, to postpone nonemergency public hearings and action items during the disaster; and

WHEREAS, the CITY OF LEXINGTON INDUSTRIAL DEVELOPMENT AUTHORITY, being a public body [CREATED BY City Council PURSUANT TO (APPICABLE CODE SECTION) AND/OR WHOSE MEMBERS ARE APPOINTED BY City Council] is a Public Entity included within the scope of the Emergency Ordinance.

NOW, THEREFORE, BE IT RESOLVED that the CITY OF LEXINGTON INDUSTRIAL DEVELOPMENT AUTHORITY hereby incorporates by reference and adopts the Continuity Procedures prescribed in the Emergency Ordinance, a copy of which is attached hereto; and

BE IT FURTHER RESOLVED that the CITY OF LEXINGTON INDUSTRIAL DEVELOPMENT AUTHORITY hereby authorizes and directs its officers and staff to take all steps reasonably necessary or appropriate to implement such Continuity Procedures and to develop any specific procedures as applicable and appropriate for the CITY OF LEXINGTON INDUSTRIAL DEVELOPMENT AUTHORITY, provided that such specific procedures are consistent with the terms and conditions of the Emergency Ordinance; and

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately upon adoption and shall remain in effect during the pendency of the Emergency Ordinance including for any applicable period upon the re-adoption of the Emergency Ordinance by City Council.

ADOPTED by the CITY OF LEXINGTON INDUSTRIAL DEVELOPMENT AUTHORITY.

APPROVED

\_\_\_\_\_  
ATTEST:

\_\_\_\_\_  
APPROVED AS TO FORM:

\_\_\_\_\_





**IDA Agenda Item  
October 26, 2020**

**Consideration of a CARES Grant Award to Lexington Main Street**

**Background:**

Most of you will recall that last June the IDA Board approved awarding \$129,927 to MSL to be used to support small business in Lexington impacted by Covid. Since that time, the City has received a 2<sup>nd</sup> CARES award and City Council has again provided CARES funds for this purpose. The reason the IDA must consider this matter is that by law the City Council cannot provide funding to business entities and the IDA was created for these types of business support activities.

While consideration of this matter is exactly the same as the task that was before the IDA on June 26<sup>th</sup>, Board Members should feel free to direct questions to staff or MSL representatives. The documents for consideration (Resolution & MOA) are precisely the same as approved on June 26<sup>th</sup>, except as it pertains to dates and funds (a rounding to \$130,000 as opposed to \$129,927). The Board should also note that Main Street Lexington will be updating several of their documents to be sure previous CARES grants and other funding are considered when applications for the award of these funds are considered.

**Recommendation:**

Approve the Resolution and MOA as provided.

**RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF  
LEXINGTON, VIRGINIA AUTHORIZING PROPOSAL AND AGREEMENT WITH  
MAIN STREET LEXINGTON FOR THE AWARD OF SMALL BUSINESS GRANTS IN  
RESPONSE TO THE COVID-19 PUBLIC HEALTH EMERGENCY**

WHEREAS, on July 28, 2020, the City of Lexington, VA received funding from the CARES Act Coronavirus Relief Fund (the “CRF”) to be utilized in response to the COVID-19 public health emergency; and,

WHEREAS, guidance from the United States Treasury contained within a memorandum from the Virginia Secretary of Finance, dated May 12, 2020, permits a locality to transfer CRF funds to another government entity and to utilize all or a portion of the funds toward an economic support program to provide grants to small businesses to reimburse the costs of business interruptions due to required closures and COVID-19 costs to protect the public and employees; and,

WHEREAS, the Industrial Development Authority is a component unit of the City of Lexington and was duly created under the provisions of the Virginia Industrial Development and Revenue Bond Act, Title 15.1, Chapter 33 of the Code of Virginia, for the purpose of promoting industry and developing trade within the City, and is a conduit issuer of public funds to private entities; and,

WHEREAS, at its regular meeting on October 1, 2020, Lexington City Council voted to approve a plan for CRF funding that included a \$130,000 allocation for the Industrial Development Authority toward implementation of a small business grant program in response to the COVID-19 public health emergency; and,

WHEREAS, Main Street Lexington is an entity familiar with the local business community and is well-positioned to distribute grant funding to all eligible small businesses within the City of Lexington; and,

WHEREAS, Main Street Lexington has submitted a Memorandum of Agreement (the “Proposal”), dated October 26, 2020, proposing management of a small business grant program on behalf of the Industrial Development Authority; and,

WHEREAS, an Agreement, dated October 26, 2020, between the Industrial Development Authority and Main Street Lexington authorizing a block grant for purposes of funding the small business grant program (the “Agreement”) has been discussed and negotiated by City officials and Main Street Lexington staff for consideration by this Board.

WHEREAS, the Directors of the Industrial Development Authority deem it advisable and in the best interest of the Industrial Development Authority for the Board to authorize, ratify and approve both the Proposal and the Agreement and all terms therein.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Industrial Development Authority as follows:





## Memorandum of Agreement - DRAFT

THIS AGREEMENT (Agreement), dated this 26<sup>th</sup> day of October, 2020 for identification, is by and between the Lexington City INDUSTRIAL DEVELOPMENT AUTHORITY (IDA), and MAIN STREET LEXINGTON (MSL), a Virginia non-stock, 501(c) 3 corporation, with principal offices at 101 S. Main Street, Lexington, Virginia, 24450.

Main Street Lexington, as tasked by the City of Lexington's Industrial Development Authority, agrees to assist in distributing grants to businesses adversely impacted by the COVID-19 pandemic. Funding for the grants comes to the IDA from the City's federal government Coronavirus Aid, Relief, and Economic Security (CARES) Act passed by Congress in March.

MSL will create and make available a grant application to the small businesses of Lexington; ***we will need assistance from the City in contacting businesses outside the Commercial C1 district.*** We recommend advertising the availability of this grant in the local newspapers for two weeks. MSL will create a landing page on our website with a link to the application, a PDF of a fact sheet or FAQ, and a place to upload the business P&L. MSL will establish a deadline for applications (to be determined upon approval of this MOA); once applications are received and reviewed, we will make a request to IDA for disbursement of monies to MSL. MSL will then distribute grants to the applicants; these steps may be repeated if necessary.

To be equitable to all businesses, MSL proposes granting funds based on the size of the business as determined by monthly gross sales and percentage of lost revenue. Please review the attached application draft. We feel it is necessary to have applications in hand to

be able to establish the criteria needed to determine funding caps. We are proposing the chart below as an example of criteria:

<u>MONTHLY GROSS SALES</u>	<u>FUNDING CAP</u>
Up to \$5,000	\$1,000
\$5,000 - \$10,000	\$2,000
\$10,000 - \$15,000	\$3,000
\$15,000 +	\$4,000

The above numbers serve as examples only; until we have applications in hand, we don't know what the actual amounts are.

MSL also proposes that we obtain and reimburse a separate amount of funding for expenses incurred directly associated with the pandemic, such as PPE, hand-sanitizers, disinfectant supplies, acrylic shields, etc. This amount will be duly noted in the payout, separate from the loss of income funding.

Duly authorized signatures of the parties:

INDUSTRIAL DEVELOPMENT AUTHORITY

By: \_\_\_\_\_

Chairman

Date: \_\_\_\_\_

MAIN STREET LEXINGTON

By: \_\_\_\_\_

Executive Director

Date: \_\_\_\_\_



## **Main Street Lexington Mission and History**

MAIN STREET LEXINGTON (MSL) was established in 2013 to improve the vitality, appearance, and economic health of downtown Lexington, Virginia. We are a public-private partnership with a small staff and a large crew of dedicated volunteers.

Over the last six years we've enticed 27 new businesses to open and filled 17 vacant spaces, improved the appearance of downtown with storefront plantings, public seating areas, and alleyway improvements, and created new events such as Restaurant Week, Jingle Bell Run, Rock the Bridge, and the Lexington Science Festival and Maker Faire. We encourage local shopping through the sale of over \$215,000 in downtown gift certificates and the creation of the annual Holiday Lotto promotion. We assist visitors with our downtown maps.

We hold monthly merchant and restaurant meetings and act as a liaison between the business community, city and county officials, schools, and the public. In 2016 we were honored to receive official Virginia Main Street status, which earns us additional exposure, access to state grants, and technical assistance.

Currently we are partnering with our Chamber of Commerce, Tourism, Rockbridge County and the City of Buena Vista as a member of a county-wide Taskforce during the pandemic.

Beginning in March 2020, we have worked with the Community Foundation for Rockbridge Bath and Allegheny to establish a COVID-19 Relief Fund to help county-wide businesses and non-profit organizations struggling financially due to the shutdown. More than \$100,000 has been raised for this effort. To date, MSL has distributed \$15,000 to 27 Lexington city businesses, with one more round of funding this month.

In May, MSL was awarded a Small Business Relief and Recovery Grant of \$10,000 from the Virginia Department of Housing and Community Development's Community Revitalization Office (this is the department that manages the Virginia Main Street program with which MSL is affiliated). With this grant we created the Lift Lex Gift Card Program to assist downtown businesses and their employees who have been impacted economically by the shutdown. Themed packets consisting of five, \$15 gift cards to five different businesses are available for \$65 with an option to pay the \$75 face value or more. All money above \$65 will go into an employee relief fund established through this program. Sales of these packets are already benefiting Lexington businesses and employees; \$9,295 has gone out to businesses and there is \$2,100 in the employee fund. Our goal is to sell 1,000 packages and inject \$70,000+ into our downtown economy.

**Board of Directors**  
**July 1, 2019 – June 30, 2020**

**Board Member**

Gregg Amonette  
Elizabeth Branner  
Anthony Buenafe  
Jessica Buhler, *Treasurer*  
Paige Gance  
Tammi Hellwig  
Bobby Hobbs  
Jeff Hughes  
Melissa Gladwell Sayre, *President*  
Natalie Shulkin, *Vice President*

**Ex-Officio**

Jean Clark (Visitor's Center)  
  
Jamie Goodin (W&L)  
Holly Ostby (Chamber of Commerce)  
Leslie Straughan (City of Lexington)  
Ben Worth (DSLCC)

**Staff, Consultants**

Rebecca Logan, Executive Director  
Kate Emrich, Staff  
Joanne Peretti, Staff  
Sheila Glaeser, Staff  
Betsy Lee, Consultant  
Lai Lee, Consultant

**Board of Directors**  
**July 1, 2020 – June 30, 2021**

**Board Member**

Gregg Amonette  
Elizabeth Branner  
Anthony Buenafe  
Jessica Buhler, *Treasurer*  
Paige Gance  
Bobby Hobbs  
Jeff Hughes, *President*  
John Kirkpatrick  
Holly Ostby, *Vice President*

**Ex-Officio**

Jean Clark (Visitor's Center)  
  
Jamie Goodin (W&L)  
Leslie Straughan (City of Lexington)  
Ben Worth (DSLCC/Chamber of  
Commerce)

**Staff, Consultants**

Rebecca Logan, Executive Director  
Kate Emrich, Part-time Staff  
Joanne Peretti, Part-time Staff  
Sheila Glaeser, Part-time Staff  
Betsy Lee, Consultant  
Lai Lee, Consultant



**AGREEMENT BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF  
LEXINGTON, VIRGINIA AND MAIN STREET LEXINGTON AUTHORIZING A  
BLOCK GRANT PROGRAM FOR THE AWARD OF SMALL BUSINESS GRANTS IN  
RESPONSE TO THE COVID-19 PUBLIC HEALTH EMERGENCY**

This Agreement is made and entered into this 26<sup>th</sup> day of October, 2020 by the Industrial Development Authority of Lexington and Main Street Lexington, collectively referred to as the “Parties.”

WHEREAS, on July 28, 2020, the City of Lexington, VA received funding from the CARES Act Coronavirus Relief Fund (CRF) to be utilized in response to the COVID-19 public health emergency; and

WHEREAS, a memorandum from the Virginia Secretary of Finance, dated May 12, 2020, contains guidance from the United States Treasury on eligible uses of this funding; and

WHEREAS, the guidance from the United States Treasury permits a locality to transfer CRF funds to another government entity and utilize all or a portion of the funds toward an economic support program to provide grants to small businesses; and

WHEREAS, at its regular meeting on October 1, 2020, Lexington City Council voted to approve a plan for CRF funding that included a \$130,000 allocation for the Industrial Development Authority toward implementation of a small business grant program; and

WHEREAS, the Industrial Development Authority is a component unit of the City of Lexington and was duly created under the provisions of the Virginia Industrial Development and Revenue Bond Act, Title 15.1, Chapter 33 of the Code of Virginia, for the purpose of promoting industry and developing trade within the City; and

WHEREAS, Main Street Lexington is a 501(c)(3) non-profit organization, created as part of the Virginia Main Street Program, whose mission is to enhance the economic prosperity and cultural vitality of the downtown Lexington area; and

WHEREAS, Main Street Lexington is an entity familiar with the local business community and is well-positioned to distribute grant funding to eligible small businesses,

NOW, THEREFORE, in order to implement an economic support program for the purpose of providing aid to small businesses in response to the COVID-19 public health emergency, the Parties do hereby agree and covenant as follows:

1. The Industrial Development Authority shall authorize a block grant program for the benefit of Eligible Businesses with a total grant funding not to exceed \$130,000.
2. Main Street Lexington shall develop easily accessible grant applications for Eligible Businesses. Upon receipt of a sufficient number of applications, Main Street Lexington shall submit a request to the Industrial Development Authority to receive grant funding

equal to the total combined amount of the submitted applications from Eligible Businesses. Main Street Lexington shall obtain from each applicant and provide to the Industrial Development Authority reasonable documentation supporting each individual grant request. Upon approval of each request, grant funds will be disbursed by the Industrial Development Authority to Main Street Lexington. Main Street Lexington shall then distribute such grant funds in a timely manner to each approved grant applicant.

3. Eligible Businesses shall mean for-profit small businesses whose principal activities and principal place of business are conducted and located within the City of Lexington.
4. Main Street Lexington shall take reasonable measures necessary to ensure that all Eligible Businesses are timely informed of the grant and grant process, including all Small, Women-Owned, and Minority-Owned (SWaM) businesses.
5. Before receiving any grant funding, an Eligible Business shall submit a grant application to Main Street Lexington. The grant application shall state at a minimum, for purposes of eligibility for funding, that the grant applicant has incurred revenue losses from business interruptions due to the COVID-19 public health emergency beginning on March 1, 2020. Grant applicants must provide estimates of revenue losses from March 1, 2020 and certify that any grant funding received through this program shall not be used for the purpose of paying any state or local taxes or public utility payments.
6. Main Street Lexington shall set a cap of \$5,000 on the grant funding amount each Eligible Business may receive in order to maximize the number of grant recipients and create an equitable procedure for distribution of grant funds.
7. The grant process shall be made fully transparent and objective, with Main Street Lexington providing to the Industrial Development Authority and City of Lexington a financial accounting and supporting documentation regarding its distribution and use of grant funds.
8. Main Street Lexington may, at its discretion, submit a written request for reimbursement for any actual and direct reasonable expenses incurred from the administration of this grant program, not to exceed 5% of the total amount of disbursed grant funding, to the City Manager of the City of Lexington once all grant funds have been distributed.
9. Main Street Lexington shall indemnify, defend, and hold harmless the Industrial Development Authority and the City of Lexington for all claims against IDA related to the actions or inactions of Main Street Lexington or its agents.

WITNESSETH, the following duly authorized signatures of the Parties:

**THE INDUSTRIAL DEVELOPMENT AUTHORITY OF LEXINGTON, VIRGINIA**

By: \_\_\_\_\_  
Chairman

Date: \_\_\_\_\_

**MAIN STREET LEXINGTON**

By: \_\_\_\_\_  
Executive Director

Date: \_\_\_\_\_



**IDA Agenda Item  
October 26, 2020**

**Discussion of a Site Development Matrix and Marketing Program**

**Background:**

Board Member Aligood has asked that the Board discuss a program to review and evaluate sites in the City that may be considered for development. Mr. Aligood believes such an effort could help the City identify sites for such a use and any potential defects or advantages at the various sites. He also suggested consideration of a possible marketing effort, in support of economic development. One source of funds for these activities could be internal IDA funds.

Mr. Aligood will further describe or outline these items for Board discussion.

**Recommendation:**

Discuss these matters as may be helpful and consider what additional resources or partners may be involved in such an effort.