



September 23, 2021

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of Local Grant Agreement Amendment #5 between Clackamas County and Micro Enterprise Services of Oregon (MESO) for MESO to provide a small grants program on behalf of Clackamas County in support of the local business community impacted by the COVID-19 pandemic

Purpose/Outcomes	Approve a Local Grant Agreement Amendment #5 between Clackamas County and MESO for MESO to provide grants to the Clackamas County small business community. The amendment adds \$2,467,500 in CARES Act funding (issued to County by State of Oregon Department of Administrative Services), as well as \$51,600 in State Lottery dollars, to the agreement to fund administration fees and additional grants to the local small business community.
Dollar Amount and Fiscal Impact	\$2,467,500 (CARES Act CFDA 20.019) and \$51,600 (State Lottery dollars) for programmatic and administrative expenditures allocated as follows: <ul style="list-style-type: none"> a) \$2,332,500 for grants to small businesses pursuant to the terms and conditions of the CARES Act (CFDA 20.019) payable upon execution. b) \$135,000 administrative fee to MESO pursuant to the terms and conditions of the CARES Act (CFDA 20.019) payable upon execution. c) \$51,600 administrative fee to MESO from State Lottery dollars payable upon execution.
Funding Source	<ul style="list-style-type: none"> - CARES Act funds issued to County by State of Oregon Department of Administrative Services - State Lottery dollars
Duration	Term and Effective Date. This Agreement and all amendments become effective on execution. Eligible non-federal expenses for this Agreement may be charged during the period beginning May 21, 2020 and expiring May 31, 2021 , a total of twelve (12) months and ten (10) days. Additional non-federal funding provided in Amendment #5 may be charged during the period beginning July 1, 2021 and expiring December 31, 2021, a total of six months. Eligible federal expenses for this Agreement may be charged during the period beginning May 21, 2020 and expiring December 31, 2021 , a total of eighteen (18) months and forty (40) days.
Previous Board Action	<ul style="list-style-type: none"> • The original agreement with MESO was signed by the BCC on May 21, 2020, Agenda Item # E.1. • Amendment #1 was signed by the BCC on July 16, 2020, Agenda Item # C.4. • Amendment #2 was signed by BCS Director Laura Zentner on behalf of the BCC on August 26, 2020. Board agenda date August 20, 2020, Agenda Item # D.1. • Amendment #3 was signed by BCC Chair Jim Bernard on December 17, 2020. Board agenda date December 17, 2020, Agenda Item # F.1. • Amendment #4 was signed by BCC Chair Tootie Smith on June 16, 2021. Board agenda date June 16, 2021, Agenda Item # A.1.
Strategic Plan Alignment	1) This grant agreement amendment supports the BCS goal of giving businesses access to innovative tools and programs to help them locate or expand in Clackamas County. Providing grants to businesses impacted by COVID-19 will help them make it through the pandemic so they can operate/reopen under the new normal, and eventually expand as economic times improve.

	2) This grant agreement amendment supports the County strategic priority of Growing a Vibrant Economy by providing much needed assistance to Clackamas County small businesses so they can remain in business beyond the COVID-19 pandemic.
County Counsel Review	County Counsel Review Date: September 9, 2021 Counsel Initials: ARN
Procurement Review	Was the item processed through procurement? No This agreement is a grant agreement, therefore is not subject to Procurement oversight.
Contact Person	Sarah Eckman, BCS Interim Director (503) 742-4303
Contract No.	BCS-20-038

BACKGROUND:

Business and Community Services has developed a program with MESO to provide economic and social assistance to Clackamas County small businesses affected by COVID-19. A key element of this program is providing much needed cash to businesses, to assist with sustaining them through the challenges of COVID-19.

On behalf of Clackamas County, MESO has already completed multiple rounds of grants, most recently in June 2021, to hundreds of county businesses. Amending our agreement with MESO will allow us to fund 311 grant applicants who were eligible in the June application period, but were not funded due to lack of dollars. Award amounts are \$7,500. Businesses eligible for these funds had to meet the following criteria, and MESO will query them to confirm they still have eligible expenses and are still open for business:

- i. The business is headquartered in Clackamas County and has its principal operations in Clackamas County.
- ii. If required by Oregon law to be registered with the Oregon Secretary of State to do business in Oregon, the business is so registered.
- iii. The business is either for-profit or an entity tax-exempt under section 501(c)(3) of the Internal Revenue Code.
- iv. During the Performance Period, the business incurred necessary expenditures due to the COVID-19 public health emergency, including those necessary expenditures incurred in response to Grantee's return to an "Extreme Risk" level effective as of April 30, 2021.

The following businesses were **ineligible** to apply for or receive funding under the Program:

- 1) Passive real estate holding companies and entities holding passive investments.
- 2) Non-profit entities that do not have federal 501(c)(3) status.
- 3) Businesses that experience a decline in revenues for reasons other than those caused by the COVID-19 pandemic (e.g. seasonal or cyclical businesses cycles).
- 4) Businesses that are delinquent on federal, state or local taxes that were due on or before the date of application.
- 5) Businesses that do not comply with all federal, state and local laws and regulations.
- 6) Businesses that have closed and do not intend to reopen.

RECOMMENDATION:

Staff respectfully recommends the BCC approve the grant agreement amendment #5 with MESO.

ATTACHMENT:

Local Grant Agreement Amendment #5 between Clackamas County and Micro Enterprise Services of Oregon (MESO)

Respectfully submitted,



Sarah Eckman
Interim Director, Business & Community Services

Federal and State Subrecipient Agreement Amendment (FY 21-22)
Business & Community Services

<u>Subrecipient Grant Agreement Number No. 20-038</u>	<u>Board Order Number:</u>
<u>Department/Division: Business & Community Services</u>	<u>Amendment No. 5</u>
<u>Recipient: Micro Enterprise Services of Oregon</u>	<u>Amendment Requested By: Business & Community Services</u>
Changes: <input checked="" type="checkbox"/> Work Plan	<input checked="" type="checkbox"/> Agreement Budget
<input checked="" type="checkbox"/> Agreement Term	<input type="checkbox"/> Other: Add federal terms and conditions

Justification for Amendment:

This Amendment #5 is entered into between Micro Enterprise Services of Oregon ("Subrecipient") and Clackamas County ("County") and shall become part of that Subrecipient Grant Agreement ("Agreement") entered into by and between both parties on May 21, 2020. This Amendment #5 adds additional funds to extend business relief payments, adding additional CARES and State Lottery dollars. This Amendment adds to the maximum compensation and extends the duration of the Agreement.

Maximum compensation is increased by \$2,519,100 for a revised maximum of \$8,124,942. This Amendment #5 becomes effective upon signature and extends the award period of performance to December 31, 2021. The purpose of this Amendment #5 is to make the following changes to the Agreement:

1. **AMEND Section 1. Term and Effective Date:**

Term and Effective Date. This Agreement and all amendments become effective on execution. Eligible **non-federal** expenses for this Agreement may be charged during the period beginning **May 21, 2020 and expiring May 31, 2021**, a total of twelve (12) months and ten (10) days. Eligible **federal** expenses for this Agreement may be charged during the period beginning **May 21, 2020** and expiring **December 31, 2021**, a total of eighteen (18) months and forty (40) days.

WITH:

Term and Effective Date. This Agreement and all amendments become effective on execution. Eligible **non-federal** expenses for this Agreement may be charged during the period beginning **May 21, 2020 and expiring May 31, 2021**, a total of twelve (12) months and ten (10) days. ***Additional non-federal funding provided in Amendment #5 may be charged during the period beginning July 1, 2021 and expiring December 31, 2021, a total of six months.*** Eligible **federal** expenses for this Agreement may be charged during the period beginning **May 21, 2020** and expiring **December 31, 2021**, a total of eighteen (18) months and forty (40) days.

2. **Section 4, Grant Funds**, is hereby replaced with the following:

Grant Funds. The maximum, not to exceed, grant amount COUNTY will pay is **\$8,124,942**. Disbursements will be made in accordance with the schedule and requirements contained in Exhibit D: Required Financial Reporting and Payment Request. Failure to comply with the terms of this Agreement may result in withholding of payment. Funding on this award is sourced as follows:

- 4.1 **CARES Act (Catalogue of Federal Domestic Assistance [CFDA] #: 21.019)** issued to COUNTY by DAS and the U.S. Department of the Treasury (Federal Award Identification #: Unavailable) and reserved for small business grant payments: **\$311,000.**
- 4.2 **COUNTY State Lottery dollars** reserved for technical assistance, online tool development, and administration fees: **\$294,806.**
- 4.3 **COVID-19 Emergency Business Assistance Program Forgivable Loan dollars** entered into between the County and the State of Oregon (“State Business Assistance Loan”) (Loan Agreement No. C2020197), reserved for small business grant payments: **\$45,000**
- 4.4 **Second COVID-19 Emergency Business Assistance Program Forgivable Loan dollars** entered into between the County and the State of Oregon (“Second State Business Assistance Loan”) (Loan Agreement No. C2020385), reserved for small business grant payments: **\$155,000**
- 4.5 **CARES Act (Catalogue of Federal Domestic Assistance [CFDA] #: 21.019)** issued to County by DAS and the U.S. Department of the Treasury (Federal Award Identification #: Unavailable; State grant #2503) and reserved for small business grant payments and administration fees: **\$4,179,636.**
- 4.6 **CARES Act (Catalogue of Federal Domestic Assistance [CFDA] #: 21.019)** issued to County by DAS and the U.S. Department of the Treasury (Federal Award Identification #: Unavailable) and reserved for small business grant payments and administration fees: **\$672,000.** (Added via Amendment #4)
- 4.7 **CARES Act (Catalogue of Federal Domestic Assistance [CFDA] #: 21.019)** issued to County by DAS and the U.S. Department of the Treasury (Federal Award Identification #: SLT0038) and reserved for small business grant payments and administration fees: **\$2,467,500.** (Added via Amendment #5)

3. **Section 5, Disbursements**, is hereby amended to add the following:

5.4 \$2,467,500 (CARES Act **CFDA 20.019**) for programmatic and administrative expenditures allocated as follows:

- i. Additional \$2,332,500 for small grants to small businesses pursuant to the terms and conditions of the CARES Act (**CFDA 20.019**) payable upon execution.
- ii. Additional \$135,000 administrative fee to SUBRECIPIENT pursuant to the terms and conditions of the CARES Act (**CFDA 20.019**) payable upon execution.

SUBRECIPIENT must invoice COUNTY to receive advanced payment of the amounts listed in this section (5.4).

5.5 \$51,600 in State lottery dollars for administrative fees.

4. **Exhibit A, Statement of Program Objectives**, the following language is hereby added to this Exhibit:

CARES Act funds (\$2,332,500) added to this Agreement in Amendment #5 will be disbursed by SUBRECIPIENT to Clackamas County businesses via two (2) methods:

- a) **Fund Unfunded Grant Applications:** Fund 311, \$7,500 grant applications received under Clackamas County’s prior grant application period(s) that were not funded due to applications in excess of the available grant funding. Prior grant application period

provided a simplified, \$7,500 flat award amount, grant application process whereby the following are true:

- 4.4.1 The business is headquartered in Clackamas County and has its principal operations in Clackamas County.
- 4.4.2 If required by Oregon law to be registered with the Oregon Secretary of State to do business in Oregon, the business is so registered.
- 4.4.3 The business is either for-profit or an entity tax-exempt under section 501(c)(3) of the Internal Revenue Code.
- 4.4.4 During the Performance Period, the business incurred necessary expenditures due to the COVID-19 public health emergency, including those necessary expenditures incurred in response to Grantee’s return to an “Extreme Risk” level effective as of April 30, 2021.

The following businesses are **ineligible** to apply for or receive funding under the Program:

- 1) Passive real estate holding companies and entities holding passive investments.
- 2) Non-profit entities that do not have federal 501(c)(3) status.
- 3) Businesses that experience a decline in revenues for reasons other than those caused by the COVID-19 pandemic (e.g. seasonal or cyclical businesses cycles).
- 4) Businesses that are delinquent on federal, state or local taxes that were due on or before the date of application.
- 5) Businesses that do not comply with all federal, state and local laws and regulations.
- 6) Businesses that have closed and do not intend to reopen.

5 **Exhibit B, Program Budget** is hereby replaced with the following amended budget:

	CARES (CFDA 21.019)	Lottery (Local funding)	State # C202197	State # C2020385	Total
Program Assistance	7,203,609		45,000	155,000	7,403,609
Technical Assistance		100,000			100,000
Online tools		1,500			1,500
Admin Fee	426,527	193,306			619,833
Total	7,630,136	294,806	45,000	155,000	8,124,942

Except as amended hereby, all other terms and conditions of the Agreement remain in full force and effect.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment #5 to be executed by their duly authorized officers.

Micro Enterprise Services of Oregon

4008 NE MLK Jr. Blvd.
Portland, OR 97212

CLACKAMAS COUNTY

Commissioner: Tootie Smith, Chair

Commissioner: Sonya Fischer

Commissioner: Mark Shull

Commissioner: Paul Savas

Commissioner: Martha Schrader

Signing on behalf of the Board:

Name: Cobi Lewis

Title: Executive Director

Signed:  _____

Dated: 09 / 07 / 2021

Tootie Smith, Chair

Dated: _____

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Document History



SENT

09 / 07 / 2021

17:52:22 UTC

Sent for signature to Cobi Lewis (clewis@mesopdx.org) from clewis@mesopdx.org
IP: 73.67.198.200



VIEWED

09 / 07 / 2021

17:53:16 UTC

Viewed by Cobi Lewis (clewis@mesopdx.org)
IP: 73.67.198.200



SIGNED

09 / 07 / 2021

17:55:27 UTC

Signed by Cobi Lewis (clewis@mesopdx.org)
IP: 73.67.198.200



COMPLETED

09 / 07 / 2021

17:55:27 UTC

The document has been completed.