



COVID ALERT: MICRO-RETAIL IS BEING LEFT BEHIND

Downtown's mom and pop retail stores are at a greater risk of closure due to COVID. Federal stimulus dollars have been targeted primarily to business operations with employees, not to solo owner/operators. The downtown sole-employee business (located in low income census tracts) is uniquely disaffected by the lack of tourist and convention foot traffic. Most important, micro-retailers are coming up against many barriers to accessing forgivable loans provided by the federal government:

- The federal government is sending mixed messages regarding the parameters of the expected May launch of Illinois' Pandemic Unemployment Assistance - potentially leaving single owner/operators out.
- The Paycheck Protection Program helps businesses with many employees. It is uncertain whether a micro-retailer will be able to achieve the threshold to make their loan forgivable (75% spent on payroll expenses). There is no adequate revenue forecast until downtown's convention and tourist economy bounces back. These micro-retailers don't take a traditional salary from their business, but take periodic draws when the revenue is positive. Currently this program has run out of funds.
- If they do employ staff, most Springfield micro-retailers did not employ employees in January, as this is our "low season." This limits their ability to win EIDL's Emergency Economic Injury Grant. Plus, early marketing of these \$10k grants are now being modified to say that grants represent \$1k per employee -- employees which most micro-retailers do not have. Currently this program has run out of funds.

MICRO-RETAIL DATA FROM OUR SURVEY

92%
LEASE THEIR SPACE

69%
HAVE DECREASED REVENUE OF MORE THAN 75%

60%
HAVE AN AVERAGE OF \$6250 IN HARD COSTS THROUGH JUNE 1



Mayor and Aldermen -- Please use the city's stimulus CDBG dollars to fill this gap and HELP OUR MICRO-RETAILERS. The sales tax generated by these businesses coming out of recovery will offset this upfront investment by the City.

Other Cities Using CDBG for Micro-Biz

Sterling, IL COVID-19 Loans

\$300,000 Revolving Loan Fund providing 3-year-term loans at 1% interest of up to \$10,000 to assist with rent or mortgage payments, utilities, employee retention and other working capital needs

Boston, MA Business Relief Fund

Grants up to \$10k for fixed debts, payroll, accounts payable, lost sales, lost opportunities, and other working capital expenses. Micro-biz must provide proof of address & a 2019 tax return and be in good standing with City.