

Memorandum of Understanding

Between

Cobb County Board of Commissioners

and

Cobb Chamber

This Memorandum of Understanding (MOU) sets forth the terms and understanding between the Cobb County Board of Commissioners (the “Board”) and the Cobb Chamber to administer the emergency funding by the Board in the current proposed amount of up to \$50,000,000.00 to be used to directly improve unemployment numbers by providing cash grants to locally owned and operated small businesses adversely affected by the Corona Virus Disease 2019 (COVID-19).

Background

The World Health Organization declared COVID-19 a world health emergency and a global pandemic. A National Public Health Emergency was declared for the United States on March 13, 2020. And, the Governor of the State of Georgia declared a State Public Health Emergency in Georgia on March 14, 2020, currently extended through June 12, 2020. Further, the Governor of Georgia issued a shelter in place order through April 30, 2020, currently extended through June 12, 2020 for medically fragile persons, necessary to prevent the spread of COVID-19, which has had devastating effects on the economy and the ability of Cobb citizens to care for their families.

Purpose

In an effort to aid some of those adversely affected by COVID-19, on May 26, 2020, the Board approved emergency funding in the amount of up to \$50,000,000.00 to be used to directly improve unemployment numbers by providing cash grants to locally owned and operated small businesses adversely affected by COVID-19, and may consider additional funding in the future, if necessary (collectively the “COVID-19 Donation”).

As one of the most influential business advocacy organizations in Georgia and one of the top three chambers in the nation, the Cobb Chamber is dedicated to bringing the community and its leaders together to create jobs and strengthen the economy and quality of life so businesses and the community can achieve more.

The Cobb Chamber recently conducted a survey of local businesses to assess the effects of COVID-19 and the necessary federal and state Orders. Some of those findings include the following:

- 92% of the respondents had fewer than 100 employees;
- 32% said that COVID-19 may put them out of business and an additional 47% stated COVID-19 is having a major adverse effect on their financials;
- 43% said that COVID-19 is impacting their workforce levels;
- 57% are experiencing significant revenue reductions;

- 38% have had to close their physical business due to COVID-19; and
- 60% need financial support to help them continue operations.

Small businesses with their headquarters, regional office, central office or primary in Cobb County and with less than 100 full-time employees will be eligible to apply. All applications must be received by the application deadline of June 26, 2020 in order to be considered. The application shall include the following documentation:

- A detailed description of how the funds are to be used, including a timeline for rehiring employees;
- 2018 & 2019 balance sheets;
- 941 Internal Revenue Service forms for 4th Quarter 2019, 1st Quarter 2020, and, when available, 2nd Quarter 2020;
- Stimulus fund affidavit confirming that no PPP funds and/or CARES Act SBA loans have been received by the business.

The following are the requirements for all small businesses in order to be considered:

- Business must be an existing for-profit corporation, partnership, or sole proprietorship;
- Business headquarters, regional office, central office, or primary location must be within Cobb County;
- Business must have 100 or fewer full-time, W-2 employees, i.e., employees working at least 30 hours per week or 130 hours per month;
- Business must have been in continuous operation for a minimum of 1 year prior to March 13, 2020;
- Business must have a current business license issued by Cobb County Government, City of Acworth, City of Austell, City of Kennesaw, City of Marietta, City of Powder Springs, or City of Smyrna;
- Business must be current on all local taxes;
- Business must be located in an owned or leased commercial space;
- 60% of the grant monies must be spent on personnel for rehiring and/or maintaining employees;
- Business must not have received any PPP funds and/or CARES Act SBA loans; and
- Business cannot be a publicly traded company.

The applications will be reviewed by Commission District so that all areas are equally represented in the number of companies approved for grants. The amount of funding awarded to an individual small business will vary based on the business size as follows:

- 1 to 10 employees – up to \$20,000;
- 11 to 50 employees – up to \$30,000;
- 51 to 100 employees – up to \$40,000.

Once the independent committee has approved the applicants, each small business will be required to sign a Memorandum of Agreement that provides the following:

- The total grant amount;
- How the funds will be disbursed;
- Requirements for how the funds are to be used;

- Agreement to the following accountability measures: 1) monthly reporting of how the funds are used until they have been exhausted; and 2) proof of rehiring/retaining employees;
- A claw back provision stating that companies that do not meet their commitment will be required to pay the monies back to Cobb County;
- The funds will be disbursed in two increments: the initial disbursement of 50% of the total grant amount, at the time the Memorandum of Agreement is signed; and a second disbursement of the remaining 50% will be paid to the company once proof of rehiring/maintaining the current workforce is provided;
- Companies that do not provide the proof of rehiring/maintaining their workforce will be subject to the claw back provision of the Memorandum of Agreement; and
- Companies must request the second disbursement of grant funds no more than sixty (60) days after the first disbursement is provided.

The COVID-19 Donation shall be administered by the Cobb Chamber. Cobb County intends to compensate Cobb Chamber for the grant administrative services in an amount not to exceed \$500,000.00, or 1.0% of the allocated funds. Administrative services will include education sessions about the grant opportunities which will be conducted via social media, newsletters, CobbTV, email, and a webinar. Cobb Chamber and the Board shall create an independent committee to review all complete and eligible applications.

The committee shall be from all areas of Cobb County and include a diverse group of industries, as follows: 2 bankers; 2 CPAs; 2 lawyers; 2 CEOs; 4 small business owners; 5 small business representatives selected by BOC members; the Cobb County Planning and Economic Development Manager; and 1 county representative. The Chairman of the Board of Commissioners will appoint the county representative as well as appoint a member of the committee to serve as the Chairperson.

The COVID-19 Donation shall be held by the county and the Cobb Chamber shall submit statements for all approved grants. Any funds not distributed by December 30, 2020, the required “incurred by” date set forth in the Coronavirus Aid, Relief, and Economic Security Act, shall be forfeited. The Cobb Chamber agrees to maintain records of all application materials, whether approved or denied, for a period on seven years and agrees to provide such records to Cobb County upon request.

Funding

On April 24, 2020, the Department of the Treasury remitted electronic payment from the Coronavirus Relief Fund, in the amount of \$132,638,742.70, to Cobb County. The Board has formally accepted the funds from the Department of the Treasury and established a new fund (CARES Fund 278) to hold these monies in contingency pending future Board action to approve specific, eligible expenditures per the CARES Act.

In the event that the Board approves this emergency funding appropriation, funding will be available from the CARES Fund 278 as follows \$50,000,000.00 (contributions) and \$500,000.00 (professional services). Both items being eligible expenditures substantially related to COVID-19.

Duration

This MOU is at-will and may be modified by mutual consent of authorized officials from Cobb County and the Cobb Chamber. This MOU shall become effective upon the signature by the authorized officials from Cobb County and the Cobb Chamber and will remain in effect until modified or terminated by either party by mutual consent. In the absence of mutual agreement by the authorized officials, this MOU shall end on June 15, 2020 if not executed by the parties.

COBB CHAMBER

COBB COUNTY, GEORGIA

By: _____
Title: _____

By: Michael H. Boyce
Title: Chairman, Cobb County Board
Of Commissioners

ATTEST: _____
County Clerk's Office