


COUNCIL COMMUNICATION

	Number:	21-013	Meeting:	January 11, 2021
	Agenda Item:	[_____]	Roll Call:	[_____]
	Submitted by:	Erin Olson-Douglas, Development Services Department Director		

AGENDA HEADING:

Approval of Administration and Funding of City’s COVID-19 Restaurant Relief Program.

SYNOPSIS:

To alleviate financial stress to the restaurant community as a result of the COVID-19 pandemic, City staff is recommending a grant program that would reimburse Des Moines restaurants for delivery/takeout supplies through the winter 2021.

FISCAL IMPACT:

Amount: Approximately \$300,000

Funding Source: Economic Development Division Enterprise Fund

ADDITIONAL INFORMATION:

- The intent of the program is to preserve the unique taste, flavor, and creativity of Des Moines’ restaurants. Restaurants are a key element to the character and diversity of Des Moines, and an important employer in the region. The goal is to safely stimulate business to local restaurants through the coming winter months by subsidizing takeout/delivery supplies for restaurant takeout and delivery orders.
- The Iowa Restaurant Association estimates that Iowa could lose up to 60% of restaurants statewide.
- Grants would be provided in the form of reimbursements of up to \$7,500 to local restaurants for takeout/delivery supplies. All funds will be distributed to Des Moines restaurants on a first-come, first served reimbursement basis.
- Eligibility criteria:
 - Supply charges incurred by restaurants beginning December 1, 2020 are eligible for reimbursement.
 - Restaurant order delivery fees charged by independent third-party delivery sources (i.e. Grub Hub, Door Dash, and similar services) are not eligible for reimbursement.
 - Restaurants with a physical location in the City of Des Moines are eligible.

- No individual(s), parent company, or management company owning or operating more than one Des Moines restaurant shall receive more than \$15,000 cumulative total from the program for all restaurants owned or operated by said individual(s) or companies, including wholly-owned subsidiaries thereof.
- Restaurants that have an on-site drive-thru are not eligible.
- Reimbursements for supplies related to takeout/delivery services can include warmer bags, disposable containers, and other supplies to facilitate takeout/delivery most effectively. Takeout/delivery supply reimbursements exclude consumables, equipment, technology investments, and payroll expenses.
- Restaurants maintaining fewer than three waitstaff per shift prior to December 1, 2019 shall not be eligible for the program due to the intent of the program to attempt to minimize interactions between waitstaff and the general public for health and safety purposes and to assist with preventing the spread of COVID-19 throughout the community.
- Restaurants that have been in business since at least December 1, 2019, shall not be eligible if they have not suffered significant year-over-year revenue loss of a minimum of twenty percent (20%) from April 1, 2020 through January 1, 2021.
- A “restaurant” for purposes of and eligibility in the program shall be an establishment that serves food or beverages for on- or off-premise consumption as its principal business, such as cafes, cafeterias, ice cream or yogurt shops, donut shops, and coffee shops, and at which at least fifty percent (50%) of the gross receipts are derived from the sale of prepared food and food-related services, excluding the sale of alcoholic beverages, as identified in Des Moines Municipal Code Chapter 134-3.5.9(A).
- The City shall reserve the opportunity to request additional information or clarification from any restaurant applicant, as determined necessary by City staff administering the program, including but not limited to request(s) for affidavit from applicant(s) and/or supporting documentation demonstrating year-over-year revenue loss when applicable.
- **Timing/process:**
 - First round of submissions will be accepted in the last week of January 2021, and the final date of the program will be April 30, 2021.
 - Applications will be accepted until funding is exhausted or 5 p.m. on April 30, 2021, whichever comes first.
 - For takeout/delivery supply reimbursement requests, eligible receipts, including but not limited to date, time, supplier, and itemized list of supplies (including cost), will need to be submitted.
 - W-9s for the restaurant requesting reimbursement will be required.
 - City staff will conduct the review for eligibility.
 - Funding will be distributed by the City of Des Moines after required documents are submitted; the City will make every effort to reimburse in timely fashion.
- Economic Development staff will work with the Communications Office and City Equity Coordinator to provide internal outreach support and coordinate with the Iowa Restaurant Association, Des Moines Chambers of Commerce, and Downtown Community Alliance for external outreach and marketing.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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