



City of Charles Town

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MEMORANDUM TO THE MAYOR AND CITY COUNCIL

FROM: Daryl Hennessy, City Manager

SUBJECT: City Manager's Report

DATE: April 21, 2020

ADMINISTRATION AND OPERATIONS

Downtown Business Updates. Fifteen of Charles Town's businesses recently responded to an economic survey conducted by the National Main Street program about the impact of COVID-19 on their businesses. The number of respondents was second in the state to only Charleston, which had seventeen businesses respond. Data for the Charles Town respondents show that the economic impact of this crisis could be significant with eleven of the fifteen businesses reporting they were likely to discontinue operations if the shut-down lasted between three to five months. Ten of the fifteen businesses reported their sales had already dropped at least 50% since March 2020. Attached to this report is a summary of three programs being offered by the US Small Business Administration to help support businesses at this time. This information has been widely distributed to Charles Town's downtown businesses and posted on the city's website on the COVID-19 resource page.

City of Charles Town Annexation Case. The WV Supreme Court of Appeals has decided to hear oral arguments from the City and Jefferson County regarding the minor boundary annexation case that was appealed last year. The Court will schedule the hearing for some time during their September 2020 term. I will continue to provide updates as additional details are known.

PUBLIC WORKS AND UTILITIES

Charles Town Utility Board (Board). The Board met virtually, via the Go-To-Meeting platform, on April 8, 2020. At the meeting, the Board approved a contingent contract for H2O Innovation for \$366,180 to replace the Tuscowilla Treatment Plant Membrane Reactor. The contract was contingent upon the receipt of final performance and payment bonds and a certificate of insurance. The work was scheduled to begin April 15, with substantial completion to occur in 150 days. The Board also approved a second payment for the Route 9 sewer project of nearly \$1.36 million for construction, DOH bond and inspection fees, and engineering services. The Board also approved a resolution exempting emergency responders from the Families First Coronavirus Response Act and received updates on the Modified Flowing Springs Project and a sewer request for Beallair/Sleepy Hollow.

Route 9 Road Closure. Road closures on State Route 9 through Hillsboro, VA will begin on or about May 4, 2020 and last through mid to late June. Hillsboro is located about five miles east of the West Virginia State Line. A regional detour using US Route 340 and Virginia State Route 7 will be provided. More detailed information is available at www.ReThink9.com.

Attachment

**Small Business Administration (SBA)
COVID-19 Assistance
As of April 15, 2020**

EIDL (Economic Injury Disaster Loan) Emergency Grants

- Up to \$10,000
- Sole Proprietorship with 500 or less employees
- Most uses including rent, mortgage, payroll
- Apply through SBA

EIDL (Loan)

- Up to \$2,000,000
- Most uses including rent, payroll, accounts payable, etc.
- Not Forgivable
- 3.75% annual rate
- Apply through SBA

Paycheck Protection Program (PPP)

- 2.5x Avg Month Payroll, capped at \$100,000 per employee
- 500 or fewer employees
- Opened to Sole Proprietorships as of 4/10
- Covers 8-week time frame
- Uses: Payroll, salaries, rent
 - 75% of money used must go towards payroll and employee retention
 - Employees must make 75% of what they were making prior to COVID19
 - Must have same number of employees as of 2/15/2020
- Must apply through local bank:
 - BCT, United, City are all actively processing PPP applications
- Must apply for forgiveness
 - Must keep accurate records
 - If not forgiven, it becomes 1% Interest Loan

General Information

- Businesses can apply for all three programs but need to indicate use for different time periods. They cannot be used in the same time period. Ideally, these can keep a business open longer as they can be used consecutively.
- Businesses are encouraged to apply for all three programs and most downtown businesses already have applied.
- Businesses should apply even if they are unsure if they will take the assistance. They can always reject the loan upon approval.
- Approximately a five-week turnaround for processing loans.