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[www.JEDC.org](http://www.JEDC.org)

To: JEDC Board of Directors  
From: Brian Holst, Executive Director  
Date: September 10, 2024  
Re: JEDC Response to COVID-19 Pandemic

## Introduction

The activities of the Juneau Economic Development Council (JEDC) were dramatically impacted by the coronavirus disease 2019 (COVID-19) pandemic. In March 2020, JEDC implemented an emergency loan program for businesses with funds from the City & Borough of Juneau (CBJ). By June, JEDC was assisting the State of Alaska (SOA) and the Alaska Industrial Development and Export Authority (AIDEA) to deliver \$290 million in AK CARES funding to Alaskan businesses (JEDC eventually delivered more than a third of that program), as well as supporting CBJ to support local businesses through grant programs also funded by the federal CARES Act. In September 2021, SOA contracted JEDC to administer the \$90 million-dollar AK ARPA Business Relief Program. JEDC hired nearly fifty additional staff, mostly part-time and almost entirely remote, to deliver these programs.

This report highlights JEDC's response to the extraordinary needs of the pandemic, taking on huge additional responsibilities to the best of our ability under emergency conditions.

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## CBJ COVID-19 Emergency Loan Program

In April 2020, the CBJ Assembly provided JEDC with \$3 million to create and administer an emergency loan program for small businesses in Juneau negatively impacted by the pandemic. Within 48 hours of approval by the CBJ Assembly, JEDC had approved and released funds to the first impacted businesses that applied. From April to November 2020, JEDC received, processed, and funded applications for the CBJ COVID-19 Emergency Loan Program. Loan recipients received an automatic six-month grace period before payments began, with the option of six additional months of deferral, if requested. Additionally, interest was forgiven or refunded if loans were fully repaid within twelve months. Presently, the program remains in loan servicing phase and JEDC continues our collection efforts, including processing payments, sending invoices, and communicating with borrowers.

### *Program Highlights*

- JEDC processed 205 applications.
- JEDC approved 173 loans, totaling \$3,051,750.
- Overall, the recovery of funds continues to be better than anticipated. Of the 173 originally approved, 149 have been paid off. JEDC returned 5 loans as “uncollectable” to CBJ in 2023.
- JEDC continues collections on 19 remaining loans, totaling \$96,643.42 in outstanding capital. In June 2024, we requested the return of 15 of these loans – representing over 95% of capital – to CBJ for further collection or write-off and await their decision.



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- Of the \$3 million in original loan capital, a total of \$2,804,893.81 has been recovered by JEDC. JEDC has returned \$2.8 million to CBJ. This leaves JEDC with \$101,537.23 of CBJ funds under administration for this program.

### **CBJ Business Sustainability Grant Program**

In several phases from June to September 2020, the CBJ Assembly allocated \$14 million of the city's federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding to help Juneau businesses survive the cancelled summer cruise season. CBJ asked JEDC to administer the CBJ Business Sustainability Grant Program on a cost-recovery basis.

#### *Program Highlights*

- JEDC disbursed over \$13.3 million to 443 Juneau businesses from June to December 2020 through the CBJ Business Sustainability Grant Program.

### **CBJ Extreme Hardship Grant Program**

In November 2020, CBJ allocated an additional \$2.3 million in federal CARES Act funding to support businesses hit hardest by the pandemic under the CBJ Extreme Hardship Grant Program and requested JEDC to administer further aid.

#### *Program Highlights*

- JEDC disbursed \$2.3 million to 92 Juneau businesses in December 2020 through the CBJ Extreme Hardship Grant Program.

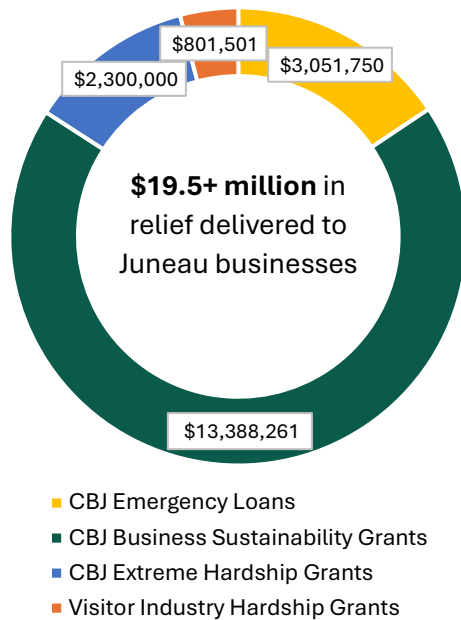
### **Visitor Industry Hardship Grant Program**

In November 2021, JEDC and the Juneau Chamber of Commerce (JCC) each received \$400,000 donations from Norwegian Cruise Lines, part of a \$1 million contribution that NCL made to the Juneau community dealing with economic impact of the loss of cruise ship visitors in 2021. By December, JEDC began accepting applications for the Visitor Industry Hardship Grant (VIHG) Program, which delivered just over \$800,000 in relief to businesses directly impacted by the lack of visitors, as well as those businesses that may have missed out on other federal, state, and local stimulus programs. A joint committee of members of the JEDC and JCC Boards of Directors created guidelines and rules and made final decisions on applicant cases. JEDC paid for the administration of this program with our own resources.

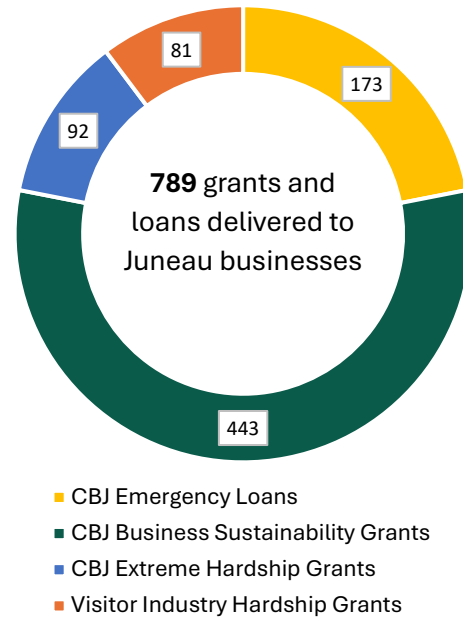
#### *Program Highlights*

- JEDC staff reviewed 129 applications, which were evaluated based on criteria detailed in the application process, along with independent verification of CBJ sales tax revenue and other program grants and loans.
- JEDC disbursed \$801,501 to 81 businesses in Juneau that saw at least a 50% reduction in revenue when comparing the 2019 and 2021 cruise seasons.
- JEDC also directed \$83,624.26 to CBJ to cover existing debts and balances held by some applicants. Of that, \$53,387.49 went to CBJ COVID-19 Emergency Loan balances, and \$30,236.77 covered delinquent sales and property taxes.

**Amount of Local Pandemic-Era Assistance Disbursed to Juneau Businesses by JEDC (2020-2024)**



**Number of Local Pandemic-Era Grants and Loans Disbursed to Juneau Businesses by JEDC (2020-2024)**



### AK CARES Program

In response to Governor Dunleavy’s Public Health Disaster Emergency Declaration in March 2020, the Alaska Department of Commerce, Community, and Economic Development (DCCED) established a grant program to provide \$290 million in federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding to small Alaskan businesses impacted by the COVID-19 pandemic. By June, DCCED contracted with the Alaska Industrial Development and Export Authority (AIDEA) to manage and implement the AK CARES Program. In addition to assistance provided by DCCED, AIDEA also contracted with a program operator, Credit Union 1 (CU1), to help process grants. After slower than expected processing times throughout the summer, AIDEA contracted JEDC in August to support and speed up delivery of aid to businesses (initially in Southeast Alaska and then) throughout the entire State.

#### Program Highlights

- JEDC processed 2,001 applications.
- JEDC disbursed just over \$101 million in emergency aid to 1,914 Alaskan businesses with an average award of approximately \$52,859. This included \$39.1 million to 802 businesses in Southeast Alaska, with \$9.5 million to 192 businesses specifically in Juneau.
- JEDC disbursements accounted for nearly 36% of the total \$282 million delivered under the AK CARES program.



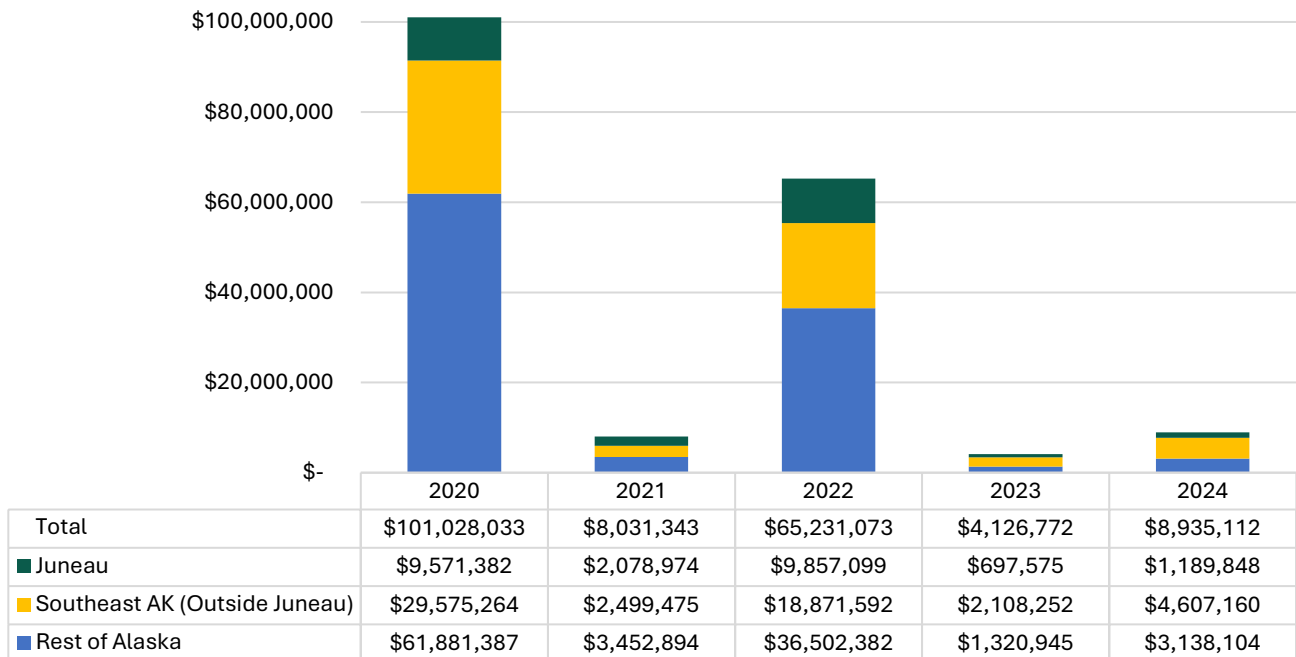
**AK ARPA Business Relief Program**

The Alaska State Legislature appropriated \$90 million from the State's allocation of American Rescue Plan Act (ARPA) Covid State and Local Fiscal Recovery Funds (CSLFRF) toward a tourism and business relief grant program, entitled the AK ARPA Business Relief Program, to be administered by DCCED. Under contract with DCCED, JEDC managed and implemented the program. In Round One, applicants must have experienced a reduction of 50% or more in net income between 2019 and 2020 while Round Two applicants must have experienced a reduction of 50% or more in gross annual income (GAR) between the same years. Later criteria changes in Round Two included the definition of an Alaska-based business as having 51% or more business revenue generated in activities and/or services performed in Alaska and that forgivable loans through the Paycheck Protection Program (PPP) received in 2021 were no longer factored into eligibility. The deadline for Round Two was eventually extended and eligibility criteria changed from a 50% reduction in GAR between 2019 and 2020 to a 30% reduction.

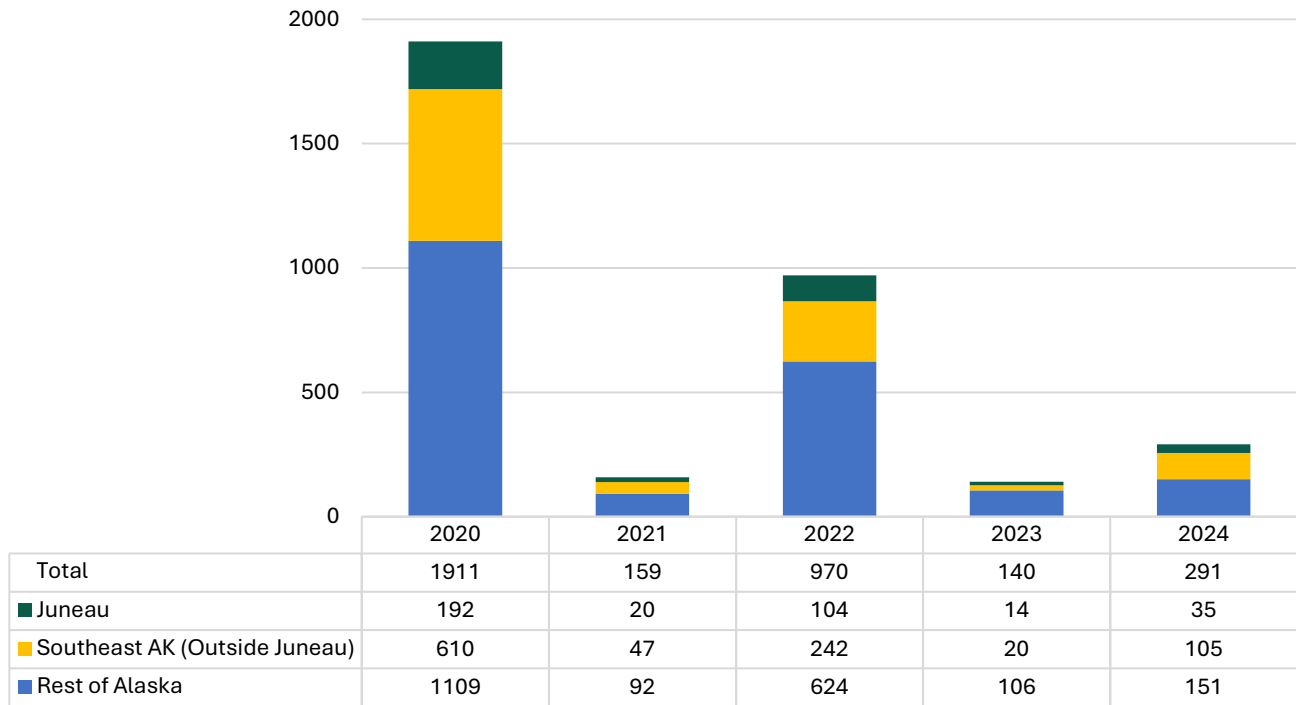
*Program Highlights*

- JEDC processed 3,534 applications.
- JEDC approved 826 applications, totaling over \$87 million with an average award of \$105,190.
- JEDC disbursed \$48.5 million to 393 Alaskan businesses in Round One and an additional \$38.5 million to 433 businesses in Round Two. This includes \$40.2 million to 301 Southeast Alaska businesses, with \$13.7 million for 94 Juneau businesses.

**Amount of AK CARES and AK ARPA Business Assistance Disbursed Statewide by JEDC (2020-2024)**



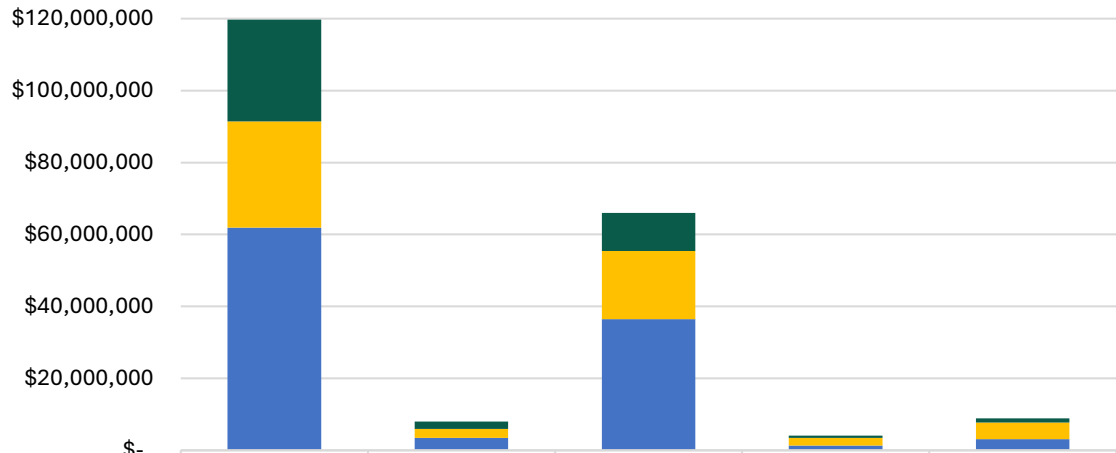
**Number of AK CARES and AK ARPA Business Grants Disbursed Statewide by JEDC (2020-2024)**



### **Summary**

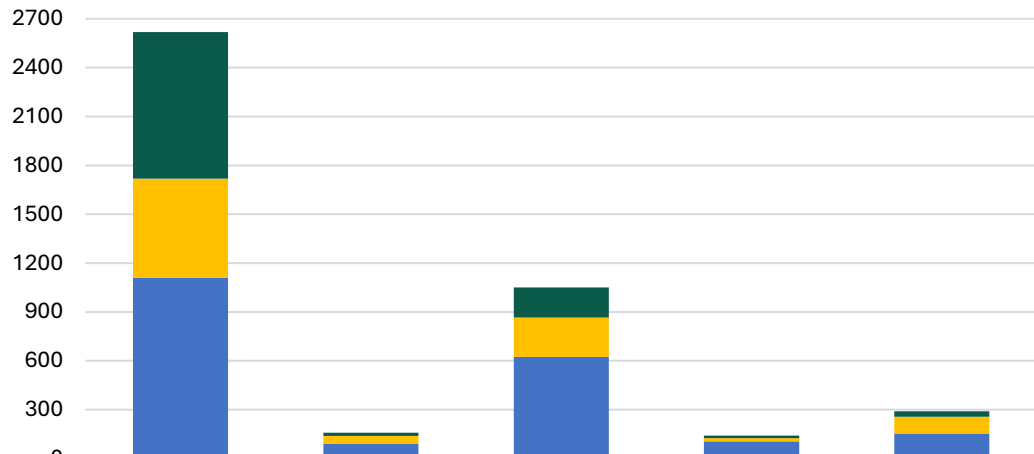
The JEDC staff worked extraordinarily hard, driven by a keen interest in helping businesses survive the severe economic downturn. The JEDC Board of Directors showed courage and confidence in taking on major commitments for the good of fellow Alaskans. From 2020 through 2024, JEDC directly assisted in delivering 4,260 grants and loans totaling \$206.8 million to 3,500+ businesses throughout Alaska. Regionally, JEDC delivered 2,259 grants and loans totaling \$100.5 million to businesses in Southeast Alaska, including 1,235 grants and loans totaling \$42.9 million to those in Juneau. This includes \$187.3 million through federal and state programs, \$19.5 million in local aid (\$15.6 million of which had a federal source), and just over \$800,000 in private funds.

**Total Amount of Pandemic-Era Assistance Disbursed to Alaskan Businesses by JEDC (2020-2024)**



	2020	2021	2022	2023	2024
Total	\$119,768,044	\$8,031,343	\$66,032,574	\$4,126,772	\$8,935,112
Juneau	\$28,311,393	\$2,078,974	\$10,658,600	\$697,575	\$1,189,848
Southeast AK (Outside Juneau)	\$29,575,264	\$2,499,475	\$18,871,592	\$2,108,252	\$4,607,160
Rest of Alaska	\$61,881,387	\$3,452,894	\$36,502,382	\$1,320,945	\$3,138,104

**Total Number of Pandemic-Era Grants & Loans Disbursed to Alaskan Businesses by JEDC (2020-2024)**



	2020	2021	2022	2023	2024
Total	2619	159	1051	140	291
Juneau	900	20	185	14	35
Southeast AK (Outside Juneau)	610	47	242	20	105
Rest of Alaska	1109	92	624	106	151