



retail strategies

COMMUNITY PLAYBOOK

American Rescue Plan's

Coronavirus Local Fiscal Recovery Fund



PLAYBOOK

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Funds must be spent by
12/31/2024

WHAT WE KNOW

as of May 24, 2021

For the first time in American history, 19,000 municipalities, towns, and villages will receive a direct allocation of federal funding through the American Rescue Plan's Coronavirus Local Fiscal Recovery Fund.

Communities will receive funding in 2 payments:

- 1 Half of the community appropriation will be received in mid-May or mid-June 2021 (depending on community population.)
- 2 The remaining half of appropriated funds will be received 12 months after the first appropriation.

→ COMMUNITY POPULATION
GREATER THAN 50,000

Funds will be delivered mid-May
directly from the US Treasury

COMMUNITY POPULATION
LESS THAN 50,000

Funds will be delivered mid-June
from State*

*Differently from the CARES Act of 2020, the American Rescue Plan Act of 2021 expressly prohibits States from withholding funds or placing additional restrictions on funds. States are simply a pass through for funding.

EXPERT ADVICE

What We've Heard



Clarence Anthony, CEO and Executive Director of the National League of Cities, advised cities during a Retail Strategies webinar to spend their ARP funds on programs and projects that will create an economic impact and offer an ROI. He suggests investment in human infrastructure with this bill and provide him measurable results he can use to advocate for direct funding to cities on future bills. He wants to put people in front of projects.



Clarence Anthony
CEO and Executive Director, NLC



The US Treasury will have their hands full with the administration of this program for 19,000 localities.

Cities and Counties should move forward with their plans and be aggressive in using the money.



Toby Rittner
President and CEO, CDFA



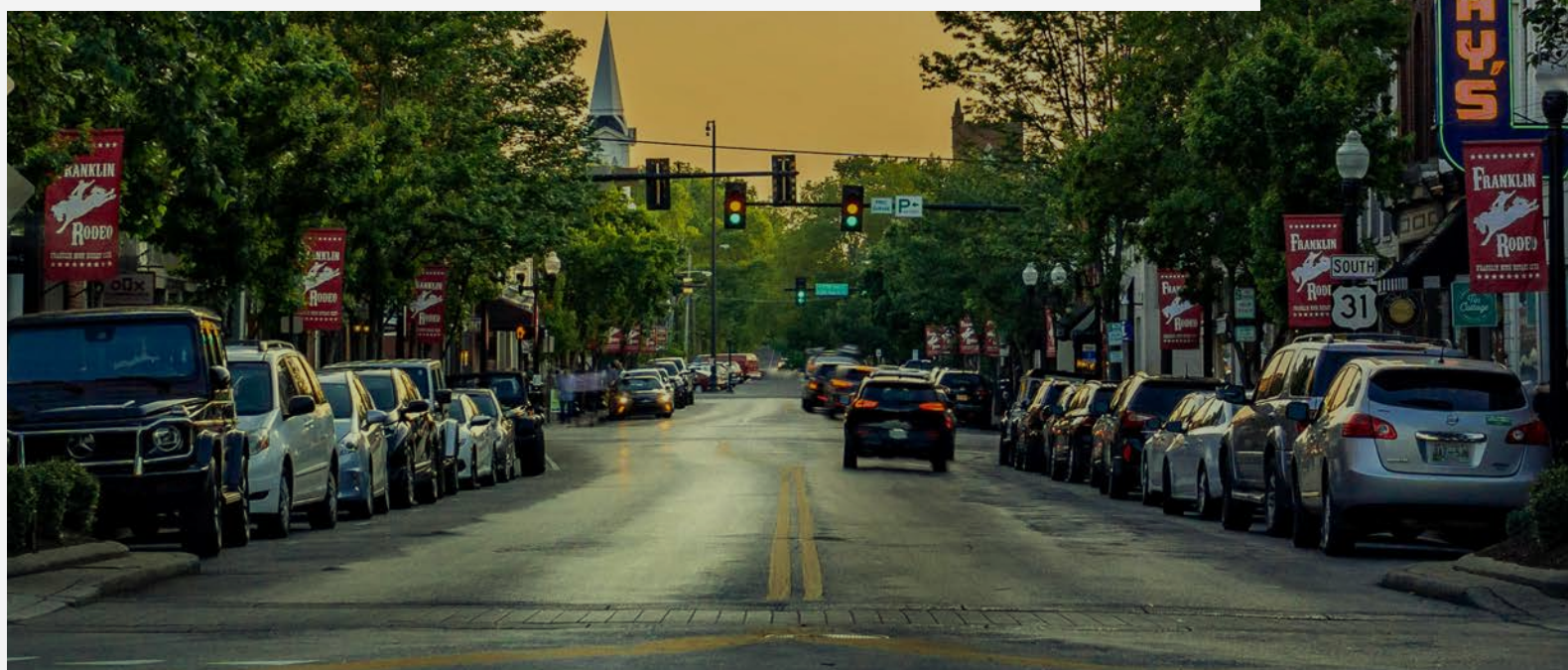
EXPERT ADVICE

What We've Heard



Main Street America is encouraging city leaders to activate their ARP funding on Main Street and to utilize the funds to spur revitalization across communities.

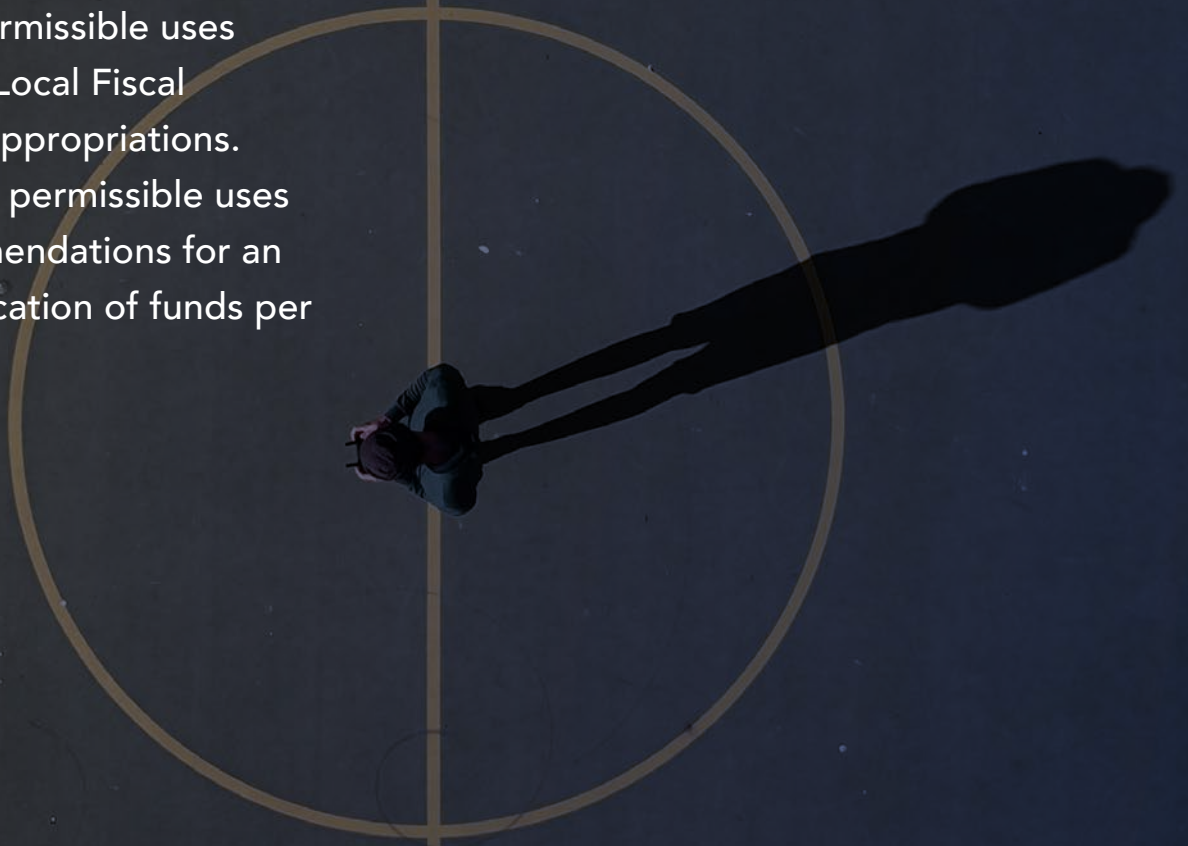
City leaders are looking for guidance and support in assembling a comprehensive spending plan for ARP Funds that allows them to check off costly infrastructure improvement tasks that have been lingering, while supporting their existing businesses and laying a strong foundation for successfully recruiting new ones.



OPTIONS

Four Solutions

The American Rescue Plan provides four permissible uses for Coronavirus Local Fiscal Recovery Fund appropriations. Ahead are those permissible uses plus our recommendations for an appropriate allocation of funds per use.



50-70%

To make necessary investments in water, sewer or broadband infrastructure.

Funds are not permitted for road construction or bridge repair unrelated to COVID-19.

Potential Projects:

Improvements to public infrastructure such as:
Modernization or repair of water and sewer infrastructure, expansion of broadband technology, broadband subscriptions for impacted households, or any other necessary investments as those designed to provide an adequate minimum level of service and are unlikely to be made using private sources of funds.

Consider This:

Pending final approval, the American Jobs Plan will be the largest infusion of federal monies deployed for national infrastructure improvements including water and broadband.

0-10%

For the provision of government services to the extent of the reduction in revenue of the locality due to the COVID-19 public health emergency, relative to revenues collected in the most recent full fiscal year prior to the emergency (pending Treasury guidance stating otherwise), many organizations have interpreted the legislative text to allow for replacing revenue that was lost, delayed or decreased as a result of COVID-19.

Potential Projects:

Replacing lost revenue from sales tax; fuel, prepared food, tourism and hospitality taxes; income tax, jail, forgive unpaid power or water bills, COVID sick leave pay, etc.

Consider This:

Local sales tax revenue collections in communities with a population less than 50,000 overall did not experience sales tax revenue decline. This is due to substantial increase in online sales tax collections. Although overall revenues were not down, the local brick and mortar businesses in several categories did experience declined sales. Additionally, several communities do not own their own utilities. This allowable use does not apply to several communities.

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SOLUTION

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5-20%

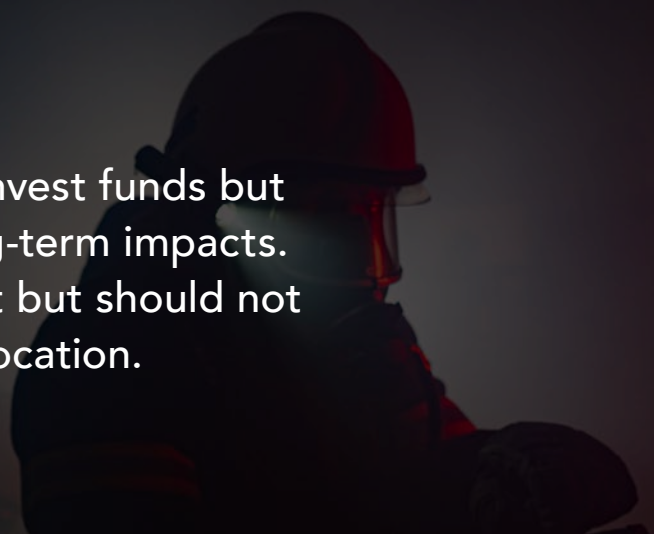
To provide premium pay to eligible workers of the locality that are performing such essential work, or to provide grants to eligible employers that have eligible workers who perform essential work.

Potential Projects:

Bonuses for Community Essential Workers such as police officers, paramedics, fire fighters, sanitation & public works professionals.

Consider This:

This is a great place to invest funds but difficult to track the long-term impacts. It is extremely important but should not be more than 20% of allocation.



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4

5-10%

To respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses and nonprofits, or aid to impacted industries such as tourism, travel and hospitality.

Potential Projects:

Training & technical assistance for Small Businesses, hotel feasibility study, residential housing study, Downtown Revitalization plan and implementation support, and retail recruitment.

Consider This:

Supporting your shopping center owners, small businesses owners, and economic development initiatives with these funds is an investment in a service that pays you back far past the short-term funding of ARP. This allowable use is the least expensive project and the most visually and fiscally impactful to prove ROI and impact citizens' quality of place.



MAKE A PLAN

What Now?

Cities should create a plan for expending appropriated federal funding within the next 30 days utilizing the funding formula above. Due to reporting and audits, using fewer vendors at greater allocations will streamline the process.



Retail Strategies can service all aspects of “to respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses and nonprofits, or aid to impacted industries such as tourism, travel and hospitality”.



Making an investment in your business retention and recruitment will pay you back far beyond the ARP funds. A small percentage of the overall allocation will have a direct positive impact on the people in your community. Focus on your human infrastructure with business recruitment and retention.

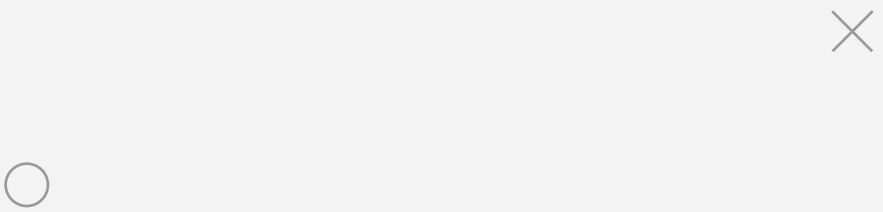
→ Retail Strategies is the leading community development firm focused on retail market analysis, downtown revitalization, small business training, and retail recruitment and development. Our qualified team of real estate, downtown, and business recruitment professionals can partner with your community leaders to craft a strategic funding plan and execute services related to community development and business retention and recruitment on your behalf.



Question:

Do you want to invest these dollars on highly visible and desirable needs (retail, small business) of your community...

or do you want to spend them on check list items of the community that **do not** build the social capital investment that are desperately needed by the majority of municipalities across the country?





retail strategies

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The stakes are high.

The money needs to move fast and be deployed smartly and equitably. In 10 years, we may look back at this time and ask:

Which places merely spent their money, and which places invested it?

THE BROOKINGS INSTITUTE



Contact us today to
make an investment
in your community.

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