

CITY OF UNALASKA  
UNALASKA, ALASKA

RESOLUTION 2020-78

PROVIDING RELIEF TO CERTAIN RESTAURANTS AND BARS FOR DECEMBER 2020 IN THE AMOUNT OF \$30,000 EACH

WHEREAS, on March 18, 2020, the City of Unalaska passed Resolution 2020-16 declaring a local emergency to remain in effect for so long as the declaration of a Public Health Disaster in the State of Alaska Remains; and

WHEREAS, on March 24, 2020, the City of Unalaska passed Resolution 2020-17, requiring certain quarantine measures, closing non-essential businesses and requiring "hunker down" and stay at home as much as possible; and

WHEREAS, the City of Unalaska adopted Resolution 2020-37 on May 26, 2020, accepting Coronavirus Relief Funds made available by the Department of the Treasury to the State of Alaska, to be passed through to the City of Unalaska through the CARES Act; and

WHEREAS, On June 26, 2020, the City of Unalaska passed Resolution 2020-42 establishing a formula for small business grants; and

WHEREAS, On July 14, 2020, the City of Unalaska passed Resolution 2020-46 establishing amounts to be paid to local small businesses and not-for-profits; and


WHEREAS, On July 14, 2020, the City of Unalaska passed Resolution 2020-47 establishing allocations of CARES Act spending (40% for grants, 50% for the City's response/prevention; 10% contingency); and

WHEREAS, On December 1, 2020, the City of Unalaska passed Resolution 2020-74 providing measures to protect public health, including the requirement for no in-person dining at local restaurants and bars.


NOW THEREFORE BE IT RESOLVED that the Unalaska City Council approves additional relief in the amount of \$30,000 to the nine establishments below for a total of \$270,000:

- Airport Restaurant, LLC
- The Norwegian Rat Saloon
- Pho Vy's
- Amelia's Restaurant & Eagle Inn
- Margaret's Bay Café
- Cape Cheerful
- Chart Room
- Harborview Bar & Grill
- Harbor Sushi

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on December 22, 2020.

  
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Vincent M. Tutiakoff, Sr.  
Mayor

ATTEST:

  
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Marjie Veeder, CMC  
City Clerk



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## MEMORANDUM TO COUNCIL

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To: Mayor and City Council Members  
From: Jim Sharpe, Interim Finance Director  
Through: Erin Reinders, City Manager  
Date: December 22, 2020  
Re: Resolution 2020-78: Providing relief to certain restaurants and bars for December 2020 in the amount of \$30,000 each

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**SUMMARY:** The City of Unalaska received CARES Act funding (\$13,453,952); and staff developed a plan that was consistent with the Treasury Guidance and with City Council Resolution 2020-47 establishing the allocation of the CARES Act Spending.

On December 15, Council provided a directive to the City Manager requesting the City provide \$30,000 to each restaurant and bar affected by the latest City COVID-19 mandate (Resolution 2020-74). This directive was for the month of December 2020 only and stated that it should be worked into a resolution.

### **PREVIOUS COUNCIL ACTION:**

- May 26, 2020 – Approved Resolution 2020-37 receiving CARES Act grant award
- June 26, 2020 – Approved Resolution 2020-42 establishing formula for small business grants
- July 14, 2020 – Approved Resolution 2020-46 establishing amounts to be paid to local small businesses and not-for-profits
- July 14, 2020 – Approved Resolution 2020-47 establishing allocations of CARES Act spending (40% for grants, 50% for the City's response/prevention; 10% contingency)
- July 28, 2020 – Approved two budget amendments related to CARES Act funding
- September 22, 2020 – Approved Resolution 2020-60 establishing the utility credit program for PCE eligible utility customers
- October 27, 2020 – Approved Resolution 2020-67 providing financial support to the UCSD, IFHS Clinic and Lions Club as well as support for a flu vaccine clinic
- December 15, 2020 – Council provided a directive to the City Manager to develop a resolution that would provide additional relief to Unalaska restaurants and bars in the amount of \$30,000 each.

**BACKGROUND:** Generally speaking, CARES Act funds were to be used for the following purposes:

- Provide grant funding to City residents, businesses and not-for-profits negatively impacted by COVID-19 (Grants and Funding Support)
- Cover the cost associated with the City's response to the Pandemic (Response)
- Cover costs associated with the prevention and anticipation of future COVID-19 related outbreaks (Prevention)

The City received \$13,453,952 in CARES Act monies from the Federal Government, passed through the State of Alaska. Based on the allocation method approved by Resolution 2020-47, CARES Act monies were to be spent as follows:

- Community support (local businesses, non-profits, residents) \$5,381,581
- City response and prevention \$6,726,976
- Contingency \$1,345,395

Staff followed the guidance provided by in Resolution 2020-47 and fully spent the combined amounts shown above for Community Support and Contingency (\$6,726,976). As of December 14, 2020, the City has provided \$6,729,259 in community support to businesses and residents of Unalaska.

**DISCUSSION:** While the directive appears straight forward with respect to providing relief to restaurants and bars, staff discussed this at length and attempted to determine who should receive this additional funding. Our primary question (*below*), created additional questions that needed to be addressed in order to provide a resolution to Council. **Please see the attached spreadsheet for details on the four options.**

***Do we provide assistance to local businesses that have indicated on their business license that they are a restaurant or bar through the use of NAICS Code 722 – Food Services & Drinking Places?***

The following business licenses were issued by the City of Unalaska under NAICS Code 722:

- Airport Restaurant, LLC
- Grand Aleutian Hotel (Unisea)
- The Norwegian Rat Saloon
- Pho Vy's
- Amelia's Restaurant & Eagle Inn
- Java Heaven
- Helen's Kitchen
- Willow Bean Coffee
- San Diego Tacos To Go

***A follow up question then becomes, of those business listed, what if they do not typically provide dine in service?***

It is unclear to staff if Council intended to include Java Heaven, Helen's Kitchen, Willow Bean Coffee and San Diego Tacos To Go as part of this relief resolution. Ultimately, we determined that those establishments do not provide dine-in service and most likely do not generate more than \$30,000 per month in revenue.

If Council chooses to fund businesses, based solely by the name on their business license, staff has proposed 2 options. These options are included in the attached spreadsheet and below under financial implications as **Option 1** (*including* coffee shops and other entities that do not provide dine-in service) and **Option 2** (*excluding* coffee shops and other entities that do not provide dine-in service).

***An additional follow up question then comes up, about how do we address The Grand Aleutian Hotel (Unisea) that operates multiple individual establishments?***

The Grand Aleutian Hotel operates 6 separate dining establishments under their business license. They are:

- Margaret Bay Café
- Cape Cheerful
- Chart Room
- Harborview Bar & Grill
- Harbor Sushi
- Pyramid Coffee

The portion of the City's completed grant program that provided assistance to non-essential businesses based on computed lost revenue, each of the individual entities received relief. However, during the portion of the program that provided a stipend, based on a tiered approach, only Unisea received a payment.

To address this variable, staff is providing 2 additional options. **Option 3** includes all Grand Aleutian dining establishments, as well as coffee shops and other entities that do not provide dine-in service. **Option 4** includes the Grand Aleutian dining establishments and excludes coffee shops and other entities that do not provide dine-in service.

**FINANCIAL IMPLICATIONS:** As indicated above, staff has presented four options, of which Council can select one or provide their own recommendation. The financial impact of each option is as follows:

- Option 1 - \$270,000 – by business license name (restaurants, bars, coffee shops & other entities that do not provide dine-in service)
- Option 2 - \$150,000 – by business license name (restaurants & bars only)
- Option 3 - \$420,000 – by individual name (restaurants, bars, coffee shops & other entities that do not provide dine-in service)
- Option 4 - \$270,000– by individual name (restaurants & bars only)

If Council selects one of the above options, there is sufficient CARES funding available to meet this obligation. Because the funding for both Community Support and Contingency buckets outlined in Resolution 2020-47 have already been disbursed, this funding will come from the City Response and Prevention bucket outlined in Resolution 2020-47.

**LEGAL:** N/A

**STAFF RECOMMENDATION:** Staff recommends Option 4 as that was determined to be the alternative that seemed to meet the goals of the directive. Council can select any of the above options or determine another funding determination that they feel best meets the Community needs.

**PROPOSED MOTION:** I move to adopt Resolution 2020-78.

**CITY MANAGER COMMENTS:** I support Staff's recommendation.

Backup Detail  
Council Memo - Res. 2020-78

**Option 1 - Restaurants, bars, coffee shops and other entities that do not provide dine-in service, by license name**

Airport Restaurant, LLC	30,000.00
The Norwegian Rat Saloon	30,000.00
Pho Vy's	30,000.00
Amelia's Restaurant & Eagle Inn	30,000.00
Unisea	30,000.00
Java Heaven	30,000.00
Helen's Kitchen	30,000.00
Willow Bean Coffee	30,000.00
San Diego Tacos To Go	<u>30,000.00</u>
	270,000.00

**Option 2 - Restaurants and bars only, by license name**

Airport Restaurant, LLC	30,000.00
The Norwegian Rat Saloon	30,000.00
Pho Vy's	30,000.00
Amelia's Restaurant & Eagle Inn	30,000.00
Unisea	30,000.00
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	150,000.00

**Option 3 - Restaurants, bars, coffee shops and other entities that do not provide dine-in servic,  
by individual name**

Airport Restaurant, LLC	30,000.00
The Norwegian Rat Saloon	30,000.00
Pho Vy's	30,000.00
Amelia's Restaurant & Eagle Inn	30,000.00
Unisea-Margaret Bay Café	30,000.00
Unisea-Cape Cheerful	30,000.00
Unisea-Chart Room	30,000.00
Unisea-Harborview Bar & Grill	30,000.00
Unisea-Harbor Sushi	30,000.00
Unisea-Pyramid Coffee	30,000.00
Java Heaven	30,000.00
Helen's Kitchen	30,000.00
Willow Bean Coffee	30,000.00
San Diego Tacos To Go	30,000.00
	<u>420,000.00</u>

**Option 4 - Restaurants and bars only, by individual name**

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