



NEWS RELEASE

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City creates fund to help Lockhart businesses weather pandemic

The Lockhart City Council on Tuesday, April 8 approved the creation of the Lockhart COVID-19 Economic Recovery Fund, making \$235,000 available to assist local businesses who have temporarily closed or reduced operations due to the COVID-19 pandemic.

The program will provide working capital for personnel costs, rent, utilities and more for existing small businesses located within the Lockhart city limits. The new fund will provide one-time loans in the amount of \$5,000 to help businesses that have temporarily closed cover their overhead costs. Businesses that are still operating during the pandemic will be eligible for that amount plus an additional \$2,500 to help with personnel costs.

The loan is intended to bridge a company until it can close a larger loan from another source.

“We know there are small businesses in Lockhart that need support as they weather the pandemic,” said Lockhart Mayor Lew White. “We want these businesses to be able to open again once the pandemic is over and orders have been lifted.”

All loans will have a 36-month repayment schedule and will not be charged interest if paid in full by the maturity date. A promissory note must be executed. No payments will be required prior to October 1, 2020.

The application period for the loan will remain open until September 30, 2020, until funding has been exhausted, or until the city determines the program goals have been satisfied.

To qualify for funding under the program, an applicant must meet the following criteria:

- The business must be located in the corporate city limits of Lockhart and in compliance with all applicable zoning, land use, and other ordinances.

- Proof of applicant's ownership of the business, or proof that the owner of such business has approved the application for loan funds, shall be required.
- The applicant must be current on all property and sales taxes and must show evidence of payroll taxes withheld and remitted.
- The applicant must submit a balance sheet and profit-and-loss statements for the last six months.
- There is a limit of one loan per 12-month period per applicant.
- The City is the sole and final authority in determining eligibility for funding.
- Not a home-based business
- Has been in business a minimum of 12 months
- Employs fewer than 25 people
- Has applied for Small Business Administration loan or other type of loan from a certified financial institution

Essential businesses that do not qualify for the loan program include:

- Grocery Stores, big box stores, farmer's and food markets
- Liquor, wine and beer stores
- Construction and real estate development and sales
- New or used automotive sales
- Banks, lending and financial institutions
- Gas stations and convenience stores
- Non-profit entities, organizations or associations
- Medical and health providers and related service companies and vendors
- Auto mechanics and auto repair shops
- Plumbers, HVAC technicians and electricians

Download a loan application at lockhartedc.com/coronavirus-updates. Applications may be submitted to ecodev@lockhart-tx.org.

For more information, please contact Mike Kamerlander, director of the Lockhart Economic Development Corporation, at mkamerlander@lockhart-tx.org.