

BUSINESS, LOCAL GOVERNMENT AND POLITICS, NEWS

LYNN COUNCIL OKS \$3M FOR SMALL BUSINESSES

BY ADAM BASS | January 26, 2022



EDIC/Lynn Executive Director James M. Cowdell will allocate \$3 million in funding. (Spenser Hasak)

LYNN — The City Council voted 9-0 Tuesday night to authorize the Economic Development & Industrial Corporation of Lynn (EDIC/Lynn) to begin appropriating \$3 million in American Rescue Plan Act (ARPA) funds to its Small Business Grant Program immediately.

Ward 1 Councilor Wayne Lozzi and Ward 4 Councilor Richard Colucci were both absent during the vote.

While there was no dissension seen during the full council meeting, there was some debate about the funds during a Ways and Means subcommittee meeting that took place earlier in the evening.

When Council Vice President Buzzy Barton called for the motion to be approved during this council subcommittee meeting — which was seconded by Council President Jay Walsh — Ward 2 Councilor Rick Starbard interjected and said he had an issue regarding the language in the order from EDIC/Lynn that states minority- and women-owned small businesses would have priority in receiving the grant funding.

“It has already been stated that a majority of the businesses in Lynn are minority- and female-owned, but when we, as a city, assess taxes, fees, permits on all businesses in the community, we don’t do it based on race or gender,” Starbard said. “When COVID hits these businesses ... COVID doesn’t impact businesses based on race or gender.”

Starbard also raised an issue with the application for the grants itself — namely that there is no proof-of-need line on the application.

“There’s a form where people fill out their name and how many employees they have, but when you have to go and borrow money from a bank you have to support your request for money based on financial documentation,” Starbard said. “I think at this point, where it is not as much of an emergency as it was two years ago, I think at least there should be a need for financial documentation.”

James M. Cowdell, EDIC/Lynn executive director, said he respectfully disagreed with Starbard's comments about the structure of the application, and argued that those who have filled out the applications are doing so under penalty of perjury and can explain the impact that COVID-19 has had on their businesses.

He also pushed back on Starbard's comments on the priority line, citing that minority-owned businesses had been discriminated against when they applied for the Payback Protection Program (PPP).

"Twelve percent of minority-owned businesses received what they asked for and 40 percent of white applicants received what they asked for," Cowdell said. "So COVID may not discriminate, but there is an inequality that exists, and that's why we should put a preference on female- and minority-owned businesses, because I don't think it is a level playing field."

Starbard sought to add an amendment that would require businesses to file financial documentation and remove the priority line from the application, but because the motion was already approved to move forward and seconded, it could not be amended. The Ways and Means subcommittee voted, 3-2, to move forward with a full City Council vote, with Starbard and Ward 5 Councilor Dianna Chakoutis voting 'no.'

Despite voting 'no' in committee, both Starbard and Chakoutis voted to approve the ARPA funds appropriation in the full City Council meeting.

To receive a grant, an applicant must be a Lynn business impacted by the COVID-19 public-health and safety measures; the applicant has to enforce the City of Lynn's mask-mandate policies within their establishment at all times, and has to be a business with under 25 employees. Up to \$10,000 in grants will be distributed to a business depending on the need.

Mayor Jared Nicholson and Walsh announced the allocation of the ARPA funds to small businesses on Jan. 18, saying at the time this is part of a long-term plan to allocate the rest of the \$75 million in federal funds the city is expecting to receive over the next two years.

"Small businesses are suffering from the impact of the omicron variant," said Nicholson on the day of the announcement. "Helping them make it through to spring so they can continue to play an integral role in our community is exactly the kind of thing that ARPA funds are meant for."



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