

COVID-19

ARIZONA BUSINESS RESOURCES GUIDE



SOME CERTAINTY IN UNCERTAIN TIMES

A note from ACA's President & CEO

Governor Doug Ducey is working to keep Arizonans safe and healthy while slowing the spread of COVID-19. Under his leadership, the Arizona Commerce Authority is helping to ease the economic burden on Arizona's businesses and workers by providing the latest information on available resources and guidance on how to access them quickly.

This guide provides information on business financing opportunities, workforce development services, manufacturing support and ways the Arizona community is coming together to help during this crisis.

We recognize that this public health crisis has created an unprecedented strain on Arizona's economy. The Arizona Commerce Authority remains focused on our mission to grow Arizona's economy by supporting businesses of all sizes—and I am confident that together, we'll get through this. That's the Arizona way.



Sincerely,

A stylized, handwritten signature in black ink that reads "S. Watson".

Sandra Watson
President & CEO
Arizona Commerce Authority



Financial support when it's (not) business as usual



The Coronavirus Aid, Relief and Economic Security Act (CARES) is a \$2 trillion federal stimulus package to support individuals and businesses impacted by COVID-19. The CARES Act provides direction for unemployment insurance, payroll tax credits, employer loans and allocates money to states for economic relief. Under this program, approved lenders can provide **100%** federally guaranteed loans for small businesses that maintain their payroll.

New Funding

Additional
\$484B TO CARES ACT → **\$370B** ALLOCATED TO SMALL BUSINESSES

Payroll Taxes

Employers may delay the payment of employer payroll taxes between now and January 1, 2021.

HALF OF THE TAXES WILL BE DUE DEC. 31, 2021  THE OTHER **HALF** WILL BE DUE DEC. 31, 2022

Tax Changes

The CARES Act expands the ability to use losses by suspending the **80%** income limitation for tax years before 2021 and by permitting net operating losses (NOLs) arising in 2018, 2019 and 2020 to be carried back five years. Business owners may elect to increase the limit on interest deductibility to **50%** for 2019 and 2020.

Employee Retention Credit

The Employee Retention Credit is a fully refundable tax credit for employers equal to **50%** of qualified wages that eligible employers pay their employees, up to **\$10,000** per employee. The credit applies to qualified wages paid after March 12, 2020 and before January 1, 2021.

What businesses are eligible?

Employers who conducted business in calendar year 2020 and fully or partially suspended business or experienced a significant decline of 50% in gross receipts as a result of the COVID-19 outbreak.

NEW  Employers who had a **Paycheck Protection Program** loan forgiven are **NOW ELIGIBLE**

PAYCHECK PROTECTION PROGRAM

Provides small businesses with funds for
payroll costs to pay over 24 weeks

This program provides immediate cash assistance during the COVID-19 crisis. Designed to keep employees on the payroll, the loan will be fully forgiven if the funds are used for maintaining or rehiring workers, rent, mortgage interest or utilities. As the Paycheck Protection Program Flexibility Act was signed into law on June 5, 2020, benefits of the program were extended to December 31, 2020.



Avoid layoffs with programs you can lean on



Paycheck Protection Program

Part of the CARES Act, the Paycheck Protection Program (PPP) provides small businesses and sole proprietorships cash flow assistance through 100% federally guaranteed loans. PPP is intended to encourage eligible employers to keep employees on their payroll, despite the economic hardship related to the COVID-19 pandemic.

\$660 billion in total funding

– Funds up to **24 weeks** of payroll costs & eligible expenses –
Or until Dec. 31, 2020 following disbursement of funds

NEW



How can the funds be used?

The loan will be fully forgiven if used for:



Payroll costs



Rent



Interest on mortgages



Utilities

60% of the forgiven amount must have been used for payroll and up to 40% goes to the other eligible expenses

Apply for loan forgiveness within **10 MONTHS** of the covered period and the loan will be **DEFERRED** until the SBA compensates the lender with the forgiveness amount.

What types of small businesses are eligible?



Less than 500 employees



Gig economy workers



Independent contractors



Tribal businesses



Agriculture enterprises



Nonprofits 501(c)(3)



Veterans organizations 501(c)(19)

Exceptions exist for some businesses with over 500 employees (ex: hospitality & food industry)

For any staff reductions made between Feb 15 – April 27, 2020

EMPLOYERS MUST

maintain workers OR rehire their recently laid-off employees by December 31, 2020

UNLESS employers are able to document:

- ✓ an employee did not accept a rehire offer
- ✓ the inability to hire a similarly qualified worker for the position
- ✓ a hindrance to rehire employees due to compliance with federal guidelines for sanitation or social distancing



How much funding can I receive?

250%

of your average monthly payroll costs not to exceed \$10M

2.5 x average total monthly payroll costs in 2019

--- OR ---

2.5 x average total monthly payroll costs for **Jan** and **Feb** 2020 for businesses not operational in 2019

Seasonal Employers: payroll costs equate to the 12-week period from Feb 15, 2019 or Mar 1, 2019 to June 30, 2019



CALCULATING PAYROLL COSTS

Salaries + wages + commissions + vacation + sick leave
+ health insurance premiums + retirement benefits = Payroll Costs

Payroll costs **EARNED** or **PAID** during the 24-week coverage period are eligible for forgiveness



How can I apply?

Through any SBA-approved 7(a) lender insured depository institutions, credit unions and community financial institutions

Under the leadership of Governor Doug Ducey, Arizona banks have committed to expediting the application and approval of these loans.

Use the ACA's **loan calculator tool** and **application instruction guide** to help with the application process.



Can I still apply for the Economic Injury Disaster Loan?
Yes, but funds can't be used for the same purpose.

This means employers should use the program to cover payroll costs, then layer other loans such as the Economic Injury Disaster Loan for additional operating costs.



Applications are open now

Find Arizona's approved lenders 

ECONOMIC INJURY DISASTER LOAN

Provides access to working capital for small businesses suffering from substantial economic injury

Under Governor Doug Ducey's leadership, the U.S. Small Business Administration (SBA) approved an Economic Injury Disaster Loan declaration for Arizona that will help small businesses in the state impacted by COVID-19. There is no minimum loan requirement, though loans are capped at \$2,000,000 per business and business affiliates.

Additionally, small businesses are eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000. This advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. To receive this advance, small businesses must reapply. Funds will be made available within three days of a successful application. This loan advance will not have to be repaid.



In a time filled with tough decisions, here's a simple way to get help



Economic Injury Disaster Loan

The SBA's Economic Injury Disaster Loan provides economic relief to businesses that are currently experiencing temporary difficulties and loss of revenue.

\$60 billion in funding



NEED TO KNOW

There is no minimum loan requirement, although loans are capped at \$2,000,000 per business

SBA loans may supplement a Paycheck Protection Program loan as long as the funds are not used for the same purpose



How can the funds be used?

Meet the capital needs caused by the COVID-19 response
Financial obligations: operating costs, fixed debt payments, payroll, accounts payable, extraordinary expenses caused by COVID-19



What types of small businesses are eligible?

- › Less than 500 employees
- › Independent contractors
- › Nonprofits 501(c)(3)
- › Veterans organizations 501(c)(19)
- › Tribal businesses
- › Agriculture enterprises



How do I apply

You can apply for a loan through the SBA'S [Disaster Loan Assistance Portal](#)

NOW, with the addition of the CARES Act, small businesses may apply for a **\$10,000 advance** but you must **re-apply** even if you've **already applied**

Loan repayment may be deferred for up to

ONE YEAR

Repayment terms up to

30 YEARS

are available

BUSINESS SUPPORT PROGRAMS

Ensuring business continuity during COVID-19

The success of Arizona's businesses is critical to the economic vitality of those families, their communities and the state. The Arizona Commerce Authority offers a team of expert business professionals knowledgeable in streamlining processes and navigating unforeseen operational circumstances. Serving as an extension of your team, we'll help educate you on funding resources available and connect you with meaningful business resources and programs, helping to mitigate the economic impacts of COVID-19.



Response Programs



Collaborating closely with ARIZONA@WORK, the state's workforce development network, the ACA's dedicated workforce team supports employers and employees by:

- › Responding to layoffs with industry specific programs for workers
- › Identifying partners for talent exchange solutions to connect the unemployed to those hiring
- › Developing job training programs for unemployed individuals and employers

Arizona's Workforce Team COVID-19 Rapid Response Programs

The **Employer-Employee Cross-Walking Initiative** matches employees from industries experiencing business closures with jobs in industries that are ramping up hiring. OEO is collaborating with employers to implement training and talent matching for workers displaced by the COVID-19 pandemic.

The **Virtual Training Program** provides upskilling opportunities for workers displaced by business closures. This program prepares workers for in-demand occupations and gives them a new skillset for when they return to work or are matched with a new position.



In partnership with the
Arizona Office of Tourism,
Arizona's workforce team:

- ✓ Identified **3,500+** IT, financial services, healthcare, and retail jobs to fast-track displaced hospitality workers
- ✓ Connected **585+** workers displaced from the hospitality industry to a variety of positions including management at Circle K locations

ARIZONA

MANUFACTURING
EXTENSION PARTNERSHIP

The Arizona MEP's team of experts is helping Arizona's manufacturers and the community by:

- › Identifying manufacturing companies that can provide PPE goods
- › Assisting manufacturers with supply chain equipment needs, connecting buyers and manufacturers
- › Working with companies to improve production lines to meet the demand of PPE
- › Helping to source raw materials for manufacturers



*Thanks to Arizona MEP, we've been working with a lean manufacturing expert who has helped us with efficiency in the manufacturing process. With this help, we've determined that we can **manufacture 500 isolation gowns a day**, once we ramp up a little more.*

— Angela Johnson, Co-founder of F.A.B.R.I.C.

FABRIC
Fashion And Business Resource Innovation Center



Arizona MEP assisted Autoline Industries in establishing a supply chain relationship with a co-packing company to produce hand sanitizer



The ACA is a partner to the Arizona SBDC Network which provides:

- › One-on-one business counseling
- › Recovery planning
- › Workshops and training



Find more

[SBDC RESOURCES](#)

TOGETHER, WE ARE ARIZONA

Global Giants. Local Leaders. Big Impacts.

Launched under the leadership of Governor Ducey, Arizona Together is an initiative to connect individuals and businesses to resources, raise money for community organizations and provide information on volunteer opportunities. **ArizonaTogether.org** serves as the centralized location for Arizonans to find help or provide support during the COVID-19 outbreak.

As part of the initiative, Governor Ducey established the AZ Coronavirus Relief Fund to provide financial support to organizations working to mitigate the impacts of COVID-19.

\$8,450,000+ DONATIONS
TO DATE

All contributions to the AZ Coronavirus Relief Fund are granted to organizations across the state providing critical services. Below is some of the support made possible by the individuals and organizations who have donated.

- › **\$500,000** to 10 organizations providing childcare while schools are closed and ensuring kids can stay connected to online learning
- › **\$100,000** to two organizations supporting Arizona foster kids
- › **\$300,000** to three organizations supporting seniors and medically fragile individuals
- › **\$100,000** to four organizations supporting special needs children
- › **\$500,000** to the Arizona Association of Foodbanks to help prevent hunger statewide

Additionally, Arizona's companies — both large and small — its universities and local organizations are shifting focus to keep communities safe and healthy. The state's spirit of innovation is alive now more ever as the focus has shifted to implementing solutions to combat the spread of COVID-19.

ARIZONA
TOGETHER

AZSportsTogether

Sports organizations across Arizona have united to raise funds for the AZ Coronavirus Relief Fund. The initiative brings together 17 sports organizations, each offering a chance to win an elite experience with the purchase of raffle tickets.

ENTER THE RAFFLE AT

AZSPORTSTOGETHER.COM 



Local First Arizona has partnered with small businesses across the state to ensure stability for those affected by COVID-19. The organization created a Small Business Relief Fund for micro-entrepreneurs to cover business expenses, employee salaries and other operation-related costs. Local First hosts weekly webinars on updates for Arizona businesses, providing insights to new resources, marketing ideas, new business strategies and more.

Honeywell

Aerospace

Honeywell Aerospace, in a new agreement with Arizona, will produce more than 6 million N95 masks for the state over the next 12 months. The agreement follows an earlier announcement of the company expanding its manufacturing operations in Phoenix to produce N95 face masks and other PPE to help combat the spread of the virus. The new line of production will add 500 jobs.



ADDING 500 JOBS
TO MANUFACTURE N95 MASKS



The University of Arizona Health Sciences Biorepository, a team of scientists, secured materials to produce a total of 7,000 coronavirus test kits. In just over two days, the team produced 1,600 kits to help meet the critical need for increased testing.

UARIZONA PRODUCED

7,000 test kits: **1,600** kits prepared in **2** days



The Arizona Cardinals partnered with Dignity Health, Cigna and Anheuser-Busch to host various blood drives at State Farm Stadium. Additionally, the team partnered with State Farm to provide one million meals to five local food banks in the Phoenix area.

ARIZONA CARDINALS

DONATED **ONE MILLION** MEALS TO
LOCAL FOOD BANKS IN THE PHOENIX AREA



O.H.S.O. teamed up with Banner Health to donate hundreds of gallons of hand sanitizer to local hospitals as they work to help slow the spread of the new coronavirus. The company's north Scottsdale distillery now focuses entirely on making hand sanitizer, which is then loaded into O.H.S.O. kegs and distributed to hospitals around metro Phoenix.

O.H.S.O. donated

HUNDREDS OF GALLONS of hand sanitizer



The Boeing facility in Mesa will use 3D printers to manufacture face shields for those on the front lines combatting COVID-19. Initial production will include thousands of face shields per week. The company has additionally donated thousands of masks, gloves and other equipment hospitals need.

Boeing is using **3D printers** to
manufacture **face shields**

ASU made 2,000 high-speed coronavirus testing kits and plans to distribute them to local health care providers, first responders and other essential job workers. ASU expects to make another 1,000 testing kits in the upcoming weeks with the additional \$2 million grant the university is providing the manufacturing efforts. The university's lab uses specialized robots to process samples, allowing ASU to potentially process hundreds of tests a day.



ASU PROVIDED

2,000 TESTING KITS
FOR LOCAL HEALTH CARE PROVIDERS



Global technology giant Intel announced a donation of \$4 million to COVID-19 relief efforts to local community organizations focused on food security, shelter, medical supplies and small business support. One million dollars will go toward the Arizona COVID-19 Community Response Fund.

Additionally, the company donated more than one million dollars of personal protective equipment to those on the frontlines combatting COVID-19. Equipment included masks, gloves and other gear.

Intel donated

75,000 SURGICAL MASKS to Arizona health care workers



Translational Genomics Research Institute (TGen), headquartered in Phoenix, launched a genomic-based test for COVID-19, focused on accuracy and specificity about the virus. The organization is also working with the Arizona Department of Health Services to find pockets and test for COVID-19 throughout Arizona.



TGEN LAUNCHED
GENOMIC-BASED TESTING

The Fashion and Business Resource Innovation Center (FABRIC), a coworking space with a 26,000-square-foot warehouse in Tempe, has moved away from producing its usual fashion designer resources to making barrier gowns for health care workers. Using FDA-approved materials, FABRIC created 33 gowns for a local rehab center desperate for PPE. FABRIC is now estimating to produce up to 500 gowns daily through the pattern makers and technical designers taking up shop in its warehouse.

FABRIC is **manufacturing gowns**
for **health care workers**



BROOKLYN BEDDING

Phoenix mattress manufacturing company Brooklyn Bedding will begin repurposing its proprietary technology to produce hospital beds. These mattresses will allow for bed-in-a-box delivery straight to government agencies and hospitals that are in need of beds.

BROOKLYN BEDDING

IS MANUFACTURING **HOSPITAL BEDS**



Known for its interactive toy designs, Burgeon Group has shifted its efforts into creating transparent boxes with two holes for health care workers to use while intubating COVID-19 patients. If a patient requires breathing assistance, the "London Box" is designed to help doctors connect them to a ventilator and protect the doctor from any particles released from the patient's airway during the procedure. The prototypes have been shipped to various hospitals throughout the country and have received inquiries from other doctors and medical centers.



Burgeon Group is
manufacturing the

"London Box" to shield doctors and nurses
intubating patients



The Regional Partnering Center (RPC) and University of Arizona Innovation Center (UACI), have launched an Innovation Challenge open to the community at large to design an innovative outdoor medical consultation and testing booth for hospitals to safely triage patients for COVID-19.

The Regional Partnering Center and the University of Arizona launched an innovation challenge to **design outdoor medical consultation and testing booths**



Self-driving truck developer TuSimple is hauling freight, mail and food across the Southwest throughout the COVID-19 crisis. The company is operating 40 18-wheelers out of Tucson providing essential products to the Southwest's supply chain during an uncertain time.

TuSimple is
operating

40



18-WHEELERS

out of
Tucson

DELIVERING ESSENTIAL PRODUCTS ACROSS THE SOUTHWEST



Arizona's largest health system, Banner Health, launched drive-thru COVID-19 testing for prescreened patients in Phoenix and Tucson. These drive-thrus open the access to testing for Arizonans.

BANNER HEALTH

IS PROVIDING

**COVID-19 TESTING
WITH DRIVE-THRUS**



ON Semiconductor donated 10,000 face masks to city officials. The donation includes 8,500 N95 masks and 1,500 ActiveAir masks, half of which will be given to the city of Phoenix and the other half to Banner Health Foundation to help during the coronavirus pandemic.

ON SEMICONDUCTOR
DONATED 10,000 MASKS



&



Phoenix-based Prorenata and Tucson-based Paradigm are producing novel coronavirus testing kits that can offer results in 24 hours. Together, the two labs were processing 700 tests daily in late March but expect that number to reach 8,000 a day by the end of April.

Prorenata and Paradigm
are uniting to process **700** coronavirus
test kits **daily**

The avionic equipment manufacturer Universal Avionics is providing its assembly line space at its Tucson headquarters to the nonprofit group Hope Worldwide for manufacturing face masks and shields.

UNIVERSAL AVIONICS IN TUCSON
is helping to
MANUFACTURE **FACE MASKS AND SHIELDS**



VB COSMETICS

VB Cosmetics, a developer of clean cosmetics, is working with Analyze, a chemical product manufacturer, to produce hand sanitizer. Starting with production to fill 4-ounce bottles, the two companies' plan is to move to 300-gallon batches and packaging in 1-gallon plastic bottles.



VB Cosmetics
is ramping up production
to create

300-gallon batches
of hand sanitizer



SWIRE COCA-COLA, USA

Swire Coca-Cola partnered with the Arizona Department of Emergency and Military Affairs to donate 30,000 liters of Dasani Water and two pallets of Coca-Cola beverages to the Navajo Nation, helping to ensure the health and safety of the community.

Swire Coca-Cola donated **30,000 liters**
of Dasani Water to the Navajo Nation



Repurposing cough syrup bottles, Covetrus, a pharmaceutical manufacturer, donated 1,000 bottles totaling 180 liters of hand sanitizer to the Arizona Department of Health Services to distribute.

COVETRUS

DONATED **1,000 BOTTLES** OF HAND SANITIZER

The Greater Phoenix Chamber Foundation partnered with Data Doctors, Cox Communications, and Arizona Students Recycling Used Technology to provide laptop access to K-12 students.

The Greater Phoenix Chamber Foundation is providing laptop access to Arizona students



AVNET®

Avnet made a significant donation of computer equipment to the Arizona Coronavirus Relief Fund and the Arizona Department of Education to help students stay connected to online learning.

AVNET

DONATED

200 COMPUTERS

TO HELP STUDENTS CONTINUE EDUCATION ONLINE



**Santa Cruz
County**

Santa Cruz County leadership, Chamberlain Distributing, Santa Cruz Cold Storage, the Fresh Produce Associations of the Americas, the Nogales Community Foodbank and the Arizona National Guard came together to get fresh produce to tribal communities as part of the Tribal Nations Produce Distribution program. As a result of their generosity and teamwork, fresh produce was provided to more than 6,000 families in the Navajo, Hopi and White Mountain Apache Tribes.

6,000 families in the **Navajo, Hopi and White Mountain Apache Tribes** provided with fresh produce



An Independent Licensee of the Blue Cross Blue Shield Association

Phoenix Suns Charities and Blue Cross Blue Shield of Arizona donated \$80,000 for COVID-19 antibody tests for first responders.

\$80,000

for COVID-19 antibody tests for first responders



**BARRY & PEGGY
GOLDWATER
FOUNDATION**

PIONEER SPONSOR



The Barry & Peggy Goldwater Foundation partnered with Blok Industries to donate and deliver approximately 20,000 hazmat suits to the Navajo and Hopi Tribes. The Goldwater Foundation team delivered the suits to the Navajo Division of Public Safety in Window Rock and the Hopi Veterans Memorial Center.

**Barry & Peggy Goldwater Foundation
and Blok Industries donate and deliver**



**20,000
HAZMAT SUITS**

TO THE NAVAJO AND HOPI TRIBES



St. Mary's Food Bank and the Arizona Coyotes set up a mobile food pantry outside of Gila River Arena to donate food boxes to nearly 500 families across the Valley.

ARIZONA COYOTES AND ST. MARY'S FOOD BANK

**DONATE FOOD BOXES TO
500 VALLEY FAMILIES**



Desert Financial donated \$500,000 to nonprofits across the Valley to support efforts to distribute essential resources to those in need. The nonprofits include United Food Bank, St. Mary's Food Bank, Midwest and Desert Mission Food Banks and Valley of the Sun United Way.

Desert Financial donated
\$500,000
to nonprofits and food banks



Cisco partnered with the State of Arizona to expand WiFi internet access. Working with the Arizona State Library, Cisco will install new external wireless access points at local libraries, allowing students conducting distance learning and others to access WiFi from outside the building.

CISCO

INSTALLED
EXTERNAL WIRELESS ACCESS POINTS
AT ARIZONA STATE LIBRARIES

ARIZONA
COMMERCE AUTHORITY