Governor Mills Launches $40 Million Economic Recovery Grant Program to Support Maine Tourism, Hospitality & Retail Small Businesses

November 30, 2020

Governor Janet Mills announced today an economic recovery grant program to support Maine's tourism, hospitality, and retail small businesses. Backed by $40 million in Federal CARES Act Coronavirus Relief Funds (CRF), the Tourism, Hospitality & Retail Recovery Grant Program is focused specifically on supporting Maine's service sector small businesses, such as restaurants, bars, tasting rooms, lodging and retail shops, which have been hard hit by the COVID-19 pandemic and now face additional challenges with the coming winter months.

"Maine's hospitality, tourism, and retail industries are a vital part of Maine's economy, supporting tens of thousands of jobs across the state," said Governor Mills. "In the face of this unrelenting pandemic, many of these businesses have adapted with classic Maine grit and resilience but still face historic and unprecedented challenges. I hope this program will help provide at least a small amount of financial support to sustain them through these difficult times. I continue to urge Congress to pass additional, robust relief for Maine people and businesses."

"COVID-19 has created an unprecedented financial crisis for businesses in the service industry in Maine and throughout the country," said Heather Johnson, Commissioner of the Department of Economic and Community Development. "With input from this industry sector, we have created a grant program that allows businesses to determine their most urgent needs specific to their individual business."

The grant program utilizes $30 million in funds remaining from the Maine Economic Recovery Grant Program and $10 million in additional CRF monies dedicated by Governor Mills. In developing the program, the Department of Economic and Community Development (DECD) drew on recommendations from the tourism, hospitality, and retail industries to meet the distinct needs of those sectors.

Like the Maine Economic Recovery Grant Program, a business must demonstrate a need for financial relief. However, the Tourism, Hospitality & Retail Recovery Grant Program will evaluate need based on gross sales loss between March and September 2020 compared to the same time in 2019. Previously, the Maine Economic Recovery Grant Program evaluated loss based on revenues minus expenses incurred during two different periods of 2020. This targeted change will allow a wider range of businesses to receive support.

DECD will again partner with some of the Economic Development Districts to administer the program. Grants will be awarded on a first come, first serve basis which will allow for funding to be dispersed as applications are received and reviewed. The application portal will open Wednesday, December 2, 2020 at 9:30 a.m. on DECD's website and will remain open until funds are depleted. The application is expected to take about ten minutes to complete. Funds must be committed by December 30, 2020 per guidance from the U.S. Treasury Department.

Grants may be used to cover expenses, including but not limited to: payroll costs and expenses; rent or mortgage payments for business facilities; utilities payments; necessary operating expenses; expenses

incurred to replenish inventory or other necessary re-opening expenses; purchase of personal protective equipment required by the business or business related equipment. Funds must be spent on operations that are strictly within Maine. Recipients are liable for any misuse of funds, and the grants are subject to audit.

“I’m pleased the grants are targeted specifically for hospitality, tourism and retail businesses because they represent the hardest hit sector of Maine’s economy,” said Steve Hewins, President and CEO of HospitalityMaine. “This funding will help more businesses survive until we can start returning to more normal times, and we urge qualified businesses to act quickly before the funds are exhausted.”

“We are very pleased to see Governor Mills and her team launch the Tourism, Hospitality & Retail Recovery Grant Program to continue to help our struggling retail, tourism and hospitality businesses,”said Curtis Picard, President and CEO of the Retail Association of Maine. “These industries continue to be more directly impacted by the pandemic, and it is critical to keep these sectors viable into 2021. With a vaccine on the horizon, this added support will help us get to the finish line.”

“MTA is pleased that additional funds are being made available to the state’s tourism businesses that have struggled greatly over the past nine months,” said Tony Cameron, CEO of Maine Tourism Association. “Well over 100,000 people are employed in these businesses. This funding will help these employees to have jobs and help businesses survive and recover as we head into a new year.”

The Tourism, Hospitality & Retail Recovery Grant program is the second grant program established by the Mills Administration to provide financial relief for small businesses that incur business disruptions and added expenses as a result of the COVID-19 pandemic. In August, the Mills Administration launched the Maine Economic Recovery Grant Program. In Phase 1 of the program, the Administration awarded 2,329 grants – 2,072 to small businesses and 257 to non-profits – totaling $105 million and averaging just over $45,000 per award with recipients spanning the entire state. The hospitality sector, particularly lodging and accommodations, represent the largest percentage of recipients, drawing 35 percent of the awards. In Phase 2, which expanded the program to more businesses, the Administration awarded 1,222 grants – 1,107 to businesses and 115 to non-profits – totaling $53.6 million and averaging just over $43,000 per award with recipients spanning the entire state. In total, the Maine Economic Recovery Grant Program provided $158.6 million to 3,551 businesses and non-profits.

Each of these programs are intended to help sustain the viability of Maine’s small, high-touch businesses and provide funds for short-term relief to help stabilize Maine’s economy while still focusing on the state’s long-term goals described in the state’s 10-year strategic economic development plan.

The grant programs build on the Mills Administration’s support for Maine businesses and employees, which includes a commitment of $295 million to backfill Maine’s Unemployment Trust Fund to support Maine businesses amidst the increased demand for unemployment benefits, as well as $8.5 million to support childcare services so Maine people can go back to work. Earlier this year, at the request of Governor Mills, the Small Business Administration allowed Maine businesses to apply for economic support loans. Additionally, the Governor and the Legislature worked together in a bipartisan manner to establish a consumer loan guarantee program through FAME, in partnership with financial institutions, to provide low- or no- interest loans for eligible people in Maine.

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