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## PPP poised for relaunch

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PPP poised for relaunch

Additional funding for the Paycheck Protection Program has passed through both the Senate and House and should be available for new small-business lending soon. The question then becomes, How long will it last?

Here's what else you need to know in business news to start your new day.

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Funding for PPP clears the House

The House of Representatives late Thursday approved a \$484 billion coronavirus relief bill that for small businesses most notably tees up the renewal of the Paycheck Protection Program. The bill provides another \$320 billion to the program after its initial \$349 billion was exhausted in less than two weeks earlier this month.

The restart would follow President Trump's approval of the aid package — which was expected in short order following the House vote.

When PPP lending resumes, it will happen with a rule change that's raising red flags for small-business advocates. That rule, announced by the U.S. Small Business Administration, would enable bank shareholders and outside directors to apply for federal stimulus funds through the very same lender. The SBA administers the PPP.

“It's a gigantic loophole that will cut off people who are deserving and not connected to the bank. It's laughable,” said Ira Rheingold, executive director of the National Association of Consumer Advocates. Speaking to *The Business Journals*, Rheingold pointed to media reports that said some of the nation's biggest banks prioritized applications from their wealthiest clients before processing other loans. “Why would we think that they would not favor people who are on their board of directors?” Rheingold said. “It's just a terrible idea.”

Banking industry experts disagree. “There always is the potential for abuse in government lending programs, but allowing banks to make PPP loans to bank directors and stockholders makes sense, especially for directors and stockholders in community banks,” said Bert Ely, an adjunct scholar at the Cato Institute and a principal of financial consulting firm Ely & Co.

Inc. “Those folks often own local businesses and professional firms — doctors, lawyers, insurance agents, etc. — that provide jobs in the community served by those small banks.”

#### What's ahead with PPP Part 2

With PPP lending poised to resume, here’s what principals are saying about what’s ahead:

Small-business owners should take certain steps to make sure they meet PPP loan-forgiveness requirements.

It might not be a smooth process. Among lenders’ concerns: A backlog of applications, and how quickly additional funding might dry up.

Accounting firms are working to help small-business owners make the decisions they’re facing.

#### Gates: Pandemic offers 'defining moment'

Ten years ago, Bill Gates sounded the alarm on the threat of a global health crisis following the H1N1 flu outbreak. In his January 2010 GatesNotes blog, the Microsoft co-founder and philanthropist wrote: “Hopefully this outbreak will serve as a wakeup call to get us to invest in better capabilities, because more epidemics will come in the decades ahead and there is no guarantee we will be lucky next time.”

Earlier this month, the Bill & Melinda Gates Foundation announced a \$150 million grant to develop therapies and vaccines to treat and fight Covid-19. And Gates is speaking out about what he’s witnessing, including sharing his thoughts in an email exchange with the *Puget Sound Business Journal*.

“I believe this pandemic — and our response to it — will be the biggest defining moment of our lifetimes,” Gates said. “The setback could last a couple of years, but our approach to the recovery can help us rebuild a strong economy.”

Also: A survey by Texas-based physician search and recruiting firm Merritt Hawkins found that 14% of doctors (a number that's considered high) indicate they plan to change jobs as a result of the pandemic. The study found that 21% have been furloughed or experienced a pay cut as a result of the coronavirus crisis. “The last 15 to 20 years has been dominated by primary care not getting their due, not able to earn compensation, not treated well, and specialists having the exact opposite of that story. It’s as if that flipped during this,” said Travis Singleton, executive vice president of Merritt Hawkins.

#### Mental health a touchpoint for managers

The coronavirus has not been just a respiratory ailment. With our long stretch of social distancing, the pandemic also has impacted the mental health and wellness of both workers and managers.

#### Banking, travel, residential real estate poised for change

The coronavirus has shown many of us new ways to work and live under shelter-in-place orders. It might also change how we engage with certain industries on the back side of the pandemic. For example:

How much do you want to stand in a bank line in the future? "American consumers and businesses have been forced to take a crash course on how to navigate the digital economy," said Jeff Davis, a banking analyst with Mercer Capital. "The long-term banking trend was migrating towards digital; [the coronavirus] will vastly accelerate it."

Next time you fly, you might get a discount, but figure on fewer perks, too. Author and airline industry expert Seth Kaplan points out that some airlines have temporarily cut back or suspended food-and-beverage service during flights to minimize contact between the crew and passengers. Those cutbacks could stick around as cost-saving measures if carriers emerge from the pandemic in a financial crunch, he said.

And, when you're buying a home, are open houses shut for good? "Technology will allow consumers to view homes in more and more detail at their convenience," said Chris Galler, CEO of the Minnesota Association of Realtors.

Ad and marketing firms drive creativity through connections

Working remotely can make staying in touch challenging. When you work in the ad industry, the stakes for maintaining relationships are even higher, with creativity among team members and clients at stake.

Kansas City-based VMLY&R is finding ways to overcome those obstacles. Among the agency's initiatives have been virtual welcoming kits and an onboarding curriculum for new hires; virtual weekly meetings; and an hourlong virtual town hall dubbed "Questions and Cocktails."

"There's no silver bullet for everybody remaining motivated, but we're trying to put enough chances to be together and enough touchpoints of communication for everybody to feel connected to something greater," said CEO Jon Cook, speaking to the *Kansas City Business Journal*. He aims to stay connected to some 7,000 co-workers in about 80 offices around the world. "I think feeling connected to something bigger than each of our own individual jobs right now is a source of motivation," he said.

Also: Toni Clem, CEO at Scoppechio, the largest ad firm in Louisville, Kentucky, says companies need to be thinking about what they want to be and how they want to be remembered in a post-coronavirus world. "Your messaging now will have a lasting impact and can make or break your relationship with customers after the world shifts to the next 'new normal,'" she said.

Manufacturing new business

Manufacturing companies are changing the way they do business amid the pandemic. For many, that means scrambling to shore up the nation's inventory of equipment needed to help slow the spread of the coronavirus. That pivot also is creating a new competitive dynamic. Companies are increasingly competing with each other for the same supplies.

"Alcohol is getting hard to get," said Tom Stratil, general manager of Acme Soap Co., speaking to the *San Antonio Business Journal*. "It used to be a simple thing to call and get 10 drums."

Stratil and his team are using the alcohol to produce more than 5,000 gallons of hand sanitizer. But distilleries have gotten in on making hand sanitizer, as well, and that's impacting the supply chain. "Everybody's producing more and more for the coronavirus," said Rey Chavez, president

of the San Antonio Manufacturers Association. "And it's hard to get certain items to produce or make manufactured goods."

Other raw materials that association members have had difficulty securing include cloth to make medical-grade face coverings, elastic to secure face masks or shields, and plastic pumps for dispensing sanitizer from gallon jugs. Without the materials, the attempted production pivots for these companies can't happen, putting their futures in jeopardy.

Also: A Dallas startup that works in product distribution is trying to keep up. A company principal says demand outweighs supply "500 to 1."

#WFH Chronicles: Why worry?

*Beth Hunt is sharing her Work From Home experiences. As she writes in her most-recent column, now that we're six weeks into this #WFH adventure, the mood has definitely shifted:*

"Early gratitude over being able to go home and distance ourselves was glorious. A couple of weeks later, the sheen wore off, and we started to wonder how much longer it would be. Now, as the push to reopen becomes a battleground, we seem to have arrived at 'I'm not sure I can take much more of this.'

"Just what 'this' is depends on whom you ask."

Amgen, Amazon, DraftKings are also in the headlines

Here's who's making news beyond the scope of the pandemic:

Biotech giant Amgen Inc. plans to expand its already sizable footprint in Tampa, Florida. The company's global capability center occupies more than 130,000 square feet in the Corporate Center One property, and now the company has signed a lease for an additional 33,101 square feet. The California-based company plans to invest \$10 million in the expansion, according to the Tampa Bay Economic Development Council.

A massive former J.C. Penney Co. warehouse outside Milwaukee, Wisconsin, could become the latest shipping center for Amazon.com. An application is under review to demolish and remodel chunks of the 2.2 million-square-foot property and make it a facility that would create hundreds of driving and warehousing jobs. Plans filed with the city of Wauwatosa refer to the planned renovation as an "Amazon Hub."

Shares of DraftKings Inc. are set to start trading on Nasdaq today after the company completed a previously announced merger agreement. Stockholders of Diamond Eagle Acquisition Corp. voted in favor of the merger Thursday, setting the table for the Boston-based online fantasy sports betting company to begin trading under the symbol DKNG.

And finally ...

People living in Middleburg, Virginia, (population: 800) found a pleasant surprise in their mailboxes a few weeks back: a bushel of free meal vouchers redeemable at local restaurants.

They got there thanks to city officials, who purchased thousands of gift certificates from 14 restaurants in the city for distribution with two goals in mind: Keeping Middleburg's eateries afloat while the economy is effectively shut down, and lending a hand to residents who are

struggling to pay the bills. The cost of the effort was about \$140,000. It was covered using a portion of the \$7 million in cash reserves the town has built up over the last few years as a safety net of sorts.

Mayor Trowbridge “Bridge” Littleton told the *Washington Business Journal*: “The reason we built this great reserve isn’t to just sit there and look at it. It’s to put it to use and help our residents and our businesses when they’re in need.”