



# Grants to Tourism and Other Businesses Program Update

## QUICK FACTS

\$90 Million  
Appropriation

Administered  
through the Juneau  
Economic  
Development Council

Round Two Adjusted  
Program Coming  
Soon

<https://www.commerce.alaska.gov/web/ARPABusinessReliefProgram.aspx>

## PROGRAM OVERVIEW

The Alaska State Legislature appropriated \$90 million from the State's American Rescue Plan Act (ARPA) Covid State and Local Fiscal Recovery Funds (CSLFRF) toward a tourism and business relief grant program to be administered by the Department of Commerce, Community, and Economic Development (DCCED).

Round one eligible businesses had a month-long window to apply, and grants were issued based on the demonstrated need. Grant funding from all local, state, and federal grant funding received in 2020 and 2021 was added to the 2020 income for calculation (such as PPP, EIDL if forgiven, AK CARES, local COVID-related grants, etc.).

Applications were grouped based on Gross Annual Revenue (GAR), but qualification and grant amounts were based on change in net income.

Applications were grouped into three tiers based on an applicant business' GAR in 2019:

- Tier One: Businesses with 2019 GAR between \$10,000 and \$2.5 million.
- Tier Two: Businesses with 2019 GAR between \$2.51 million and \$10 million.
- Tier Three: Businesses with 2019 GAR between \$10.01 million and \$50 million.

In order to qualify:

- Business must be Alaska-based. Sole proprietorship business must be owned by an Alaskan resident.
- Must be a for-profit business.
- Business revenues must primarily be generated in activities and or services performed in Alaska.
- Reported Gross Annual Revenue (GAR) must be between \$10,000 and \$50 million in 2019.
- Business must have held an active State of Alaska Business License as of January 1, 2021 (unless exempt under AS 43.70.105, in which case the business will need to provide proof of the requirement licensure under that exemption, as applicable). Businesses that held a valid State Business License that expired on December 31, 2020 and had subsequently renewed are also eligible.
- Business must have been in operation before January 1, 2020 with proof of a filed 2019 and 2020 tax return. (For a subsidiary filing independently of their corporation, a consolidated tax return with schedules delineating revenue streams was acceptable.)
- Business must have experienced a decrease of at least 50 percent in net income between 2019 and 2020 due to COVID-19 public health emergency.



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- Business must have a DUNS number. For guidance on how to obtain and/or manage a DUNS number, we provided a DUNS Number Guide.
- To be an eligible commercial fishing business, fisherman must permanently hold a Limited Entry or Interim Entry Permit for 2019 and 2020. Temporary Permit Holders are ineligible.
- A corporation may file as a whole, or for one subsidiary. Multiple subsidiaries of one corporation may not apply; a corporation and one of its subsidiaries may not both apply.
- Applicants must self-certify that, barring unforeseen circumstances, they will remain in business through Calendar Year 2022.
- Seafood processing, mining, and oil and gas industries required to make significant investments in order to comply with the State of Alaska's COVID-19 mitigation policies to continue operations while exempted from the gross revenue cap and could apply for an individual facility, and provide audited financials of that facility rather than an IRS schedule in order to qualify.

## CURRENT STATUS

The initial program and solicitation resulted in the award of 363 grants approved totaling \$45.9 million in awarded funds. Round two of the program is under development with new FAQs, an application window, and application instructions coming soon. Round one applicants who did not qualify will be able to reapply for round two.

## ROUND TWO PROGRAM CHANGES

In round two of this program, the criteria will be adjusted by transitioning from a net revenue loss calculation to a gross annual revenue calculation. This adjustment is intended to ensure that businesses missed under the initial program criteria due to selling off assets, closures due to lack of tourism, and other circumstances (that make net calculations a less accurate snapshot of the economic impact of the Coronavirus pandemic) have the opportunity to apply and qualify for relief.