

# COVID-19 Small Business Support

May 18, 2020



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# Agenda

- Discuss proposed County business relief program partnership with NC Rural Economic Development Center
- Discuss next steps on proposed program
- Conduct Public Hearing

# Background

- Wake County received approximately \$194 million from the federal government to cover expenses related to local response efforts
  - Includes expenses to “directly respond to the emergency” AND
  - “Second-order effects” including “economic support to those suffering from employment or business disruption...”
- County’s first priority is to ensure funding supports direct COVID response (public health and safety) for duration of event
- Funding can be used to provide support to small businesses to reimburse the costs of business interruption caused by business closures

# Wake County Small Business Relief Program

- At May 4 Board approved a \$5 million small business relief program and instructed staff to return with specific proposal
  - Interest in portion of program (at least \$1 million) being available to sole proprietors and single-owner businesses
- Staff recommends partnership with NC Rural Economic Development Center

# About the NC Rural Center

- Regularly administer federal and state small business loan programs
  - Already administering State's NC Rapid Recovery Loan Program
- Loan terms favorable to small businesses
- Will utilize state funds before accessing County CARES funding
- Administrative fee = 5%
- State allocated additional \$2 million to program to provide technical assistance to businesses
  - Focus on minority-owned businesses, female-owned businesses and other under-represented groups

# Loan Criteria & Terms

## Criteria

- Maximum Number of Employees = 100
- Loan Amount = 2 Months Revenue (up to \$50,000)
- Cannot receive more than one loan
- Business is within Wake County
- At least \$1 million of program available to sole proprietors

## Terms

- 6 Months Deferred Payments at Low Interest Rate
- 48 Months of Principal & Interest at 5.5%
- No Prepayment Penalties

# Marketing & Outreach Efforts

- County staff to partner with:
  - Wake County Economic Development
  - Wake County Diversity, Equity, & Inclusivity Alliance
- Promote program to entire County
  - Focus on sole proprietors and historically underutilized businesses
- Estimated cost = \$25,000
  - To be covered with CARES Act funding

# Public Hearing

- Pursuant to NC General Statutes 158-7.1, required to hold a public hearing on economic development initiatives
  - Public hearing advertised on May 7
- Special considerations due to COVID-19:
  - Online comment form available on Wake County Website since May 7
  - Recently-approved COVID-19 legislation requires public comment remain open for 24 hours after item is considered



# Next Steps

TODAY:

- Conduct public hearing

MAY 19:

- Board of Commissioners reconvenes meeting to vote on item

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# Questions & Board Discussion



# Public Hearing

# Recommended Action

**That the Board of Commissioners authorizes the County Manager to execute a contract with the NC Rural Economic Development Center, Inc., subject to terms and conditions acceptable to the County Attorney.**