

COVID-19 Small Business Support Update

September 14, 2020



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Agenda

- Update on Wake Forward Small Business Assistance Program
- Discuss proposed amendment to the County business relief program partnership with NC Rural Economic Development Center
- Preliminary approval to amend the contract with NC Rural Economic Development Center

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

- On May 4, 2020, the 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
- On May 19, 2020, the Board authorized the County Manager to enter into a contract with the NC Rural Economic Development Center to administer a small business relief program
- On September 4, 2020, the Governor signed HB 1105 “Coronavirus Relief Act 3.0” into law, amending the loan terms of the statewide small business relief program

Original 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

Updated Loan Criteria & Terms

Criteria

- Maximum Number of Employees = 150
- Loan Amount = up to \$250,000
- Cannot receive more than one loan
- Business is within Wake County
- At least \$1 million of program available to sole proprietors

Terms

- 18 Months Deferred Payments at Low Interest Rate
- 102 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

WAKE FORWARD➔

A Program to Assist Small Businesses

NC COVID-19 WAKE FORWARD

AS OF 8/24/2020

2,049

APPLICATIONS
RECEIVED

\$63,176,349

TOTAL REQUESTED

\$30,833

AVERAGE REQUESTED

198

LOANS APPROVED

\$6,798,249

TOTAL LOAN AMOUNT

\$34,335

AVERAGE LOAN AMOUNT

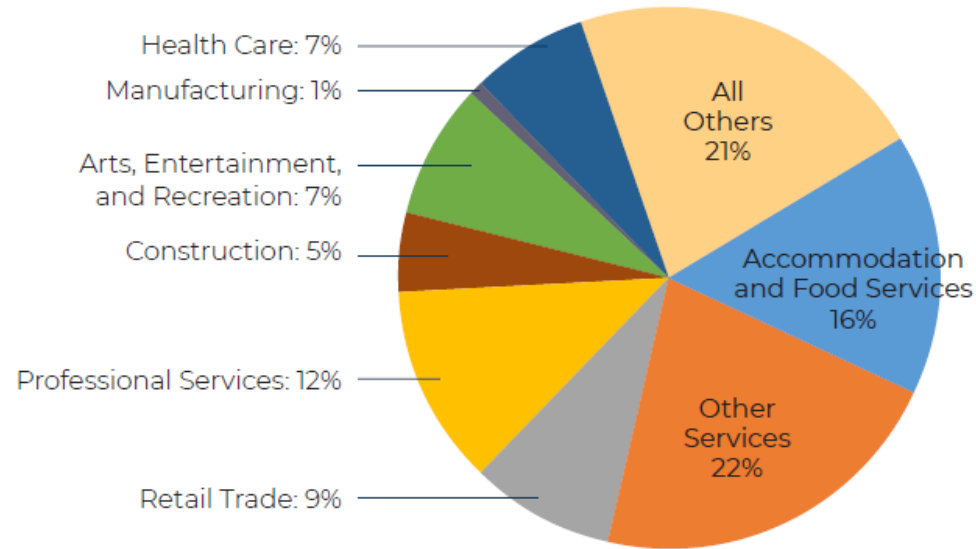
1,372 JOBS

RETAINED
REPRESENTING

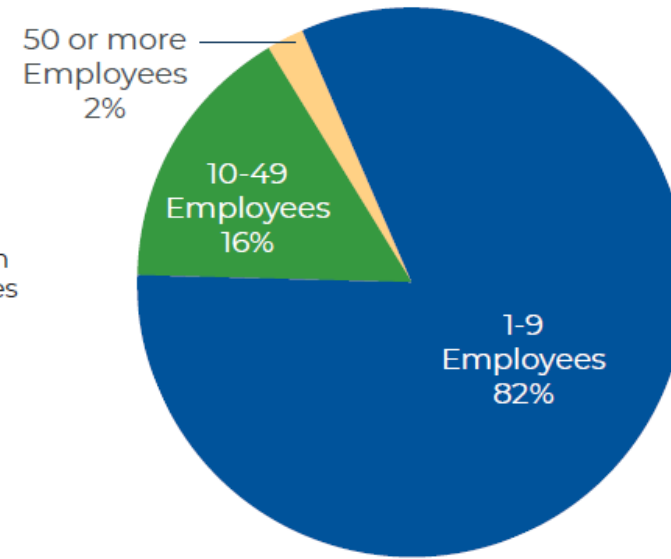
\$40,188,551

IN ANNUAL
WAGES

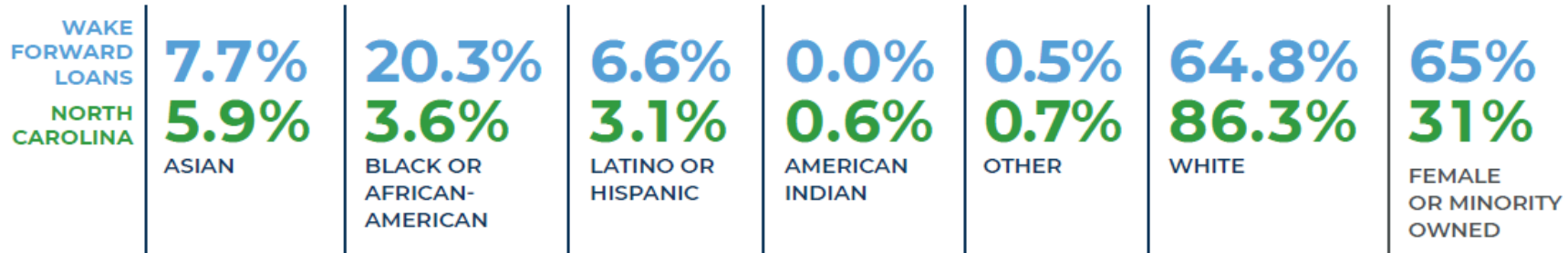
WAKE FORWARD LOANS BY INDUSTRY



WAKE FORWARD LOANS BY BUSINESS SIZE



BUSINESS DEMOGRAPHICS



A stylized, light blue map of Wake County is centered in the background of the slide. The map shows the county's irregular shape with various indentations and protrusions.

Questions & Board Discussion