COMMITTEE AGENDA TOPICS

I. Subject: **New Markets Tax Credits**
Action: Review background information and make a recommendation to City Council on supporting an application for New Markets Tax Credits.

II. Subject: **Small Business Strategy Plan**
Action: Make a recommendation to City Council on the Small Business Strategy Plan.

III. Subject: **Business Advisory Committee Annual Report**
Action: Information only.

COMMITTEE INFORMATION

Present: Susan Burgess, James Mitchell, Nancy Carter, Andy Dulin and Patsy Kinsey
Time: 3:30p.m. – 5:00p.m.

ATTACHMENTS

1. Attachment: New Markets Tax Credit Program Information & PowerPoint
2. Attachment: Small Business Strategy Plan & PowerPoint
3. Business Advisory Committee Report

DISCUSSION HIGHLIGHTS

I. Subject: **New Markets Tax Credits**

Burgess: It's an interesting agenda today. Our first item is the New Markets Tax Credits; Ron Kimble will introduce that discussion. Then we hope to finish up our Small Business Strategy Plan that we have worked so hard on, I feel good about it. Business Advisory Committee has the annual report to share with us.

Kimble: This New Market Tax Credit hit your Council-Manager Memo several weeks ago. Pat Mumford and Tom Flynn have been taking the lead on this with Deloitte and Michael Smith of Center City Partners. Pat Mumford will start this off with some background, Tom Flynn will follow. Madam Chair we do need action on this today.

Mumford: The timeframe is that this will come to the Council on May 24 for a vote. It will also be on the Council Dinner Agenda because it can be a complicated issue. We are going to try to deliver it to you today in a way that is not terribly complex. In the Manager's Memo, we had given you a brief overview that there was a deadline of around two weeks ago to actually submit to the Treasury Department what is called a Community

Development Entity. That has been done and we will follow up with what that means later in this presentation. What do these new tax credits mean for our community? How can or should the City be engaged? I do want to thank Michael Smith and Gary Hecimovich who is here to help. Mr. Hecimovich has a long history with New Market Tax Credits (NMTC). The Treasury Department announced and gave us the rules the first week in April. Typically, there is a much longer window for application for tax credits. It is June 2 this year; we had to get up to speed very quickly. Tom has a lot of information on NMTC where it has been used before actual project usage. He is going to follow up and talk to you about that aspect. The goals are job creation, tax base growth and economic opportunity. The ED focus areas are the Small Business Development and Transit and Business Corridor Redevelopment. They are two benefits of tax credits and capital projects that can be supported by tax credits. These are the tools we are using today depending on the capital project we want to fund; these are at our disposal. They are Synthetic Tax Increment Financing, Economic Development Grants, Small Business Loans, Business Corridor Grant programs that include façade and security, Low Income Housing Tax Credits and Housing Trust Fund. The Low Income Housing Tax Credits come through the State and that supports a lot of our housing projects. Think of NMTC as the same type of product as commercial development instead of residential development. This is a tax credit program from the Treasury Department. They have been around since late 2000. We do have large financial institutions in Charlotte that have received tax credits as well as the Charlotte School of Law used tax credits to support that development. We really have not had a focus of tax credits here in Charlotte and that is one of the reasons we bring this to you today. If there can be an allocation to an entity in Charlotte then all those tax credits can stay locally. The large banks are supporting their entire footprint with tax credits so not a lot of that stays here locally. The purpose is for commercial development; it's like tax credits for low income neighborhoods. It's a lot like gap financing; don't think of tax credits as fully funding the process. There has to be equity, there has to be real projects that proforma that really work that generate revenue because there is debt associated with it. This bridges the gap between equity and debt that is how they have been used on other communities and that is how we propose that we use it here. How do they work? Because of the short timeframe, we ended up making some assumptions and we have positioned the community to be successful in this next wave of tax credits. We are coming today to confirm what we have done and to approve the direction that we have taken. We want to explain all to you and get direction before we do it, but the timing just was not right to do that this time. A community development entity has to be created that has been done, that filing was sent in two weeks ago. Because of the scheduling, we will not hear from the Treasury Department if that entity is approved. Gary has informed us that entities are not typically approved. So the entity receives tax credits from the Tax Department. The really are the pass through organization. The entity is not a capitalized organization, it doesn't have cash, it's not a development company. Think of it as a large bank in town that receives an allocation of tax credits. They disperse these on a project by project basis for projects that need it and qualify. That is what this Community Development Entity (CDE) would be locally. The CDE sells those credits to investors or in this case a developer. Technically there is a lot of high level detail but

generally that is where we are. What happens is the gap financing can bring to us on a $50,000,000 tax credit allocation; that equates into about $12,000,000 worth of cash into a project. There is a complicated formula that explains how that breaks down, but that is what you end up with in a project. Typically nationally what we see are allocations in the 40,000,000 to $70,000,000 range. I know in a previous life as a banker the bank; I was with received around $130,000,000 worth of allocations. The expectation for us is in that $50,000,000 range.

Dulin: The bank allocations are for a year?

Mumford: Allocations are annual but you have to use those within three years. We also realize with the economy we don't have hundreds of millions of dollars worth of projects pent up ready to go fully funded except for this gap; but we do believe that this can support projects in our corridors and in our distressed areas that otherwise would not happen. We are going to show you where these credits can be used; we don't know if this is an annual application; that depends on the need and how much project activity we see out there.

Dulin: Used within three years or there is a penalty?

Mumford: There is not a direct financial penalty, but there is probably a little tic noting that they did not plan well or did not use it. The point is we are not suggesting that we over subscribe and try to get more than we can practically use.

Carter: How does Council interface with the advisory board in the project? Is there a list supposedly that the Council has approved? Do the projects shave to conform to the paradigm that we establish in Economic Development Committee?

Mumford: That is a great segway to this next slide that shows structure and we have spent a lot of time looking at how other cities have managed the NMTC. The idea here is that there is a partnership of three organizations; Charlotte Center City Partners, the Charlotte Mecklenburg Development Corporation and the City. The City would be the lead partner of those three. The City gets to appoint three members on the board of five members. Center City Partners appoints one member, Development Corporation appoints one member and the City appointing three members to the board. The application submitted to the Treasury Department required that we name who those people are, so this is where we got out in front in selecting people who represent organizations that meet the criteria established by the Treasury Department. People involved in development, people active in low income areas in community and have a community wide impact and reach. The members Michael Smith from Center City, Bob Sweeney from the Charlotte Mecklenburg Development Corporation and Pat Mumford to represent the City. Dr. Carter from Johnson C. Smith University as a board member and the last appointment from the City is Laura Myers from the Foundation of the Carolinas. We feel these five members make a very strong team as part of the application. The members of this board are appointed for a one-year term so there is some flexibility for next year so those names can be changed or kept the same in the next year.

Hecimovich: Gary Hecimovich with Deloitte, working with the City on the NMTC application. There are going to be amendments to board members. The government evaluates the application and they will announce the awards typically in late October. Then if you win an allocation, they you sign an agreement with the Federal Government that agreement usually closes by year end. It will be January 2011 before you would have

the legal right to go ahead and actually own something and finance transactions. In the first year, there is some ramp up time to put your program in place to use the credits. It's wise to think of this as spring of 2011 before you would have everything in place and the ability to do financing.

Kinsey: What is the criteria for the businesses that apply?

Flynn: The businesses must be within a certain geographic boundary; you will see that on the next slide.

Kinsey: So they have to be specifically located?

Flynn: Yes.

Mumford: If it is for a project, that project must be in that specific area. We are proposing that the initial focus be on projects finance, because there is more process involved in supporting the business.

Carter: The approval of Charlotte as a partner in this program is based on the process that is proposed, strength of potential of realization of projects, strength of board? What is the criteria on which the approval is based?

Hecimovich: There are four parts that they evaluate; Business Strategy section consisting of what types of projects or small businesses you want to fund. Community Impact you have to put together a description of the community impact such as economic impact, job creation, increasing wages for low income, etc. Management Capacity, the government wants to be sure that the principals that are working on the application are experienced in economic development matters. Capitalization Strategy, you have to demonstrate that you can raise the capital; you are taking private investors money and matching it with the $0.25 for every $1.00 of private money to fund the project. All four aspects are evaluated to grade the application. There have been over 20,000,000,000 of these applications submitted since 2000; cities have won 1,400,000,000 of that allocation. The trend has been more allocations in this program which is $5,000,000,000 more percentage has been away from the financial institutions toward city and non-profit controlled applicants.

Flynn: As we have worked with Deloitte to put this application together, they have been very impressed with the fact that we have a Business Corridor Strategic Plan. We have projects that we can show them such as Wilkinson Boulevard and Metropolitan where we have gone out and leveraged private sector debt and equity into projects. From the prospective that I have gotten, they have been very impressed with the track record that we have put forward.

Carter: Are we blending this with transit as well?

Flynn: Yes, absolutely.

Hecimovich: One last point when you buy it, not the value of the specific project, that you put into your application to give you the allocation. They recognize that what might be a good project today when you file it may not be around come spring of 2011. So what the government evaluates is a pipeline of potential projects and then if you execute well against your allocation strategy and deploy those funds through the annual reporting back to the government that the community impacts have been achieved. Do all that successfully then the allocation becomes an annual subsidy and you have the opportunity to win another allocation. Bank of America, Wachovia/Wells and others have been very successful at doing that and a number of cities have also established a similar track record.

Mumford: Board selection process for the investment. This will be a non-profit entity and that is the role of the CDE to be the final say on where these allocations will be distributed and to what project. Other cities have established advisory committees. These committees are made up of people in the development industry, community supporter, people that are out in the community and can bring back to this board what needs to happen out there from a project prospective. It won't just probably be traditional debt, developer equity and NMTC. We as a city will probably be asked to be engaged financially on some level. In that regard, you all will see most all of the projects that will end up on a proposed list. Other CDE's have asked how Council engaged in that proration and do Council members get to vote prior to it coming to a CDE? What we have heard is that the Federal government does not like to see it become politicized. However, this is a political process and Council needs to have that comfort in saying yes to where the funding for these projects is going to go. Very similar to the Housing Trust Fund of today; the advisory group could play that role that the staff plays. The board could play the broader role of how the allocation should be made. Then you all would have the ability to appoint those advisory committee members to keep it at arm's length from the public component. We felt that if Council votes on a list of projects that would be detrimental to the process.

Carter: But if City money is committed and engaged we have the approval of engaging that money?

Mumford: Yes, this is gap financing that comes to the end and not at the beginning. I raised that exact question on your behalf. Saying, "hold on if the group says we need to allocate tax credits for a particular project, does then put elected officials in a corner of having to them approve the local money"? It actually works the other way, a bank wants to see that everything is in place; you want to see that things are in place. We know then that there is a potential that tax credits could fill the gap. The tax credits do not drive the decision on projects.

Hecimovich: It often follows your actions.

Mitchell: This is so new and different; I don't see the advisory board bringing a lot to the table initially, I could be wrong. I feel confident that if this CDE recommends projects, it's going to take what we have done in the corridors and that is going to be the guiding map as to where can we use the tax credits. In about five corridors the work is already laid out and I am confident that if they get a project they are going to one of those corridors. I think if you have an advisory board somehow they are going to make recommendations and score the projects then come to us. I don't know that in the first year we need that many cooks in the kitchen. I am comfortable in letting the CDE make the selection then come to Council.

Mumford: I am not advocating that must be done. I want to make sure that I am clear on what you are proposing. The idea there is that the CDE would recommend projects, but if any of those projects there is public/City funding, then you would raise your hand. Let me suggest to you that the CDE wouldn't recommend a project that you all hadn't already approved having your money in the deal. So if you are suggesting that to approve City money in a project that's one thing, if you are requesting to approve the tax credit piece of it that is a different scenario.

Mitchell: I am speaking of City money.

Mumford: O.k. again, I am a member of this board and understand where you are focused on projects and would bring that to the table as well as everyone else that is a member of that board. We are learning as we go. We are balancing the effectiveness of the organization while respecting your fiduciary responsibility to the citizens. The advisory board was not a recommendation; it was that some people have done that before to get through it.

Flynn: To Ms. Kinsey's question on where could projects be that would utilize this, basically on the handout the area within the yellow area would qualify for NMTC. All the way to the airport all the way out to Sunset Road and to the University area; this is based on the 2000 Census. All those areas in yellow would qualify. The light rail line and the proposed extension out to the University; this is one of the emphases of the NMTC to try and promote transit oriented development. So this would clearly be one of those areas we would be looking to do projects in along the transit line as long as those are within the qualifying census tracks. The hash marking on the map is the Business Corridor Revitalization geography, so you can see that the areas that are qualifying are pretty contiguous to your business corridors with the exception of Center City.

Kinsey: So the yellow areas are broader than just the corridors?

Flynn: Yes. That is your business corridors geography overlaid with the qualifying census track. All of your business corridors geography qualifies. On the map, these areas qualify: Law School, Wilkinson Boulevard, J.C. Smith University, Hutchinson Shopping Center at North Graham and Eastland Mall. Thirteen municipalities or city partners have been granted NMTC allocations for projects such as retail development, industrial expansions, community centers, training centers and put together pools of money for below-market rate business loans. Kansas City has an identical program structure. They have a five member board with three city appointees. They provide gap financing and reduce burden and risks of city revenue streams. They have been granted two allocations in 2008 and 2009. Their projects included a boys and girls club building, manufacturing facility expansion, and a new community center. So why are we here now and why the City? While Wachovia and Bank of America have gotten allocations, their allocations are for their entire footprint. This allocation can only be used in the City of Charlotte. As we talked about our track record, we provided an investment track record. We have done this before and know how to structure projects. That is the strength we bring. The City in not at risk, the developer and lender bear the risk. This is not going to affect your rating or bond capacity. Tighter credit markets make privately financed projects more difficult even more so in our distressed business corridors. We recommend to Council authorization for the City to approve three board members to the CDE. That the City become the lead partner in the CDE and to support the June 2, 2010 application for the NMTC allocation in partnership with CCCP and CMDC.

Dulin: To move this thing forward can we have that as our motion?

Mumford: Yes.

Dulin: Then I make the motion as it is written here.

VOTE: *Recommend to Council authorization for: 1) The City to become lead partner in the CDE, 2) The City to approve 3 board members to the CDE; and, 3) The City to support the June 2, 2010 application for a New Markets Tax Credits application in partnership*

with Charlotte Center City Partners and Charlotte Mecklenburg Development Corporation.

Mitchell: *Motion made by Mr. Dulin and seconded by Ms. Kinsey, vote was unanimous.*

Mitchell: Thank you staff. Our second item is the Small Business Strategy Plan.

II. Subject: Small Business Strategy Plan

Kimble: We are going to review the Small Business Strategy Plan with you. If you are comfortable, a vote would be fine today. If you have questions, we have not scheduled this with Council until June 14 so you would have another Committee meeting before that date; however, that agenda is going to be pretty packed because of the ReVenture Project.

Flynn: As Ron said, this is a follow-up. We sent the complete plan out to you and you have before you a PowerPoint that basically goes over the recommendations. I want to remind the Committee members that what you have charged us with is to look at small business on a much larger scale. How can the City work with our partners for the 27,000 small businesses that are in Charlotte? That represents 96% of all businesses in Charlotte-Mecklenburg with 100 employees or less and it represents 61% of all jobs in Mecklenburg County. This is a significant part of your economy, so how can you help this significant part of your economy? Since we were last with you we have done a couple of things in terms of talking to other folks engaged around this such as the National Association of Women Business Owners, the Latin American Chamber, the African-American Chamber and the North-End Partners at the Ben Craig Center. We also presented to the Small Business Opportunity Task Force. This is the task force that the Mayor appointed to look specifically at the City's Small Business Purchasing Program. Two days ago, we went to the Mecklenburg County Economic Development Committee. They are recommending to the full County Commission that they support this Plan. Not endorse, but support. They thought the City is taking the lead and we want to be there we have a part to play. I wanted to give you that as background as we head into this. You really challenged us about how does this Plan help our existing program? How does it help the existing 300 Small Businesses Enterprises in the existing purchasing program? We went back and really thought about it, it is really going to help all small businesses. By making information readily available to all small businesses, we are helping them to get better information. One of our goals on this web portal is what Mr. Mitchell asked for which is better access to the contracting opportunities both with the City and with the County. We think it will enhance business to business networking among our SBE's. Clearly we want to have some SBE success stories on there; we want to highlight those success stories. We have support from the Small Business Opportunity Task Force. This is generally the direction that they are taking to emphasize training and development opportunities as part of our SBO Program. We really do think that this is going to help the 800 small businesses that we do business with as well. The strategic plan in terms of the

recommended vision and the proposed mission; what we have added is the big idea for the City to lead the collaborated effort to develop and brand and market a web portal. This would be a one stop location on our website; we have received a big response to be web driven. They don't want to drive somewhere, they want to get online and get what resources they need. You have seen all of these objectives before, this is in a little more detail around some of the action steps. The first one is about building the local consortium of business resource partners. We also talked to the Business Advisory Committee. They said they really don't have a small business charge, so one of the recommendations is to give them more of a small business charge.

The second one is to increase the awareness of small business resources by developing a web portal with a recognizable brand and on-going marketing support. We would perform an inventory of the resource partners and their services. Develop in collaboration with the resource partners, a small business web portal and a brand for the web portal. If you like that, we would be going out with a RFQ to identify a company to develop, build, market and brand it. Develop a coordinated approach to programming and marketing for Small Business Week. Small Business Week is coming up and as we sat around the table, we realized that not many would know that. We really want to use the consortium and partnership to do that.

Mitchell: Have we set the date for the Small Business Week?

Rosado: The week of the 24th.

Flynn: Objective number three is to provide information and resources that meet changing market needs. One of the things here is to look at how the information is scattered about on the City and County website around permitting; whether it is permitting for someone that wants to work in the food service area and health department or a small business that needs to expand. How they interact now; that is on our website, but not readily accessible. We want to use this web portable to make that information more accessible. We want a consolidated event calendar; there is one is out there now on CPCC's website, but it is buried and not up to date. You really have to know what you are looking for to find it, so we really want to raise that up. We have seen some very creative tools in New York City and in Portland what they call how to start a business or a business wizard where it keeps asking you questions about your business at the end. It will tell you what you need to do to start you business. Here is the name and the contact information along with the form to fill out. It's a very powerful tool. We are going to be talking to Assistant Commissioner Kelly in New York City finding out more about that and how we can use that tool. Finally on the fourth issue, you have taken some action on changing your equity line program. That is to promote public, private and non-profit partnerships to enable business owners to find capital. We are working with the Chamber right now to hold an Access to Capital Conference on June 29. We think that may become an annual event. We are going to be thinking about how we can help some of our SBE's get there. There is a $50.00 cost to get in. We are looking at subsidizing that for a number of our SBE's and a number of small businesses on our business corridors. We don't provide capital. We are not the big provider, 99% of the capital is provided in the private sector. What we can do is build that bridge and get them ready so that when they go to the bank with a good business plan and the right information there.

Carter: I believe that this will fit really well in the paradigm of the Small Business Week. These activities will be so beneficial and enhance what is going on if we could shift that timing to coincide.

Flynn: Absolutely, but next year that is what we want. Finally we heard a lot about what businesses need is work. Business to business buying, they want other businesses buying from them as well as government. How can we increase the opportunity to expand locally? We have talked about using this web portal to provide information better. We have talked about how we want to explore and research options around buy local campaign and how other cities are doing that and what our role would be. We want to examine State Enabling Legislation that would allow local companies to match low bids in the Charlotte or North Carolina area, similar to the executive order that Governor Perdue signed about two months ago. We want to explore the issues with it and bring it back to you. Also we want to explore an online business to business market place; that would be in phase II of our web portal. Finally, as we think of what our major clusters are around energy, what are the supply chains and how can our small businesses fit into that supply chain.

Carter: For the economic development within our City means lots of issues. What I would like to see is for us to brainstorm and see if we can cluster. Subsidiary clusters in environment and energy support, all those things that are coming in that would impact other clusters. Make sure that they know that these clusters exist; I don't know that that word is out there for small businesses. Have a paradigm for them to look at and see where they fit in.

Flynn: The recommendation that we are asking; if you are ready to do this would be to recommend Council approval of Small Business Strategic Plan and authorize expenditure of $150,000 from the E.D. Strategy Fund for the development marketing and branding of the small business web portal.

Carter: The $150,000 is from the $25,000,000 budget, is that right?

Flynn: $15,000,000.

Dulin: How much is left in that budget?

Mumford: Full, this is the budget that you all appropriated $2,000,000 to each year, so it continues to grow.

Dulin: A lot of this is the same as what the Chamber of Commerce does; it seems there is a lot of overlap.

Flynn: Keva Walton and Bob Morgan served on the Resource Partners Group and they have been very involved in it. Bob sees this as a very positive thing that he can market himself. They are a 3,000 member organization and there are 27,000 small business people. They are a key partner in this because they provide advocacy and they do provide training and other things including networking. They see this as a way to increase their membership.

Dulin: Would we be marketing the Chamber on the tax payers' dollar?

Flynn: No we would not.

Dulin: How many different partners are there in this effort?

Kimble: There are twenty different organizations in this effort. Each one has a different piece of the pie; it's a collective resource. The City is funding the web portal but the workers, employees and volunteers are all part of the base of resources that will serve small businesses.

Dulin: The other nineteen partners have skin in the game?

Flynn: They will have skin in the game. Someone is going to come to this web portal looking for help with a business plan. They are going to wind up at the Business Technology Center for the resources or they end up Chamber Survive and Thrive event and use resources there. So those resources are the skin in the game that they have. We will also be asking them to co-brand any events with us.

Dulin: If we are funding it, do want that co-branding and we do want those folks to know that the City of Charlotte is the lead partner?

Mumford: The reason we are proposing that we fund this is that we are uniquely positioned to be a connector. When you look at the other organizations, they have their missions and their roles and what we are trying to do is bring all of them together, in an impartial way. We really struggled on what is the City's role in economic development. We don't directly create jobs. We think that this is the way that we can do the best and leverage the most and help all of those organizations help the most.

Kinsey: The $150,000, is that a one time and who will be managing the money?

Mumford: We will have resources within Neighborhood & Business Services to manage a broader web issues for the department, this will be part of that activity.

Stone: I am Scott Stone Chairman of the Business Advisory Committee. When we started this process, it wasn't assumed that the City would be in charge. Over time and with meeting with our small business partners, it just came out that it made more sense. The skin in the game is that we are counting on the Chamber and CPCC and other partners to provide resources and they will be asking other partners because we need them to update information and a lot of other things coming in on a regular basis. That is part of what their skin in the game is. They are putting money into it and we need all that we can get.

Carter: Several years ago, we had an experiment that did not go near as well, the BizHub. Have we learned lessons from that that can be applied here?

Flynn: One of the lessons that we learned from that is that the web has taken over. You can provide a whole lot more information a whole lot more quickly to small businesses on the web than if you had physical location. I think the other thing is it's more cost effective to do it on the web. If I remember correctly, the BizHub budget was around $300,000 per year recurrent over and over. We think we can accomplish this for $150,000 one time plus redeployment of some staff and resources.

Carter: There are some small businesses that don't have access to computers and speak another language other than English. Can we provide some way of access for them?

Flynn: We brought up that point when we met with both the Latin-American and the Asian Chambers and that would be in another phase II in trying to translate some of it, particularly the Spanish. As well as marketing to those groups using some of our corridor resources.

Carter: May I suggest that there be a link that says if you have difficulty with language you can call "X" for translation services or mandating that the person that does this work go out to the communities and make an intentional touch, to make it the success that I envision.

Mitchell: Are we confident in making a motion?

VOTE: *Motion made by Ms. Carter to make a recommendation to City Council to approve the Small Business Strategic Plan and authorize expenditures of $150,000 from the Community ED Strategy Fund for the development, marketing and branding of a small business web portal. Seconded by Ms. Kinsey, vote was unanimous.*

III. Subject: Business Advisory Committee Annual Report

Mitchell: Ron, will you introduce the third item on the agenda?

Kimble: Scott Stone, Chairman of the Business Advisory Committee, is here to deliver to you in a regular format the annual report.

Stone: Much of what we have done in the last several months has been focused on the Small Business Strategic Plan. One of the things brought to us going forward is having more of a small business focus as part of the charge of the group. You have probably seen more of us in the past few months than in the last few years.

Mitchell: When I look at the makeup of the board, I see Arrowwood Association has one member party.

Stone: He has been on there for years and years.

Mitchell: Is that because at one time we had a manufacturing representative in the City of Charlotte?

Flynn: We were required to emphasize that we had a manufacturing person represented on the board. The Chamber at that time did not have a very active council in that area and that has changed somewhat since then.

Carter: Would the Committee like to discuss that structure and make recommendations if it is outdated?

Dulin: That is probably worth doing that and bring it back to our Committee. One of our Committee members that just finished a term suggested that we look at the membership and make sure that we have a balanced membership and terms expire maybe change it.

Mitchell: Some of the feedback that we receive is from the Spanish community organization and when you talk about small business those are the one that say we have no way to share and give feedback. So if your Committee would talk about a new model that is more inclusive, I think it would great to look at some of those organizations. I could cut down the travel time for Nancy. It is worth having them at the table on a monthly basis with at least a member representing their organization.

Kimble: You are celebrating your tenth year so it's celebrating the decade.

Dulin: Callie Glass has she been an active member of the Committee?

Stone: Yes, she is relatively new compared to some of the other members, but a great addition.

Carter: I don't think we need the generic statement and cut down on the paper.

Mitchell: Thank you Scott we really appreciate it. Committee, the last item is the next meeting and possible topic. Ms. Kinsey has a conflict.

Kinsey: Let me confirm that conflict and I will let Meg or Angela know.

Carter: Do we want to suggest another date while we are all here, just in case?

Mitchell: What about 3:30pm on the 25th?

Dulin: That is moving from the 27th to the 25th?

Kimble: We will still have to check with Mayor Pro Tem and Ms. Kinsey's calendar.

Dulin: I have a conflict on June 24.

Kimble: One possibility is to see if we really need to meet in June. If not, I am not opposed to cancelling all together.

Flynn: Committee members if we can take just two minutes of your time, we want to talk to you about the Mayor's Youth Employment Program. We are here to ask you if you have companies with contacts that you know, if you will let us contact them about summer employment of the youth would you please contact me or Dawn Hill. If you are going somewhere to speak, let us know and we will be glad to go with you if you would open the door. We are trying to get companies to participate. The Mayor and the Chamber were there this morning at the MYEP breakfast. You have a list in front of you that shows where we are in reaching the goal. We have goal of 100 jobs, we have 41 committed in the private sector. So are looking to leverage your contacts.

Dulin: These are committed for this summer?

Hill: We have 41 so far in the private sector, we have $13,000 to use at $7.25 per hour for our youth.

Dulin: The Optimist and Rotary clubs are a big deal for contact. We have four districts people we speak to in neighborhood groups four times a week.

Flynn: We will subsidize the wages.

Mitchell: When do we need to give you those company names?

Flynn: When ever you can. The program starts June 28.

Mitchell: And ends?

Hill: The program starts on June 28 and ends August 13.

Mitchell: We are adjourned.

Adjourned: 5:15p.m.

Economic Development Council Committee
Thursday, May 13, 2010 at 3:30pm
Charlotte-Mecklenburg Government Center
Room 280

Committee Members: Susan Burgess, Chair
James Mitchell, Vice Chair
Nancy Carter
Andy Dulin
Patsy Kinsey

Staff Resource: Ron Kimble, Deputy City Manager

AGENDA

I. NEW MARKETS TAX CREDITS - 45 minutes
Staff: Tom Flynn, Economic Development Manager
Action: Review background information and make a recommendation to City Council on supporting an application for New Markets Tax Credits. **Attachment**

II. SMALL BUSINESS STRATEGY PLAN – 30 minutes
Staff: Tom Flynn, Economic Development Manager
Action: Make a recommendation to City Council on the Small Business Strategy Plan. **Attachment**

III. BUSINESS ADVISORY COMMITTEE ANNUAL REPORT – Information Only

IV. NEXT MEETING & POSSIBLE TOPICS: May 27, 2010 at 3:30pm, Room 280
- ReVenture Park Update
- Economic Development Strategic Plan

Distribution: Mayor/City Council Curt Walton, City Manager Leadership Team Executive Team

The New Markets Tax Credit Program

Congress established the New Markets Tax Credit (NMTC) program as part of the Community Renewal Tax Relief Act of 2000 to encourage investment in impoverished, low-income communities that lack access to traditional sources capital. The NMTC provides investors (individuals, financial institutions, other corporations, etc.) with a tax credit for investing in communities that are economically distressed or consist of low-income populations.

The NMTC program is administered by the Department of Treasury's Community Development Financial Institutions (CDFI) Fund, which allocates tax credit authority to Community Development Entities (CDE) through a competitive application process. Those CDEs that are awarded allocations then issue tax credits to investors in exchange for equity investments. Tax credits are earned over a 7-year period.

Equity from tax credit investors is used to spur economic growth in disadvantaged communities by providing capital that might otherwise not be available to qualified businesses or projects. Tax credit equity is passed to borrowers in disadvantaged communities through the offering of flexible loan terms such as forgivable loan principal, below-market interest rates, and greater periods of interest only payments.

Qualifying Projects

NMTC must be used for qualifying projects located in Low-Income Community (LIC) census tracts. LICs are defined census tracts with poverty rates equal to at least 20 percent, or median family income levels that are less than 80 percent of the statewide or metropolitan statistical area median family income. Qualifying projects would include the following:

- Commercial Real Estate
- Business Loans (i.e. asset purchases or working capital)
- Residential Rental / Commercial Mixed-Use Real Estate
- Renewable Energy Development (e.g. solar panels or wind turbines)

Opportunities to Combine Tax Credits or Leverage Funding Sources

NMTCs are intended for "gap" financing and can be used in combination with other tax credits or as leverage to attract or enable other funding sources. Other potential tax credits and funding sources that can be used in combination with NMTC might include the following:

Tax Credits

- Historic Tax Credits
- Renewable Energy Tax Credits
- Investment Tax Credits

Other Funding Sources

- Market rate financing
- Subsidized capital for investing in distressed areas
- Public financing from local, state, and federal sources
- Bond financing

Small Business Strategic Plan

May 2010

Neighborhood & Business Services

Economic Development Office

DRAFT

Introduction

The Small Business Strategic Plan is intended to serve as an action plan for the City of Charlotte to use in leading a collaborative effort to help grow and sustain small businesses. The goal is that our community become the premier location for small business investment and growth. This plan recognizes the many organizations that provide services to small businesses in Charlotte-Mecklenburg and the need to better collaborate with these organizations to implement the objectives of this plan. One of the key findings from the Small Business Strategic Plan input process was that this collaborative effort needs to be improved and it needs a lead organization. The City of Charlotte, through its role as a neutral party/convener, is best positioned to provide the necessary leadership to improve collaborative efforts for the benefit of the community's small businesses and help implement the identified strategies necessary to sustain and expand Charlotte's economic base.

The creation of the Small Business Strategic Plan originated from an August 2009 request from the Charlotte City Council's Economic Development & Planning Committee. The Committee asked for the City's Business Advisory Committee (BAC) to identify opportunities to grow Charlotte's small businesses. In October 2009, the BAC reported back to the Economic Development & Planning Committee by outlining the need for the development of a strategic plan to assist small businesses. In January 2010, City Council approved this recommendation. A description of the Business Advisory Committee and a copy of their recommendation can be found in **Appendix A.**

The City's BAC has played a critical role in advancing this effort and providing important insight throughout the development of the strategy. The City's Small Business Resource Partners, organizations providing services to small businesses, were also heavily involved in the development of this strategy, participating in a series of meetings throughout the planning process. A complete list of these organizations and a description of their services can be found in **Appendix D.**

Additionally, input into the development of the Small Business Strategic Plan was received from small businesses through an online survey and a small business public forum.

The key elements in the Small Business Strategic Plan are:

1. Vision: To be the premier community for small business investment and growth

2. Mission: To Create an environment to help small business thrive in Charlotte-Mecklenburg through collaboration and public/private/non-profit partnerships

3. Objectives:
    a. Build and strengthen a sustainable local consortium of business resource partners
    b. Increase awareness of small business resources by developing a web portal with a recognizable brand and on-going marketing support
    c. Provide information and resources that meet changing market needs
    d. Promote public/private/non-profit partnerships to enable business owners to find capital
    e. Increase opportunities for small businesses to expand local sales

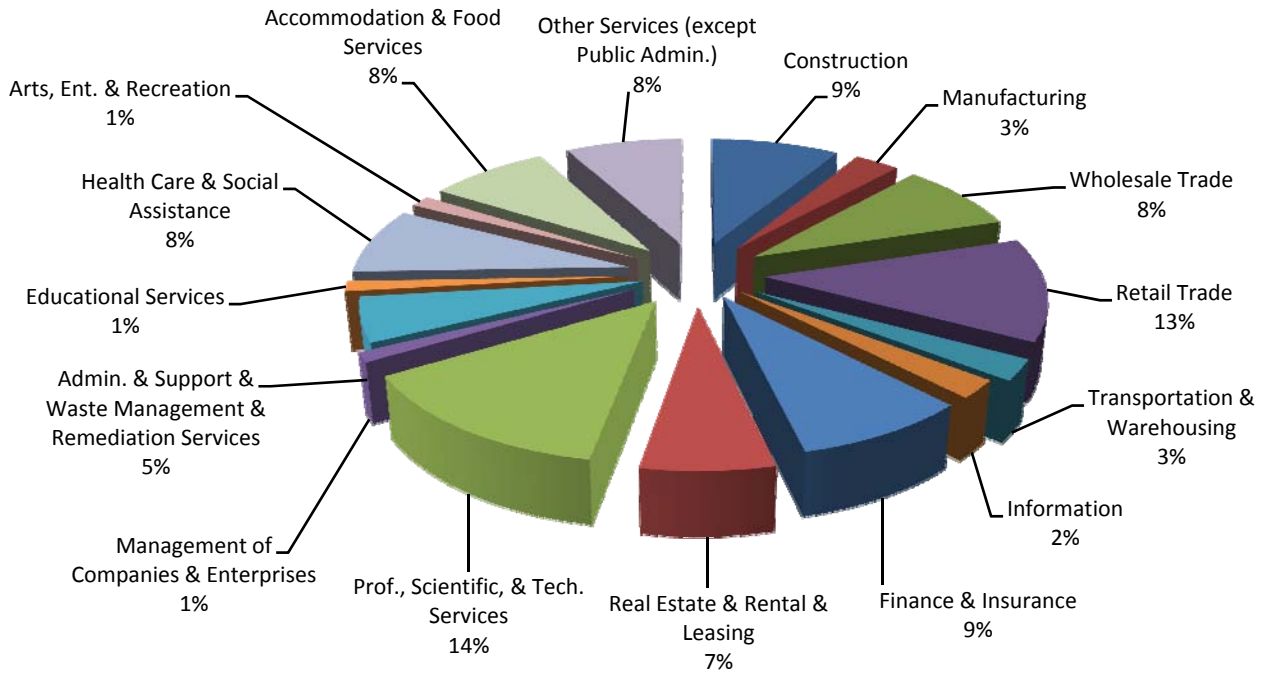
Background

Small Business Demographics:

According to the U.S. Census Bureau's County Business Patterns, there were 27,416 businesses with 99 or fewer employees in Charlotte-Mecklenburg in 2007. Seventy percent of these businesses had nine or fewer employees. This group also counted 69,554 sole proprietorships (businesses with only the proprietor receiving a salary) in Charlotte-Mecklenburg in 2007. The 27,000+ small businesses were primarily concentrated in the following sectors: Professional, Scientific, & Technical Services (14%); Retail Trade (13%); Finance & Insurance (9%); and, Construction (9%).

Chart 1: 2007 NAICS County Business Patterns

NAICS codes for the 27, 416 small businesses in Mecklenburg County



In comparison with Charlotte-Mecklenburg's peer cities, Charlotte-Mecklenburg has more small businesses (27,416) than: Indianapolis, Denver, Nashville and Raleigh. On a per capita basis, Charlotte-Mecklenburg has more small businesses (1 small business/1,000 population) than: Indianapolis, Nashville, Raleigh, and Tampa. A complete peer city comparison can be found in **Appendix B.**

Charlotte also has been widely cited as a good place for small businesses. Accolades that support this include:

- Ranked 17th on Forbes 200 Best Metro Areas for Business and Careers; *Forbes.com*, April 2010
- Ranked 56th on Forbes 100 Most Affordable Cities; *Forbes.com,* December 2009
- Ranked 2nd Best Place to Start a Small Business; *bizjournals.com,* February 2009
- Ranked 8th Best Place to Live and Launch; *Forbes Small Business*, October 2008

In summary, Charlotte has a vibrant and important small business economy and is recognized by business relocation specialists (and small business owners?) as a good location for small businesses.

Current State of Small Business in Charlotte:

To assess the current state of small business in Charlotte-Mecklenburg, City Economic Development staff reviewed information from the *BusinessFirst* Charlotte 2009 survey. This survey was conducted October-December 2009, and while not specifically targeted to small businesses, the City received responses from 76 businesses with 100 employees or fewer out of a total 166 respondents. The major findings of this survey included:

- Businesses surveyed predicted a 3.9 percent growth in employment over the next 12 months
- 15 percent of respondents expected to expand local operations in 2010
- 69 percent of sales occurred in the local or regional marketplace, lessening the likelihood of significant relocations from the Charlotte region

In January and February 2010, City staff conducted an online, 14-question survey specifically aimed at small businesses. The City received 227 responses to this survey included the following major findings:

- 62 percent were "satisfied", or "very satisfied" that Charlotte is *"business friendly"*
- 44 percent were "satisfied, or "very satisfied" with the *availability of business assistance programs*
- 42 percent were "dissatisfied", or "very dissatisfied" in their *ability to secure business capital/financing*
- 143 respondents provided ideas as to *"how state and local governments can assist their company in creating jobs,"* with the top four ideas being:
    1) Help with financing/provide access to capital
    2) Lower taxes and fees/provide incentives or stimulus funds
    3) Assistance in securing City/government contracts
    4) Streamline City/government permitting & processes
- 100 respondents provided ideas on *"what business assistance programs would be most helpful,"* with the top four ideas being:
    1) Financial assistance
    2) Government certification/education
    3) Counseling services
    4) Small business training/mentoring/assistance

On March 2, 2010, the City invited small businesses to a public forum to solicit input into the proposed small business strategy and to better understand their needs. Approximately 60 small business representatives attended the public forum where following major themes emerged:

- Small businesses are experiencing a shortage of working capital due to difficulty in collecting accounts receivable and difficulty in receiving financing/lines of credit

- There is a perceived difficulty/limited ability to do business with the City
- There is a need for greater coordination and marketing of all of the available small business resources in our community

Peer Cities and Best Practices:

City Economic Development staff reviewed peer cities' small business programs and their websites to identify best practices and services. Peer cities included in this analysis include: Raleigh, Nashville, Tampa, Portland, Denver and Austin, plus two international cities for an added perspective. Staff also researched best practices in New York and Phoenix. A chart summarizing these findings can be found in **Appendix C.**

This analysis indicated that the City of Charlotte's small business website lacks information frequently found on peer city websites, including: an event calendar, a "Frequently Asked Questions" page and the ability to contact a City representative directly through the website. The City of Charlotte also lacks many of the small business program offerings of these peer cities such as: assistance to start-up businesses, and assistance to mid-cycle businesses and free counseling. These services however are offered in our community by the Small Business Resource Providers **(Appendix D)**. Denver and New York offer the widest variety of services, including: a one-stop business assistance location, workforce recruitment assistance, funding assistance, free counseling, training, mentoring, and networking.

One current "best practice" in the economic development field is "economic gardening." Economic gardening works to grow a city's economy by focusing on the retention and growth of the local entrepreneur community. A key component of economic gardening involves identifying competitive or business intelligence, through the use of high-powered databases, which provide information to small businesses to increase their competitiveness and market knowledge. Economic gardening also focuses on a city's infrastructure and quality of life amenities to entice entrepreneurs to locate and create businesses. The last component of economic gardening is to build connections and promote networking opportunities between local businesses by facilitating industry clusters and cross marketing opportunities. Economic gardening is being embraced by many cities across the U.S., but most programs are being implemented in collaboration with community business resource providers, such as the local chamber of commerce, area colleges, and the library.

Small Business Resource Partners in Charlotte-Mecklenburg

Support for Charlotte-Mecklenburg's 27,000+ small businesses is provided by a wide range of public and private/non-profit agencies and organizations dedicated to small business development. The City refers to this group of key organizations as the Small Business Resource Providers (**Appendix D)**. These organizations provide a wide range of services that are key elements of a small business support system, including:

- Training programs and opportunities
- Access to capital
- Free business counseling

- Free access to business information
- Purchasing opportunities
- Small business advocacy
- Networking opportunities
- Marketing of programs and opportunities

Currently, many of these resource providers come together monthly as part of an informal "small business roundtable". The purpose of the roundtable is to share information, not to provide direction or leadership to the small business support effort. Over the past year, the Charlotte Chamber has also brought together representatives from these organizations to develop and present programs focused on assisting small businesses as part of their *"Survive and Thrive"* program.

The organizations identified as Small Business Resource Partners are:

- Business Expansion and Funding Corporation (BEFCOR)
- Carolinas Minority Supplier Development Council (CMSDC)
- Central Piedmont Community College (CPCC) Institute for Entrepreneurship
- Charlotte Chamber of Commerce
- Charlotte Mecklenburg Library
- Charlotte Regional Economic and Workforce Recovery Initiative
- City of Charlotte – Economic Development Office
- City of Charlotte – Small Business Opportunity (SBO) Program
- Counselors to America's Small Businesses (SCORE)
- Mecklenburg County
- Self Help
- Small Business Administration (SBA)
- Small Business & Technology Development Center (SBTDC)
- The Employers Association

Additionally, there are a number of member organizations targeted at small and entrepreneurial businesses that provide support to their members. These include, but are not limited to:

- Arrowood Association
- Business Innovation & Growth (BIG) Council
- Carolinas Asian-American Chamber of Commerce
- Carolinas Association of General Contractors (AGC)
- Latin American Chamber of Commerce
- National Association of Woman Business Owners (NAWBO)

<u>City of Charlotte: Small Business Opportunity Program</u>

The City of Charlotte's Small Business Opportunity (SBO) Program was created in 2004 and is targeted at a subset of the 27,000+ small businesses in Charlotte-Mecklenburg. The SBO Program is the outcome of

a legal challenge to the City's former Minority and Woman Business Development Program and focuses on awarding Small Business Enterprise (SBE) certification to small businesses that meet established size criteria and have the potential to do business with the City of Charlotte. For example, a landscaping company could be certified as a SBE; but a personal grooming establishment could not, as the City does not directly purchase personal grooming services. Currently there are 800 certified Small Business Enterprises. They operate in Mecklenburg and seven surrounding counties.

The SBO Program's focus includes identifying contracting opportunities for these businesses, working with the City's Key Business Units to set SBE utilization goals, and tracking and reporting compliance to these goals. The SBO Program also offers City of Charlotte certified SBEs the "Advance Your Business" Development Program consisting of:

- Small Business Workshop Series: Free monthly workshops and seminars provide networking opportunities for small businesses

- Central Piedmont Community College (CPCC) Institute for Entrepreneurship (IE) Partnership: The City provides certified SBEs tuition assistance of up to $300 each fiscal year; SBEs can select from a range of CPCC's entrepreneurship course offerings

- CPCC's *Getting to the CORE of Business* Strategic Development Program: This pilot initiative kicked-off in spring 2010. This five-month program provides business owners individualized, practical training to integrate, implement and execute a focused growth strategy

- Professional Association Sponsorships: One-time partial sponsorship of $100 toward annual membership dues for the following organizations: Charlotte Chamber, Latin American Chamber of Commerce, Association of General Contractors (AGC), Metrolina Minority Contractors Associations (MMCA), and National Association of Women Business Owners (NAWBO)

- Mentor Protégé Program: Hands-on managerial and technical assistance by matching SBE owners and managers in need of guidance and training with larger more experienced companies

- Survive & Thrive: Partnership with the Charlotte Chamber and other area small business providers offering business owners an educational monthly breakfast series

- ACCESS: Partnership with local government agencies and small business resource providers to coordinate and hold a yearly half-day procurement conference

Another focus of the City's SBO Program is the SBE Loan Fund, an innovative public/private fund established in 2003 to assist small businesses with gaining access to capital. The fund provides more flexible underwriting guidelines than traditional lenders. Businesses eligible for financing through the SBE Loan Fund typically would not be able to secure financing from a traditional bank. The SBE Loan Fund is administered by Self Help, a North Carolina non-profit community development lender.

Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis

City Economic Development staff, the Small Business Resource Partners and the BAC all participated in analyzing the current Strengths, Weaknesses, Opportunities and Threats (SWOT) of the current small business climate in Charlotte. This analysis is summarized in the chart below.

Strengths:	**Weaknesses:**
• Quality of small business resources — Variety — Limited redundancy • Depth and capacity of existing services • No cost start-up resources • Talented workforce • Small business friendly	• Access to capital for the small businesses • Lack of overall strategy • Lack of centralized marketing efforts — Online portal and web based resources — Communications with small businesses
Opportunities:	**Threats:**
• Branding — A central portal for information and data collection for providers • Create and implement a strategic plan • Enhanced resources to support start-up, mid-cycle, maturing and failing small businesses • Link Charlotte-Mecklenburg to regional resources • "Business to Business" small business network -- Opportunity to partner to go after project -- Opportunity to purchase from one another	• Lack of funding to implement initiatives that come out of this process • Access to working capital for the small businesses • Changing mindset to new economy- way to do business with internet, alliances, etc., • Perception of unfavorable cost of doing business • Perceptions of business environment stifling attraction and growth

A key strength for small businesses in Charlotte is the variety and quality of the available small business resources and the perception that Charlotte is "business friendly." However, a clear weakness is that many of these small business resources are unknown by Charlotte's small businesses because these services are not well marketed. There is a clear opportunity to create a central web portal that would provide access to small business services and a shared brand for all small business resource partners to market their services. The threat to accomplishing this is the lack of funding, particularly given current economic conditions. Another threat to growing small business in Charlotte is the perception that Charlotte has an unfavorable cost of doing business and government regulations that stifle the growth of small businesses.

Recommendations

To accomplish the recommended vision, mission and objectives of the Small Business Strategic Plan, the City of Charlotte must assume a leadership role with the small business resource partners and provide the resources necessary to accomplish the objectives of this plan. The intent is for the City to better connect small businesses to available resources in the community, not for the City to provide these resources to all 27,000 small businesses.

The City is uniquely situated to lead this effort because:

- The City's interests span across the specialties (i.e. training, lending, and counseling) of the resource partners. No other resource partner has as broad a perspective as the City
- The City convened the resource partners and lead the effort to develop this plan
- The City has a successful track record of building and maintaining collaborative partnerships with both for-profit and not-for-profit groups
- The City is the only organization that currently has resources that can be reallocated to meet the objectives of this plan

The objectives of the Small Business Strategic Plan are listed below. A key consideration was how the recommendations of the Small Business Strategic Plan would strengthen the City existing Small Business Opportunity Program: This Strategic Plan positively enhances the City's certified Small Business Enterprises by:

1) Making information more available
2) Providing easier access to local government contracting information
3) Enhancing opportunities for business-to-business networking
4) Expanding opportunities for "success stories" recognition

Each objective has several accompanying action steps which are detailed in **Appendix E**. Each action step is assigned a, lead party, supporting party and timeline. The City is not the lead organization for each action step. For example, CPCC's Institute for Entrepreneurship is given the lead to maximize the effectiveness of the existing "Resource Navigator" by identifying best practices in other communities using the "Resource Navigator". The objectives and key action steps are:

Objective #1: Build and strengthen a sustainable local consortium of small business resource partners

The Small Business Resource Partners play an essential role in growing small businesses in Charlotte. However, not only do they each operate independently of one another, small businesses are often times unaware that these resources exist. A collaborative effort amongst the Partners to act together to, among other things, support the development of a central "go-to" web portal will greatly enhance the current small business environment. The goal of the web portal is to simplify access to information and resources for the small business community and is crucial to demonstrating our commitment to supporting small business development. Key action steps to accomplish this include:

- Determine and agree upon a set of guiding principles regarding commitment to move forward in developing the consortium and the centralized web portal
- Identify the funding/resource requirements for a web-based Charlotte-Mecklenburg small business portal and sustained marketing program
- Add a small business focus to the Business Advisory Committee (BAC) charge

Objective #2: Increase awareness of small business resources by developing a web portal with a recognizable brand and on-going marketing support

Currently, each resource partner brands and markets itself separately. Most of the resource partners are non-profits or funded by the State and therefore have limited marketing budgets. There is no single, comprehensive method to learn about all of the available small business resources in Charlotte. A consortium brand and marketing strategy, together with a central web portal, would serve as a public face representing our commitment to small business development. This brand and central web portal would serve the vital role of being the clear "go to" source for small businesses to learn where to go to find answers and solutions to specific business concerns. Key action steps to accomplish this include:

- Perform an inventory of the resource partners and their services
- Develop in collaboration with the resource partners, a small business web portal and a brand for the web portal
- Develop a coordinated approach to programming and marketing for Small Business Week

Objective #3: Provide information and resources that meet changing market needs

Small businesses are dynamic. Today their primary need is access to capital. A few years ago their primary need was a skilled workforce. Access to up-to-date, useful and relevant information and resources are critical to their success. Systems must be put in place to capture these ever changing needs and to keep the information on the web portal up-to-date and relevant. This is crucial to the success of the brand and web portal, and will also serve to help the Resource Providers respond to current small business needs. Key action steps to accomplish this include:

- Complete and maintain an up-to-date comprehensive inventory of local government permitting requirements and provide this information via the web portal
- Develop a consolidated small business event calendar on the web portal and a proactive process to keep it updated
- Develop "How to Start a Business" wizard for the web portal
- Maximize effectiveness of Resource Navigator, an existing on-line tool to connect businesses with area resources
- Evaluate starting an "economic gardening" program to provide market assessment, research and analysis to targeted small businesses to help them grow

Objective #4: Promote public/private/non-profit partnerships to enable business owners to find capital

Access to capital is the number one need of small businesses in today's market. Three resource partners, Self Help, BEFCOR, and the City, provide capital to small businesses. Other resource partners, CPCC, SCORE and SBTDC, assist businesses in preparing applications for loans and capital. However, the overwhelming amount of small business lending is done by the private sector. Therefore, the plan calls for additional public/private partnerships to help businesses access this private capital. Key actions steps to accomplish this include:

- Hold an Access to Capital conference
- Provide education to make potential borrowers credit ready
- Hold lender roundtables to facilitate ongoing dialogue, create a lender referral network, and develop partnerships
- Seek opportunities for non-traditional lenders (CDFIs, angels, Grameen, etc.) to engage in the Charlotte market

Objective #5: Increase opportunities for small businesses to expand sales locally

There is an opportunity to grow local small businesses by connecting them to other businesses in Charlotte's target growth clusters. This will provide businesses the ability to grow their sales, hire more people and keep money in Charlotte's economy. A key part of this work is providing better information via the web portal to connect small business both to local government and local business procurement opportunities. Key actions steps to accomplish this include:

- Provide centralized information on local government contracting opportunities
- Explore and research options for a "buy-local" campaign
- Pursue State enabling legislation to allow local companies to match low bids in Charlotte area
- Explore an online "Business to Business" marketplace
- Identify the supply chain for major industry clusters to discover and identify local suppliers

<u>Funding and Resources</u>

Economic Development staff estimates the development of the web portal, along with the associated branding and initial marketing campaign will cost $150,000. These resources are available in the Community Economic Development Strategy account, which as of May 2010, has a balance of $15,000,000. The annual marketing and maintenance costs for the web portal are estimated to be $20,000 to $30,000 and can be covered by reallocating existing resources within the Economic Development budget. This will also require a full-time staff person to lead development of the web portal, branding effort and marketing campaign. This can be met by reallocating and realigning existing Economic Development staff.

The Small Business Resource Partners will contribute in-kind resources to the marketing and branding campaign by co-branding their materials, events and websites, where possible.

Metrics

The complete list of objectives and action steps in **Appendix E** identifies a timetable for each action step. The success of the Small Business Strategic Plan will be evaluated based on the following metrics:

- An annual web-survey of small businesses to measure the percentage increase of small businesses' satisfaction with the Charlotte business climate, and the percentage increase of small businesses' satisfaction with the small businesses resources and services
- Web analytics to measure the success of the web portal
- Increased utilization of the Small Business Resource Partners
- Specific measures on small business vitality (i.e.: number of people employed by small business; decline in number of small business failures)

Appendix A

Business Advisory Committee

Committee Charge:

The Business Advisory Committee is charged to: provide recommendations and advice to City Council on ways the City can help business in Charlotte; provide a forum for businesses to raise issues; discuss and have input into City policy responses to these issues; provide input and advice to business retention planning efforts and implementation of the Business Retention Plan; keep City Council and Key Business Executives abreast of changes in business and business climate, and how that might affect business-government relations and needs of public services.

Committee Membership:

- Two (2) members by the Mayor;
- Six (6) members by the Charlotte City Council;
- Five (5) members by the Charlotte Chamber of Commerce
- One (1) member appointed by the Manufacturer's Council
- One (1) member appointed by the Arrowood Association

Committee Members:

Scott Stone, Mayor Appointment, Chair

Terri DeBoo, Charlotte Chamber

Michael Orzech, Charlotte Chamber

Robert Barkman, City Council

Lee Froneberger, City Council

Callie Glass, City Council

Linda Daniel, Manufacturer's Council

Tunis Hunt, Arrowood Association

Eric Dudley, Charlotte Chamber

Todd Paris, Charlotte Chamber

Tariq Bokhari, City Council

Nalan Karakaya-Mulder, City Council

Gary LaBrosse, City Council

CHARLOTTE.
NEIGHBORHOOD & BUSINESS SERVICES

MEMORANDUM

TO: **Economic Development & Planning Committee**

FROM: **Scott Stone, Business Advisory Committee Chairman**

DATE: **October 16, 2009**

RE: **Recommendation to ED&P regarding small business resources**

At the request of the Economic Development & Planning Committee, the City's Business Advisory Committee has performed a SWOT Analysis (attached) on the current resources available to the small business community. From this analysis, it is our recommendation that the City needs a clearer strategy to support the local small business community. We believe that this strategy would best be communicated and implemented through a small business strategic plan which the City should undertake with its partners, including: Charlotte Chamber, SBTDC, CPCC, Mecklenburg County, etc.

Elements of this Small Business Strategic Plan should include:

- Mission Statement
- Quantifiable Objectives and Goals of the Plan
- Definition of a Small Business for Purposes of the Plan
- Defined Roles of the City, Chamber and other small business resource partners (Chamber, CPCC, UNCC, SBTDC, SCORE, Self-Help, BEFCOR, SBA)
- Peer City Analysis
- Small Business Data – research on current state of small businesses in Charlotte
- Identification of resources needed to implement plan and possible sources

This strategic plan would be incorporated into the City's updated Economic Development Strategic Plan for FY10 – FY15. The Business Advisory Committee would continue to provide direction and feedback to the City's Economic Development Office during the strategic plan process.

We recommend the creation of a Small Business Strategic Plan and the Business Advisory Committee would like to be a key driver in the development and implementation of this plan.

Cc: Business Advisory Committee

Tom Flynn, Economic Development Director

Nancy Rosado, Small Business Development Program Manager

Appendix B

Number of employees	County Business Patterns						
	Atlanta *Fulton*	Charlotte *Mecklenburg*	Indianapolis *Marion*	Denver *Denver*	Tampa *Hillsborough*	Nashville *Davidson*	Raleigh *Wake*
1 – 4	18,795	14,500	11,505	12,048	19,225	8,726	13,319
5 - 9	5,406	4,985	4,766	3,824	5,638	3,722	4,389
10 - 19	3,943	3,765	3,677	2,726	3,776	2,860	3,303
20 - 49	3,241	3,051	2,727	2,057	2,723	2,073	2,492
50 - 99	1,297	1,115	1,028	783	1,047	795	886
Small Businesses	**32,682**	**27,416**	**23,703**	**21,438**	**32,409**	**18,176**	**24,389**

** The U.S. Census County Business Patterns provides data on the total number of establishments by employment-size classes for all U.S. counties.*

	Self-Employed with No Paid Employees						
	Atlanta *Fulton*	Charlotte *Mecklenburg*	Indianapolis *Marion*	Denver *Denver*	Tampa *Hillsborough*	Nashville *Davidson*	Raleigh *Wake*
Nonemployer Firms	81,673	69,554	51,567	48,978	90,344	51,936	64,222

**Self-employed with no paid employees (nonemployer statistics) with annual business receipts of $1,000 or more.*

	All Small Businesses						
	Atlanta *Fulton*	Charlotte *Mecklenburg*	Indianapolis *Marion*	Denver *Denver*	Tampa *Hillsborough*	Nashville *Davidson*	Raleigh *Wake*
All Small Businesses	114,355	96,970	75,270	70,416	122,753	70,112	88,611

** Combined total of county business patterns and self-employed with no paid employees firms.*

Source: U.S. Census Bureau http://censtats.census.gov/cbpnaic/cbpnaic.shtml and http://www.census.gov/econ/nonemployer/index.html

Appendix C

Web Portal Matrix: Peer Cities & Best Practices for Small Businesses

The web portal matrix provides a brief snapshot of City government website information for entrepreneurs and small business owners.

Small Business Offerings	*Charlotte	*Raleigh	*Nashville	*Tampa	New York	Portland	Denver	Phoenix	Austin
Cities Website Comparisons									
Event Calendar			x	x	x	x	x		x
Frequently Asked Questions		x	x	x	x	x	x		x
Resource Partner Listings	x	x	x			x	x	x	x
Steps in Starting a Business	x	x	x	x	x	x	x	x	x
Gov't Certifications / Contracting	x	x	x	x	x	x	x	x	x
Financial Information	x		x	x	x	x	x	x	x
Umbrella Brand						x			
Green Initiatives						x	x		
Small Business Information Portal				x	x	x			x
Ease of Navigation					x	x	x	x	
Contact Us		x	x	x	x	x	x		x
Cities Small Business Services/Offerings									
One-Stop Location				x	x		x	x	x
Workforce Recruitment					x		x		
Assist Start-up Businesses			x	x	x	x	x	x	x
Assist Mid-cycle Businesses			x	x	x	x	x	x	x
Funding Opportunities	x			x	x		x	x	x
Free Counseling Services				x	x		x	x	x
Training	x		x	x	x	x	x	x	x
Mentoring					x				
Networking	x		x	x	x	x	x		x

*SBE or MWBE Program Only

Appendix D

Charlotte Small Business Resource Partners

City of Charlotte – Economic Development Office

The City of Charlotte's Economic Development Office focuses on locating and relocating businesses to Charlotte, workforce development, business corridor revitalization, financial assistance programs, small business opportunities, and business retention.

Old City Hall
600 East Trade Street, 3rd Floor
Charlotte, NC 28202
Phone: 704-432-1395
Website: www.charmeck.org

City of Charlotte – Small Business Opportunity (SBO) Program

The SBO Program seeks to enhance competition in City contracting and to promote small business economic growth and development in the Charlotte Regional area. The City certifies small businesses as Small Business Enterprises (SBE) based upon established size standards. Small businesses can also participate in *Advance Your Business* development programs.

Old City Hall
600 East Trade Street, 3rd Floor
Charlotte, NC 28202
Phone: 704-432-1395
Website: http://smallbiz.charmerck.org

Self Help

A nonprofit community development lender whose mission is creating ownership and economic opportunity for small businesses and nonprofit organizations headed by minorities, women, rural residents and low-wealth families. Self- Help also administers the SBE Loan Fund.

926 Elizabeth Avenue
Charlotte, NC 28204-2204
Phone: 704-332-1514
Website: www.self-help.org

Business Expansion Funding Corporation (BEFCOR)

Working in partnership with a bank, BEFCOR provides federal 504 loan program financing for fixed assets at a low-fixed interest rate.

5970 Fairview Road, Suite 218
Charlotte, NC 28210
Phone: 704-442-8145
Website: www.charlottecdc.com

CPCC Institute for Entrepreneurship

Provides education, skills training, one-on-one counseling and access to their resource center with materials and resource information to plan or improve small businesses. Free seminars on business related topics are offered most months at the Institute and various public library locations.

CPCC Central Campus, Hall Professional Development Building
1112 Charlottetowne Avenue
Charlotte, NC 28204
Phone: (704) 330-6736
Website:www.cpcc.edu/e-institute

Small Business & Technology Development Center (SBTDC)

Provides management counseling and educational services to small and midsized businesses. Their primary focus is operations, and business planning, and feasibility assessment.

The Ben Craig Center
8701 Mallard Creek Road
Charlotte, NC 28262
Phone: (704) 548-1090
Website: www.sbtdc.org

Counselors to America's Small Businesses (SCORE)

SCORE members are retired business professionals who provide volunteer business services to those interested in starting or expanding a business. Free consultations are available to help individuals define a successful marketing strategy, develop a marketing plan or help solve business problems.

6302 Fairview Road, Suite 300
Charlotte, NC 28210-2227
Phone: 704-344-6576
Website: www.score.org

Charlotte Mecklenburg Library

Sample businesses, sample business research tools and much more are all available on the second floor of the Main Library.

310 North Tryon Street
Charlotte, NC 28202
Phone: Please contact Charlotte SCORE at 704-344-6576 for appointments
Website: www.plcmc.org

Charlotte Chamber of Commerce

A membership, volunteer-led organization that works to recruit companies interested in relocation; provides information and assistance; and monitors government to identify issues that affect the local business climate and advocates on behalf of its members.

330 South Tryon Street
Charlotte, NC 28202
Phone: 704-378-1300
Website: www.charlottechamber.com

Carolinas Minority Supplier Development Council (CMSDC)

A private, non-profit, membership organization of major corporations, financial institutions, government agencies, and universities that operate within North or South Carolina. The organization promotes and facilitates the development of business relationships between its members and certified minority-owned business enterprises

100 Seaboard Street, Suite B-14
Charlotte, NC 28206
Phone: 704-549-1000
Website: www.carolinasmsdc.org

Mecklenburg County (Minority, Women and Small Business Enterprises Program)

The City of Charlotte and Mecklenburg County offer a variety of economic development and business development programs for qualified businesses.

Valerie C. Woodward Center
3025 Freedom Drive, Suite 101
Charlotte, NC 28208
Phone: 704-336-6186
Website: www.charmeck.org/Departments/MWSBE/home.htm

The Employers Association

Provides human resources and training services to organizations in the greater Charlotte, NC area. Serves more than 850 member organizations of all sizes and industries, both public and private.

3020 West Arrowood Road
Charlotte, NC 28273
Phone: 704-522-8011
Website: www.employersassoc.com

Small Business Administration (SBA)

An independent agency of the federal government that aids, counsels, assists and protects the interests of small business concerns. Also, provides SBA-backed loans, government contracting opportunities, disaster assistance and training programs to help small businesses succeed.

SBA Regional Office
6302 Fairview Road, Suite 300
Charlotte, NC 28210
Phone: 704-344-6563
Website: www.sba.gov

Charlotte Regional Economic and Workforce Recovery Initiative

A collaborative effort to address high unemployment due to the recession, particularly among professionals.

550 S. Caldwell Street, Suite 760
Charlotte, NC 28202
Phone: 704-336-6270
Website: www.pronetcharltotte.com

APPENDIX E

Objectives and Action Steps

Vision:

To be the premier community for small business investment and growth

Mission:

To create an environment to help small businesses thrive in Charlotte-Mecklenburg through collaboration and public/private/non-profit partnerships

Objectives:

1. Build and strengthen a sustainable local consortium of business resource partners
2. Increase awareness of small business resources by developing a web portal with a recognizable brand and on-going marketing support
3. Provide information and resources that meet changing market needs
4. Promote public/private/non-profit partnerships to enable business owners to find capital
5. Increase opportunities for small businesses to expand sales locally

Activities:

1. Build and strengthen a sustainable local consortium of business resource partners

- Define the value proposition of the consortium and each consortium member
  Lead party: City of Charlotte
  Supporting party: CPCC, Charlotte Chamber
  Timeline: Immediate

- Determine and agree upon a set of guiding principles regarding commitment to move forward
  Lead party: City of Charlotte
  Supporting party: Small Business Resource Partners
  Timeline: Immediate

- Identify the funding/resource requirements for a web-based Charlotte-Mecklenburg small business portal and sustained marketing program
  Lead party: City of Charlotte
  Supporting party: NA
  Timeline: Immediate

- Create a short-term and long-term funding strategy
  Lead party: City of Charlotte
  Supporting party: Small Business Resource Partners
  Timeline: October 2010

- Add a small business focus to the Business Advisory Committee (BAC) charge
  Lead party: City Council
  Supporting party: BAC
  Timeline: September 2010

- Examine potential of a "Mayor's Small Business Alliance" similar to Mayor's Mentoring Alliance
  Lead party: City of Charlotte
  Supporting party: Small Business Resource Partners
  Timeline: October 2010

2. **Increase awareness of small business resources by developing a web portal with a recognizable brand and on-going marketing strategy**

- Perform an inventory of the resource providers and their services
  Lead party: City of Charlotte
  Supporting party: Small Business Resource Partners
  Timeline: October 2010

- Develop a small business web portal and a brand for the web portal
  Lead party: City of Charlotte
  Supporting party: Small Business Resource Partners
  Timeline: Fall 2010

- Create a short-term and long-term marketing strategy
  Lead party: City of Charlotte
  Supporting party: Small Business Resource Partners
  Timeline: Fall 2010 and ongoing

- Take a coordinated approach to Small Business Week
  Lead party: CPCC
  Supporting party: Small Business Resource Partners
  Timeline: Ongoing

3. **Provide information and resources that meet changing market needs**

- Aggregate information from all resource partners to present most up to date picture of small business offerings, e.g. programming, loan programs, counseling, etc.

Lead party: City of Charlotte
Supporting party: CPCC
Timeline: April 2011

- Complete a comprehensive inventory of local government permitting requirements and provide this information via the web portal
  Lead party: City of Charlotte and Mecklenburg County
  Supporting party: Small Business Resource Partners
  Timeline: April 2011

- Determine the schedule and process to refresh and update web portal information
  Lead party: City of Charlotte
  Supporting party: Small Business Resource Partners
  Timeline: January 2011 and ongoing

- Provide access to information, e.g., postcard with website address, packet, etc. to new small business identified through new business licenses
  Lead party: City of Charlotte
  Supporting party: Small Business Resource Partners
  Timeline: January 2011

- Regularly survey small businesses to ensure relevant programming and outreach
  Lead party: City of Charlotte
  Supporting party: SBTDC, CPCC
  Timeline: Ongoing (at a minimum, one annual survey)

- Maximize effectiveness of Resource Navigator
  Lead party: CPCC
  Supporting party: City of Charlotte
  Timeline: January 2011

- Provide a small business advocate to work with small business on regulatory permitting and other issues
  Lead party: City of Charlotte and Mecklenburg County
  Supporting party: NA
  Timeline: January 2011

- Develop a consolidated small business event calendar and a proactive process to keep it updated
  Lead party: City of Charlotte
  Supporting party: Small Business Resource Partners
  Timeline: January 2011

- Evaluate starting an "economic gardening" program to provide market assessment, research and analysis to targeted small businesses to help them grow

Lead party: City of Charlotte
Supporting party: Charlotte Chamber
Timeline: April 2011

- Maintain and/or expand "Biz-Boost" program at SBTDC
  Lead party: State of NC
  Supporting party: SBTDC, City of Charlotte
  Timeline: July 2010

- Develop "How to Start a Business" wizard for the City of Charlotte website
  Lead party: City of Charlotte
  Supporting party: Mecklenburg County
  Timeline: April 2011

4. Promote public/private/non-profit partnerships to enable business owners to find capital

- Hold an Access for Capital conference
  Lead party: Charlotte Chamber
  Supporting party: City of Charlotte
  Timeline: June 2010

- Provide education to make potential borrowers credit ready
  Lead party: CPCC, SBTDC
  Supporting party: Small Business Resource Partners
  Timeline: Ongoing

  - Hold lender roundtables to facilitate ongoing dialogue, create lender referral network, develop partnerships, etc. Identify small business champions within each financial institution

  Lead party: City of Charlotte
  Supporting party: State of NC
  Timeline: December 2010

- Seek opportunities for non-traditional lenders (CDFIs, angels, etc.) to engage in the Charlotte market
  Lead party: City of Charlotte
  Supporting party: Charlotte Chamber
  Timeline: Ongoing

- Regularly review city loan programs to ensure they are meeting market needs
  Lead party: City of Charlotte
  Supporting party: Self-Help, BEFCOR
  Timeline: Ongoing

- Provide business resource directory to lenders
  Lead party: City of Charlotte
  Supporting party: Small Business Resource Partners
  Timeline: April 2011 (updated annually)

5. Increase opportunities for small businesses to expand sales locally

- Explore and research options for buy local campaign
  Lead party: Charlotte Chamber and City of Charlotte
  Supporting party: NA
  Timeline: June 2011

- Pursue state enabling legislation to allow local companies to match low bids in Charlotte area
  Lead party: City of Charlotte, City Council, Mecklenburg County
  Supporting party: Charlotte Chamber
  Timeline: May 2010

- Provide information of local government contracting opportunities
  Lead party: City of Charlotte, Mecklenburg County
  Supporting party: Small Business Resource Partners
  Timeline: Ongoing

- Structure and hold procurement conferences
  Lead party: SBTDC, Charlotte Chamber
  Supporting party: Small Business Resource Partners
  Timeline: Ongoing

- Explore an online "Business to Business" marketplace
  Lead party: City of Charlotte, Charlotte Chamber
  Supporting party: NA
  Timeline: 3-5 years

- Create a corporate procurement roundtable
  Lead party: Charlotte Chamber
  Supporting party: City of Charlotte
  Timeline: October 2010

- Identify the supply chain for major clusters to discover and identify local suppliers
  Lead party: Charlotte Regional Partnership/ Charlotte Chamber
  Supporting party: NA
  Timeline: Summer 2010

- Leverage relocation and business expansion projects that move to Charlotte to provide opportunities to the existing small businesses in Charlotte

Lead party: Charlotte Chamber
Supporting party: NA
Timeline: October 2010

CHARLOTTE.

M E M O R A N D U M
FROM THE
OFFICE OF THE CITY CLERK

DATE: April 29, 2010
TO: Economic Development Committee Members
FROM: Stephanie C. Kelly, CMC, City Clerk
SUBJECT: **Business Advisory Committee Annual Report**

The attached report of Business Advisory Committee is being sent to you pursuant to the Resolution related to Boards and Commissions adopted by City Council at the November 23, 2009 meeting. This resolution requires annual reports from City Council Boards and Commissions to be distributed by the City Clerk to both City Council and to the appropriate Committee for review.

If you have questions or comments for the board, please convey those to staff support for a response and/or follow-up.

Section 6. **REPORTS OF BOARDS, COMMITTEES, AND COMMISSIONS**

The City Council finds it appropriate to periodically review each standing board, committee, and commission to which they make appointments for the purpose of assessing whether said board, committee, or commission should be renewed, dismantled, expanded or its charge redefined. To this end, each board, committee, and commission that is part of the City, or that was established by the City Council, whether acting alone or in conjunction with one or more other local governments, is required to submit annual written reports that must contain in depth reviews of the body's activities, including goals, objectives, successes, problems, and/or the need for City Council assistance. These reports shall be submitted to the City Clerk and will be staggered through the year according to a schedule established by the City Clerk. The City Clerk shall then provide the Mayor and City Council with copies of the reports and refer the reports to the appropriate Council Committee for the Committee's information.

Boards, committees, and commissions that are not part of the City shall submit reports in accordance with the reporting requirements set forth in their contract, if any, with the City.

In addition to required written reports, the City Council may request on a case-by-case basis that an oral report be made to the Council.

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NEIGHBORHOOD & BUSINESS SERVICES

MEMORANDUM

TO: **Mayor and City Council**

FROM: **Scott Stone, Chair**
Business Advisory Committee

DATE: **April 28, 2010**

RE: **Annual Report of the Business Advisory Committee**

As required by the Charlotte City Charter and City Council's current policy for Boards and Commissions, the Business Advisory Committee is hereby submitting a report of its activities for the period from May 1, 2009 to May 1, 2010.

Charge to the Committee

The Business Advisory Committee is charged to: provide recommendations and advice to City Council on ways the City can help business in Charlotte; provide a forum for businesses to raise issues; discuss and have input into City policy responses to these issues; provide input and advice to business retention planning efforts and implementation of the Business Retention Plan; keep City Council and Key Business Executives abreast of changes in business and business climate, and how that might affect business-government relations and needs of public services.

Members, Attendance Requirements, Meeting Schedule:

The Committee is composed of 15 members. The members are appointed as follows:

- One (1) Chairperson appointed by the Mayor from the body of the Committee;
- Two (2) members by the Mayor;
- Six (6) members by the Charlotte City Council;
- Five (5) members by the Charlotte Chamber of Commerce
- One (1) member appointed by the Manufacturer's Council
- One (1) member appointed by the Arrowood Association

The Committee members are:

Scott Stone, Mayor Appointment, Chair
Terri DeBoo, Charlotte Chamber
Michael Orzech, Charlotte Chamber
Robert Barkman, City Council
Lee Froneberger, City Council
Callie Glass, City Council
Linda Daniel, Manufacturer's Council
Tunis Hunt, Arrowood Association
Eric Dudley, Charlotte Chamber
Todd Paris, Charlotte Chamber
Tariq Bokhari, City Council
Nalan Karakaya-Mulder, City Council
Gary LaBrosse, City Council

The Committee currently has two Mayoral appointments and one Charlotte Chamber appointment unfilled.

All members have met attendance requirements and serve without compensation. The Committee meets once a month on the third Friday of the month at 7:30am in the Charlotte Mecklenburg Government Center.

Work Plan

Prior to August 2009, the Committee's work plan was focused on, but not limited to, the following topics: consolidation of the Economic Development and Neighborhood Development Departments; Green Economic Development initiatives; *BusinessFirst* Charlotte Annual Survey and Report; Small Business Opportunity Program revisions.

In August 2009, the Economic Development Committee asked the Business Advisory Committee to examine the current resources available to small businesses. In the fall, the Committee participated in a SWOT analysis of these resources and presented their findings to the Economic Development Committee on October 21, 2009. In January 2010, City Council directed the Business Advisory Committee to assist City staff in the creation of a Small Business Strategic Plan. Therefore, the Committee's work plan for 2010 has been mainly focused on this assigned task.

Since January, the Committee has assisted in the development of the Small Business Strategic Plan through providing insight into a small business community survey, assisting in a review of small business practices of peer cities, hosting a small business public forum on March 2, 2010 and reviewing the proposed objectives and activities of the Small Business Strategic Plan. Additionally, the Committee reviewed the Small Business Funding Programs offered by the Neighborhood & Business Services Department and recommended changes to the Business Equity Loan Program that included expanding geographical restrictions and increasing the net worth criteria for applicants.

The Committee will support the presentation of the Small Business Strategic Plan to City Council in May 2010.

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NEIGHBORHOOD & BUSINESS SERVICES

Recommendations for City Council Consideration

The Committee supports the recommendation within the Small Business Strategic Plan to ask City Council to add a small business focus to the Committee's charge.

Cc: City Clerk
Business Advisory Committee
Tom Flynn, Neighborhood & Business Services
Emily Cantrell, Neighborhood & Business Services

CHARLOTTE
NEIGHBORHOOD & BUSINESS SERVICES

New Markets Tax Credits
Economic Development Committee
May 13, 2010

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Summary

- Current Financing Tools
- New Markets Tax Credits (NMTC)
- City's Proposed Involvement
- Examples
- Committee Action Needed

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ED Policy Framework

- Goals
  - Job Creation
  - Tax Base Growth
  - Economic Opportunity
- ED Focus Areas
  - Business Attraction & Retention
  - **Small Business Development**
  - **Transit & Business Corridor Redevelopment**
  - Hospitality & Tourism
  - Workforce Development

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Existing Project Financing Tools

- Synthetic Tax Increment Financing
- Economic Development Grants
- Small Business Loans
- Business Corridor Grant programs
  - (Façade, Security etc.)
- Low Income Housing Tax Credits
- Housing Trust Fund

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NMTC: What Is It?

- A Federal tax credit program
- Signed into law December 2000
- Purpose is to spur private investment and commercial development in low-income communities
- Latest round of funding announced April 2010

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NMTC: How it works

- NMTCs allocated to Community Development Entities (CDEs) through a competitive application process
- CDEs sell tax credits to investors to subsidize investments in low-income communities
- Provides additional gap financing tool for local projects
  - Example: $50M allocation yields approximately $12M as equity to invest

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CDE Structure

- Non-Profit Partnership with five-member Board of Directors
  - Three Partner Organization would appoint the Board
    - City of Charlotte (Lead Partner - three board appointments)
    - Charlotte Center City Partners (CCCP) (one board appointment)
    - Charlotte Mecklenburg Development Corporation (one board appointment)
  - Board selects projects for NMTC investments

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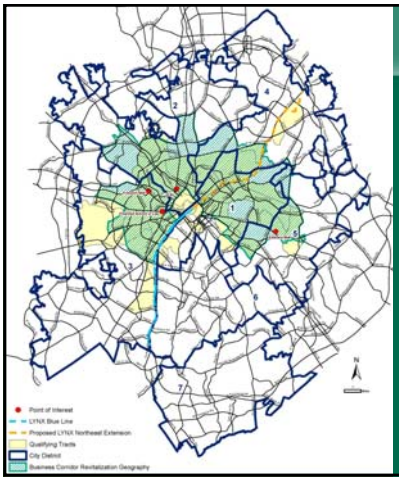

Eligible Geography

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Other Cities

- 13 Municipalities or city partners have been granted NMTC Allocation
- Types of Projects Funded
  - Retail Developments
  - Industrial Expansions
  - Community Center
  - Training Center
  - Below-Market Rate Business Loans

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Examples

- Kansas City – identical program structure
  - 5-member board with 3 city appointees
  - Provides gap financing and reduces burden and risks of city revenue streams
  - Granted 2 Allocations (2008 + 2009)
  - Example Projects include:
    - Boys & Girls Club building
    - Manufacturing facility expansion
    - New Community Center

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Why the City and Why Now?

- Provides allocation that can only be used in Charlotte
  - Council focus on distressed corridors
- City provides investment track record for most competitive application
- City is not at risk
  - Developer and Lender bear the risk
- Tight credit markets make privately financed projects more difficult

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Committee Action

Recommend to Council authorization for:

1. The City to become lead partner in the CDE;
2. The City to approve three board members to the CDE; and
3. The City to support the June 2, 2010 application for a New Markets Tax Credits allocation in partnership with CCCP and CMDC.

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NEIGHBORHOOD & BUSINESS SERVICES

Economic Development Committee

Small Business Strategic Plan

May 13, 2010

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City SBE Benefits

The Small Business Strategic Plan positively enhances the City's certified Small Business Enterprises by:

- Making small business information more available
- Providing easier access to local government contracting information
- Enhance opportunities for business-to-business networking
- Expanding opportunities for "success stories" recognition
- Supporting the direction taken by the SBOP Task Force to emphasize development and training opportunities for City SBE's

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Strategic Plan

Proposed Vision:
To be the premier community for small business investment and growth

Proposed Mission:
To create an environment to help small businesses thrive in Charlotte-Mecklenburg through collaboration and public/private/non-profit partnerships

Recommended "Big Idea":
City lead collaborative effort to develop, brand and market web portal to provide a one stop location for small business resources

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Strategic Plan Objectives

Objective #1:

Build and strengthen a sustainable local consortium of business resource partners

- Determine and agree upon a set of guiding principles regarding commitment to move forward in developing the consortium and the centralized web portal
- Identify the funding/resource requirements for a web-based Charlotte-Mecklenburg small business portal and sustained marketing program
- Add a small business focus to the Business Advisory Committee (BAC) charge

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Strategic Plan Objectives

Objective #2:

Increase awareness of small business resources by developing a web portal with a recognizable brand and on-going marketing support

- Perform an inventory of the resource partners and their services
- Develop in collaboration with the resource partners, a small business web portal and a brand for the web portal
- Develop a coordinated approach to programming and marketing for Small Business Week

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Strategic Plan Objectives

Objective #3:

Provide information and resources that meet changing market needs

- Complete a comprehensive inventory of local government permitting requirements and provide this information via the web portal
- Develop a consolidated small business event calendar on the web portal and a proactive process to keep it updated
- Develop "How to Start a Business" wizard for the web portal
- Maximize effectiveness of Resource Navigator, an on-line tool to connect businesses with area resources
- Evaluate starting an "economic gardening" program to provide market assessment, research and analysis to targeted small businesses to help them grow

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Strategic Plan Objectives

Objective #4:

Promote public/private/non-profit partnerships to enable business owners to find capital

- Hold an Access to Capital conference
- Provide education to make potential borrowers credit ready
- Hold lender roundtables to facilitate ongoing dialogue, create a lender referral network, and develop partnerships
- Seek opportunities for non-traditional lenders (CDFIs, angels, Grameen, etc.) to engage in the Charlotte market

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Strategic Plan Objectives

Objective #5:

Increase opportunities for small businesses to expand sales locally

- Provide information on local government contracting opportunities
- Explore and research options for a "buy-local" campaign
- Examine State enabling legislation to consider allowing local companies opportunities to match low bids in Charlotte area
- Explore an online "Business to Business" marketplace
- Identify the supply chain for major clusters to discover and identify local suppliers

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ED Committee Recommendation

Recommend to Council approval of the Small Business Strategic Plan and authorize expenditures of $150,000 from the Community ED Strategy Fund for the development, marketing and branding of a small business web portal

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Next Steps

- **May 24th**: Present completed Small Business Strategic Plan to City Council for approval
- **July / August**: Incorporation into City Economic Development Strategic Plan 2011-2016

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