

MINUTES
ECONOMIC DEVELOPMENT ADVISORY COMMITTEE
SPECIAL REMOTE MEETING
WEDNESDAY, JUNE 10, 2020 – 4:30 PM

PRESENT: Chair Steve Thomson, Vice Chair Randy Mitchell; Members Kim Gossage, Tim Jones, Marcie Kelso, Brett Kiker, Cindy Sikorski, Commissioner John Urban (appointed member), Assistant Town Manager Becky Hawke; Town Clerk Lori Canapinno

ABSENT: Erin Schackman

This special meeting was held remotely due to the social distancing requirements of the COVID-19 pandemic and the Mecklenburg County Stay at Home Order. Committee members and staff participated in the meeting using the Zoom remote meeting platform, which allows participants to connect via audio and video for live, simultaneous communication and the public was able to view the meeting in real time.

The meeting was convened to discuss the Town of Matthews' possible receipt of CARES Act funding to provide economic relief to those impacted by the COVID-19 pandemic. Ms. Hawke explained that Mecklenburg County was issued \$39 million in CARES Act funding through the federal government. Some has already been spent toward the county's own eligible expenses. The county wants to put the remainder to the best possible use and has a taskforce to figure out the best use of the remaining funds.

The Town will apply for funding and must provide information on how it would be used, and the Economic Development Advisory Committee (EDAC) can help form a plan for funds to be used for economic development. Various options were discussed, including grants to small businesses and nonprofit organizations. Ms. Hawke explained that Town staff doesn't feel equipped to set up an in-house evaluation process. Other governmental organizations have partnered with a third party agency like a bank. The Town would like to see reimbursement for its own expenses, a partnership with the HELP Center to address the rent/mortgage assistance aspect, and a partnership with EDAC to address the business aspect. EDAC would be responsible for planning the business program and deciding on an amount to apply for. The request will have to be submitted quickly and then, if approved, the details could be fleshed out over the next few weeks. Ms. Hawke explained that staff hasn't gotten clear information about the amount of funding available, but it could be as much as \$30 million county-wide. She doesn't know how much of that they'd be willing to commit to Matthews. If for some reason Matthews couldn't use all of the funds it received, they could be returned to the county for redistribution.

Discussion ensued. Ms. Gossage explained that the Chamber, which has about 365 members, is hearing from a lot of its members that they have received funds from the PPP (the Small Business Administration's Paycheck Protection Program). Many of those businesses are still closed and some are reopening this week. Most restaurants have laid off their employees so they're all on unemployment now.

Mr. Mitchell wondered if, since many businesses have already been able to get assistance, it would be worthwhile to consider the implantation of a business incubator as a way to help new businesses get started. This could be a way to share resources, and provide mentors and education, to help them grow their business with the hope that some would launch successfully and remain in Matthews and add to the employment base. Ms. Hawke explained that an incubator probably wouldn't meet the intent of the CARES Act – they would have to be necessary expenditures that occurred due to COVID-19 and that weren't accounted for in any budget as of March 27, 2020, and the funds have to be spent between March 30 and December 31, 2020. A good example is support to those suffering from business interruption, so a potential – but at a stretch – application would be for an incubator to help pick up those businesses that were planned but weren't able to get started due to COVID-19. Mr. Thomson noted that the idea of an incubator had previously been investigated by EDAC and rejected then as a viable option, and

that it probably wouldn't be the right option just because funding would now available. His understanding of the intention of CARES Act funding is to keep businesses still alive rather than help them grow.

Ms. Gossage proposed the idea of another Love Matthews program for the fall. The initial program was a month-long promotion last summer – Matthews 2.0 could use the Town's infrastructure for the program and shift the focus to promote local businesses and restaurants. It could consist of four weeks with different themes, such as *love our restaurants*, retailers, service industries, and something like a street party in the last week. Hopefully the Town would be able to provide labor to design and implement the program. Expenses would include things like promotional materials, clothing, ads, posters, etc.

Ms. Gossage also discussed the idea of a gift card promotion that had been recently discussed within the Chamber. The idea is to purchase a large amount of gift cards – maybe 1,000 at \$25 each – and hand them out to local families and residents to spend at local businesses. Larger businesses could be encouraged to buy more gift cards to pass out to their employees. There are vendors that handle everything, and the cards can be used at any business that signs up for the program, and could be used even throughout a next wave. A notable drawback is the vendor's service fee charge of about 2%. Mr. Jones asked if the CARES Act funds could be used to pay the service fees and Ms. Hawke said she could research to see if the funds could be used to reimburse the businesses for those service fees.

Ms. Kelso said gift cards are usually a terrible proposition for numerous reasons, and she would rather see that money be spent on retargeting – something like a little ad that pops up online saying the restaurants in Matthews are the best restaurants in the world – and the ad would follow the users. She recommended starting a really thoughtful digital campaign with AdWords (Google ads) and paid social media content, which would have significantly more return on investment. If there's a campaign to encourage people to visit Matthews, she suggested a website to drive people to, which would show what people can get in Matthews. That could be backed up with a hearty campaign.

Mr. Thomson said perhaps both could be done, nothing that direct revenue of \$25 minus the 2% service fee is still direct revenue for the business. Ms. Kelso explained that one of the baseline metrics is cost per thousand impressions, and gift cards are a poor cost. There could be a digital campaign and there would be many multiples of good impressions for each \$25 spent. Mr. Thomson agreed, but noted that those funds would go to a marketer rather than directly into the hands of the local business. Ms. Kelso agreed but noted another concern with gift cards, which is that people tend to accumulate but not use them. Ms. Sikorski said she's like to see Ms. Kelso's ideas implemented as a component along with everything else.

Discussion ensued regarding the amount of funding that should be requested. Ms. Hawke explained that the request can't be so large that it gets kicked back for a lack of feasibility. She noted that the Town has incurred \$183,000 in actual/expected expenses and the rent/mortgage assistant request will be about \$250,000. That leaves about \$430,000 available. There may be other programs put forth by the county that are supposed to be for the entire county, so the Matthews request has to be a number they feel could fit in and not overly take away from other programs.

Mr. Mitchell noted that local nonprofit organizations will be missing out on the funding they normally get though Matthews Alive this year, and suggested covering their losses. Ms. Hawke said it's a possibility and noted that had been discussed when the cancellation was being considered. They said none of the individual grants are enough to break a nonprofit. Mr. Urban added that a lot of nonprofit organizations that used to participate have said that it's not worth the four days of work needed at the event.

Mr. Urban discussed the themed week idea, saying it could begin by targeting a large group like restaurants and breweries with a *Taste of Matthews* event in which the businesses would prepare appetizers, etc., to give them exposure to the public. Then in week two retailers could do something else. There could be exposure for nonprofits throughout the town. Mr. Thomson said for \$100,000-125,000 spent over the course of a month, that could be a

solid plan and the payback would be a lot bigger than the investment. Mr. Mitchell suggested having Love Matthews 2.0 t-shirts with pickup locations at businesses throughout the town. Ms. Hawke said t-shirts and other swag would be less effective than an ad buy directing people to shop locally. Mr. Gossage proposed using the funding to design and produce shirts and then give them to businesses to sell themselves.

Mr. Urban noted that the Board of Commissioners had recently talked about parklets – a public use areas converted from sidewalks and parking spaces – for use by restaurants, and suggested using some funds to subsidize the parklets for businesses. He also pondered using the vacant lot on Matthews Station Street for a pop-up retailer space or an event like Oktoberfest with concession stands and the like.

Discussion ensued. Mr. Mitchell suggested requesting \$300,000 in total - \$150,000 for the restaurant/retail promotions and \$150,000 for nonprofits. He supported a combination of the ideas proposed by Ms. Gossage and Mr. Urban to primarily benefit the town's restaurants and drinking establishments, as they are arguably the hardest hit, and to balance that out with help to the nonprofits. Ms. Hawke questioned the mechanism by which nonprofit organizations would apply and how awards would be determined. Discussion ensued, with suggestions of having the organizations submit their 990 reports and allocating funds based on a proportion of their annual budget; allocating the same amount to each nonprofit across the board, which would equal about \$2,000 each; a direct donation to the United Way Foundation for the Carolinas; distribution to the organizations that would have benefitted from the 2020 Matthews Alive fundraising; and a grant request process in which those organizations that had an event canceled due to the pandemic could show their numbers for the last three years and get funds based on that information.

Ms. Hawke will take these ideas and discuss them with Town and County staff to review viability and legality. EDAC's proposal can be tweaked based on that feedback. Ms. Gossage, Ms. Kelso, Mr. Mitchell and Ms. Sikorski will hold small group meetings to further flesh out these plans.

The meeting adjourned at 5:40.

Respectfully submitted,

Lori Canapinno
Town Clerk