

The Economic Development Advisory Committee proactively promotes a healthier business climate that enhances Greater Matthews by advising town officials, advocating for current businesses and attracting new entrepreneurial ventures.

AGENDA
ECONOMIC DEVELOPMENT ADVISORY COMMITTEE - REMOTE MEETING
TUESDAY, AUGUST 8, 2020 – 4:30 PM
Rescheduled from July 28, 2020

1. Call to Order & Declare Quorum
2. Approval of Minutes: January 16, 2020 Regular Meeting; June 2 & June 10, 2020 Special Meetings
3. Unfinished Business
 - A. Discuss CARES Act Funding and Program Implementation
4. Miscellaneous
5. Adjournment

Next regular meeting: September 22, 2020

**MINUTES
ECONOMIC DEVELOPMENT ADVISORY COMMITTEE
JORDAN ROOM, MATTHEWS TOWN HALL
THURSDAY, JANUARY 16, 2020 – 7:00 AM**

PRESENT: Chair Russ Gill, Vice Chair Randy Mitchell; Members Tim Jones, Marcie Kelso, Brett Kiker, Erin Schackman*, Cindy Sikorski, Commissioner John Urban (appointed member), Assistant Town Manager Becky Hawke; Town Clerk Lori Canapinno

ABSENT: Kim Gossage, Steve Thomson

CALL TO ORDER

Mr. Gill called the meeting to order at 7:00 am and declared a quorum.

APPROVAL OF MINUTES

Motion by Mr. Mitchell to approve the minutes of the November 21, 2019 regular meeting. The motion was seconded by Mr. Kiker and unanimously approved.

INTRODUCTION OF NEW MEMBERS

Commissioner John Urban was recently appointed as the liaison to the Board of Commissioners, with Mayor Pro Tem Renee Garner as the alternate. They will serve in these positions for the Board of Commissioners' current term through December 2021. Kim Gossage will serve a one-year term through 2020 as the Matthews Chamber President.

ELECTION OF EDAC CHAIR AND VICE CHAIR

Mr. Gill explained that Steve Thomson, although absent today, is willing to accept the nomination for the position of Chair. There were no other nominations. Motion by Mr. Gill to nominate Steve Thomson as EDAC Chair for 2020. The motion was unanimously approved.

Motion by Mr. Jones to nominate Randy Mitchell as EDAC Vice Chair for 2020. The motion was unanimously approved.

**Erin Schackman arrived*

UNFINISHED BUSINESS

DISCUSS EDAC'S LIST OF FOCUS ITEMS

1. Identify and develop a plan to analyze Matthews' potential to attract a full-service hotel and, if so, would also market to desired full-service hotel brands. Pitch this plan to Town Board for support and funding. (Kelso, Kiker, Sikorski)

Ms. Sikorski explained that the subcommittee reviewed a couple of sample market studies, which include the following: a description of the site and neighborhood, if the neighborhood would support a hotel, a supply and demand analysis, construction/upfit costs, project occupancy and average rates, income and expenses, and other financials. The two samples they saw, which were not for this market, were extensively detailed. Ms. Kelso spoke with CRVA (Charlotte Regional Visitors Authority) CEO Tom Murray, who said the first step should be for him and CRVA Director of Insights Heath Dillard to come out to Matthews and speak to staff and the Board to give them some baseline information. He did say that they love the Sportsplex, but hotels need to focus on business travel rather than family groups on the weekend. The subcommittee recommends using the expertise of CRVA and having them come speak to the Board before we discuss investing in a study. Mr. Mitchell asked if it was common for municipalities to pursue this type of action or for developers to do so. Ms. Sikorski said the people she spoke with wanted to know how much money the Town would put in, and about locations. Ms. Kelso noted that incentives could include donation of land, infrastructure or other means. She said that CRVA could do some preliminary work but then the Town would have to decide if they wanted to move forward with an expensive survey. Mr. Kiker referenced an article shared by Mr. Gill, which states that a full-service hotel would require very high usage, and Ms. Sikorski added that the average nightly rate would be high as well.

Mr. Jones asked if these hoteliers are always on the lookout for areas and Mr. Urban said yes, all the time. He noted that a corporate-type hotel is currently looking at Matthews. Full-service hotels are less likely to be interested; if one thought Matthews was a good fit they'd already be here. He thinks EDAC should look for a local hotelier to come in to talk to the Board of Commissioners about how the brands operate, so that there's a full understanding of all of the types of hotel products. Ms. Hawke said CRVA could discuss what Matthews could support rather than just talking about full-service hotels. Ms. Schackman questioned the focus on a full-service hotel and Ms. Hawke explained that the Board of Commissioners thinks the conference space would be a great asset to the town. In addition, the cachet of having a recognizable brand is helpful. Ms. Schackman suggested looking for some kind of conference center rather than a full-service hotel. Ms. Hawke explained that part of the issue pertains to the lack of available space for something like that in town. Also, conference centers tend to be money losers and cities that partner with them dump a lot of funding into them. A full-service hotel would place that burden on the hotel rather than the Town. Mr. Jones wondered if it would be feasible to encourage (an) existing hotel(s) to move to the better location near the Sportsplex.

2. Identify and develop a plan to analyze Matthews' current business climate (how "Open for Business" are we?) and make a proposal to Town Board for support and funding. (Mitchell, Schackman, Thomson)

Mr. Mitchell explained that the subcommittee started with some assumptions of what the phrase *open for business* meant, but eventually realized that they weren't certain they were interpreting it the way the Board of Commissioners intended. They feel they need a better handle on what is intended with the question, so they plan on meeting with the Board to get clarity on what they want. Ms. Hawke noted that this meeting will take place on February 24 at 5:30 pm. They'll ask the Board what they want answered and what the end goal is.

3. Study if/why Matthews may need a FT Econ. Dev. Director and develop a list of expectations for this position/department. Also investigate the potential for a regional FT ED Director that aligns with the Quad-participating communities (Matthews, Mint Hill, Stallings) (Jones)

Mr. Jones plans on working with the Quad on this but hasn't yet had the opportunity to discuss it with the members. The Quad has talked about this idea in the past and opinions were divided. An economic development director could be hired to go out and look for businesses, or the Board could just continue to build the community it wants, that supports businesses, without hiring an actual director. If hiring a director is a possibility, the Town would have to figure out what exactly they would be doing and decide if it's ready to pay for that kind of work. If the Quad was interested then Matthews wouldn't necessarily have to be in the lead with it. Mr. Gill said the question really comes

down to how much the Town wants to drive its growth and development. As an example, Brevard, NC has a lot of outdoor adventure, health and sports-type businesses. Perhaps Matthews could analyze that and figure out what it has and what it wants to be in the future. The Town would then have to decide if it's ready to identify itself as an X-focused community. Mr. Urban noted that before EDAC was established in 2009, the Town had considered an economic development director position, but moved in a different direction. The Quad analysis noted the region is big for sports. Land, prepared pads and physical space is needed for development, but only Mint Hill is pad-ready at this point. Ms. Hawke noted that the Board of Commissioners met this past Saturday and there was discussion about developing employment centers in town, and developing more opportunities for people to live and work here. A big question is if there is interest from the Quad towns in partnering together or not. Ms. Kelso noted recent changes in the CRVA structure and they might have lost attention on Matthews. Mr. Gill said Ashley Hendrick, the CRVA's Director of Engagement, has expressed interest in attending an EDAC meeting and discussing how the CRVA can work with Matthews.

NEW BUSINESS

CONSIDER CHANGING EDAC MEETING TIME

The group discussed various meeting days and times. The results of a group straw poll were tied so further discussion and input from those absent today will be needed.

REVIEW EDAC VACANCIES

EDAC currently has two vacancies. Members will encourage candidates to apply.

REPORTS

Board/development projects: Mr. Urban noted the Board just had its first meeting of the new year. Mr. Jones asked about the former kebab shop on East John Street and Ms. Hawke explained it is the future home of a White Duck Taco Shop, a small chain with a cult-like following. The Indian restaurant in the back is expected to remain. Mr. Urban noted that the Stronghaven warehouse zoning item is finished and within 18 months their trucks will no longer be able to block East John Street.

Matthews Chamber: Ms. Hawke noted the departure of Kelly Barnhardt. Lisa Grey is the interim Executive Director. She's with a company called Leverage and she'll provide strategic and critical analysis of the organization. She has strong ties to the Matthews community. The Chamber's next big event is the Business Expo in March.

Quad: Mr. Jones reported that Quad just had a presentation from CATS (Charlotte Area Transit System) on the future Silver Line light rail. Phase I is the design phase. CATS is working with Stallings and Indian Trail to consider an end point in Union County. Ms. Hawke noted CATS' goal is to be operational by 2030.

MISCELLANEOUS

Mr. Mitchell noted Russ Gill's impending departure from Matthews. Mr. Gill has years of service to EDAC and the Chamber, and he has a passion for this community. His leadership and service has been excellent and will be sorely missed. The group thanked Mr. Gill for his work.

ADJOURNMENT

Motion by Mr. Mitchell to adjourn. The motion was seconded by Ms. Schackman and unanimously approved. The meeting adjourned at 8:32 am.

Respectfully submitted,

Lori Canapinno
Town Clerk

DRAFT

**ECONOMIC DEVELOPMENT ADVISORY COMMITTEE
SPECIAL REMOTE MEETING
TUESDAY, JUNE 2, 2020 – 4:30 PM**

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

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.

This special meeting was called to discuss committee activities and the current business climate in the midst of the pandemic. The Board of Commissioners had tasked the Town's advisory committees to explore what each committee's focus was going to be in 2020 and beyond. After a discussion between EDAC and the Board, it was decided that EDAC would add some questions to the citizen survey that related to the business environment; consider how to attract jobs to Matthews, with a particular interest in the multiple small business incubators located near Matthews to show those small businesses graduating from the incubators that Matthews could be a good home for them; and for EDAC to work on adding new language to existing small area plans, to describe what the Town should consider having from a business type/economic perspective within the small area plan areas. Mr. Mitchell noted another item that EDAC was working on at the directive of the Board: the possibility of a convention center/hotel in Matthews. A subcommittee had been discussing the issue; Ms. Sikorski noted that before the pandemic, the group had planned to meet with a local hotelier. Charlotte Regional Visitors Authority CEO Tom Murray had offered to meet with the subcommittee and the hotel owner, Mr. Patel, and she suggested having someone contact Mr. Patel to see how things are at this time amidst all the uncertainty. Mr. Mitchell said it would be insensitive to even have conversations about the subject now when hotels are trying to survive. He suggested instead discussing what role EDAC can play in supporting economic recovery in the area, especially small businesses.

Discussion ensued. The Matthews Chamber of Commerce has offered free information webinars on subjects relating to COVID-19 and businesses. Ms. Gossage noted that they were well-attended and the feedback has been fantastic. Most of the attendees were not Chamber members and came from outside Matthews. Mr. Urban explained that there are property owners and developers still moving forward, just slower than usual. A discussion of planning and development-related strategies could help approaching developers. Mr. Mitchell suggested seeing what could be done to celebrate Matthews businesses as they start to reopen.

Ms. Hawke explained that Mecklenburg County will be receiving federal CARES Act funding and the County Board of Commissioners is looking for ways to distribute funds across Mecklenburg County. Town and County staff are discussing options. A marketing initiative to get people to support local businesses could be very effective. EDAC could be the driving force behind the proposal for the use of funds and show how EDAC is actively supporting Matthews' businesses.

Mr. Thomson discussed a Go 2 Matthews program from the Chamber from 2009 or so. It encouraged people to do business with Chamber members using two-dollar bills to show support and shop locally. That mainly supported retail businesses but perhaps some elements could be reused. He asked if the Red Brick Partnership has looked at doing any kind of program and Mr. Urban said no – the group does more on the special event side of things, and most of the members are bearing the brunt of the pandemic-related problems right now so Red Brick Partnership activities have idled. Mr. Mitchell said it would be great to target a back-to-business celebration once it's safe to do. It would be nice to have an in-person event done safely and would allow Chamber, non-

Chamber businesses coming together in celebration of their business and each other's. Ms. Sikorski suggested collecting things like masks and hand sanitizer and passing them out. She also suggested distributing information on restaurants that people could go into and properly social distance from others. Ms. Gossage described a program that the Chamber briefly investigated: a gift card program that would be used at businesses that signed up to be part of the program.

Mr. Thomson noted that it's been difficult for some businesses to acquire PPE (personal protective equipment) and suggested having EDAC come together with a consortium of business owners as a source of protective equipment. Discussion ensued regarding masks and hand sanitizer. Mr. Thomson suggested purchasing equipment in bulk for redistribution. Masks could be printed with a Matthews logo and sanitizer could be repackaged into small bottles with a marketing message on them.

**Ms. Kelso departed*

Discussion ensued regarding options for business support initiatives. Staff will continue to work with County staff and leaders to get more information about next steps. At some point a proposal will need to be submitted to the County. The proposal will have to include the plan for the use of CARES Act funding to benefit the business community and a budget. The funds will have to be spent this calendar year.

**Ms. Schackman departed.*

Discussion will continue at the next remote special meeting on Wednesday, June 10 at 4:30 pm.

Motion by Mr. Jones to adjourn. The motion was seconded by Mr. Thomson and unanimously approved. The meeting adjourned at 5:57.

Respectfully submitted,

Lori Canapinno
Town Clerk

**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 be 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, noting 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 assistance 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 through 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