

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.

Due to COVID-19 and the State of North Carolina's Phase 2.5 Safer at Home Executive Order, this meeting of the Economic Development Advisory Committee will be conducted remotely using the Zoom virtual meeting platform. The Town of Matthews is committed to transparency and robust public participation during these challenging times. While the public is not permitted to gather in person to participate in this meeting, there are options to participate remotely:

TO WATCH LIVE: The meeting will be available via Zoom. To join from a PC, Mac, iPad, iPhone or Android device, click this URL: <https://zoom.us/j/91499014356>. An account is not necessary to join.

OR IPHONE ONE-TAP:

US: +13017158592,,91499014356# or +13126266799,,91499014356#

TO LISTEN LIVE: The meeting audio will be available by calling 888-788-0099 (Toll Free) or 877-853-5247 (Toll Free) and entering meeting ID 914 9901 4356

**AGENDA
ECONOMIC DEVELOPMENT ADVISORY COMMITTEE - REMOTE MEETING
TUESDAY, SEPTEMBER 22, 2020 – 4:30 PM**

1. Call to Order & Declare Quorum
2. Approval of Minutes: August 4, 2020 Regular Meeting; August 12 & 19, 2020 Special Meetings
3. Unfinished Business
 - A. Discuss CARES Act Grant Programs – County and Town
 - B. Discuss Business Survey
4. New Business
 - A. Consider Future Remote or In-Person Meetings
 - B. Discuss Small Area Plan Project
 - C. Discuss Next Business Summit
5. Reports
 - A. Board/Development Projects Update
 - B. Chamber Update
 - C. Quad Update
 - D. Staff Report
6. Miscellaneous
7. Adjournment

Next regular meeting: November 24, 2020

**MINUTES
ECONOMIC DEVELOPMENT ADVISORY COMMITTEE
REMOTE MEETING
WEDNESDAY, AUGUST 4, 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 meeting was rescheduled from July 28, 2020. It was held remotely due to the social distancing requirements of the COVID-19 pandemic and the Mecklenburg County Safer 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.

CALL TO ORDER AND DECLARE QUORUM

Mr. Thomson called the meeting to order at 4:32 pm and declared a quorum.

APPROVAL OF MINUTES

Motion by Mr. Jones to approve the minutes of the January 16, 2020 regular meeting and June 2 and June 10, 2020 special meetings. The motion was seconded by Ms. Gossage and unanimously approved.

**Ms. Kelso arrived.*

UNFINISHED BUSINESS

DISCUSS CARES ACT FUNDING AND PROGRAM IMPLEMENTATION

Ms. Hawke updated the group. Matthews will receive \$300,000 of federal CARES (Coronavirus Aid, Relief, and Economic Security) Act funding as approved through Mecklenburg County. She has been trying to get clarification from county staff on whether the projects discussed by EDAC members in its previous meeting would be eligible. They continue to make tweaks to the regulations that guide the use of this funding at the federal level. County staff has been trying to get guidelines and interpretation of these regulations and they've engaged with a lobbyist to interpret general questions and raise questions on specific uses. The goal is to try to get prior approval for projects so that everything is correct when these funds are audited. If an organization receiving funds failed an audit it would have to repay those funds so it is very important to get things right.

**Mr. Kiker arrived*

The county will be implementing what they're calling the *statement of purpose* process in mid-August - a formal submittal of any planned uses of the funding where applicants would give details on what the funding would be used for, how it relates to COVID, the amount of money being requested, and if applicants will be working with any other organizations – so that the county can renew applications, possible with the assistance of the lobbyist,

and then give applicants a green light. They're still working out the process on their end. Short of going through the official process, they can offer only nonspecific guidance. Ms. Hawke informally discussed the projects EDAC had specifically discussed and from that preliminary perspective and received preliminary feedback that all of them had some kind of problematic aspect.

She'd asked about nonprofit organizations receiving financial support to make up for the lack of funds associated with the canceled Matthews Alive festival, and was told that CARES Act funds can't be used to replace lost revenue; they'd consider this situation as lost revenue if Matthews Alive was used as the criteria. Other angles stand a stronger chance of getting approved, such as providing microgrants to make payroll. The request would be even stronger if the nonprofit was doing something directly related to coronavirus relief. The plan for business marketing – such as a *support your local businesses* campaign - is completely untested. They said marketing dollars for a public health campaign would probably be fine but they're unclear if a *buy local* campaign would be eligible. They did say that gift cards would not be eligible. Ms. Hawke feels that Matthews could make an argument that more people would be helped by a marketing campaign, but a pitch would have to be made to see how it was received. She said EDAC should consider a microgrant program as a backup plan. Some other communities are doing this; Peter Zeiler, Director of the Office of Economic Development for Mecklenburg County, could be a good resource. Some communities have designed their programs to require applicants to prove some loss of revenue, but Mecklenburg County's interpretation is that such a requirement would be problematic.

Ms. Hawke noted that Mr. Mitchell suggested something to help parents deal with the problem of at-home schooling for children. Some people might have to step out of the workforce if they have no childcare options, but perhaps this funding could be used to pay providers or pay parents. Ms. Hawke inquired about that and the county folks think it would probably be an eligible use, but they're waiting for information to come back from the lobbyist. The county is also very interested in this option. She asked if EDAC was interested in evaluating this as a possible option. The town could make a separate request for funding for this type of program as there are additional county funds that haven't yet been fully allocated. Mr. Thomson agreed that the childcare issue is definitely an economic issue.

In summary, nothing is completely clear yet. It would be best if EDAC was ready with at least a broad idea of which option(s) to pursue, maybe in a prioritized list in case one gets kicked out by the county. She would like to have the Board of Commissioners review these recommendations as soon as possible and ideally be ready to submit at the head of the line once the county portal opens up in mid-August. Ms. Hawke explained that EDAC will need to submit a statement of purpose with information on how the proposed program is COVID-related, if the work will be done with other entities and the amount of money needed. Ms. Hawke noted the good possibility that the federal government will extend the timeline for funds to be used – right now they're supposed to be spent by the end of the calendar year. That question about the timeline should be answered before the mid-August application portal opening.

Ms. Kelso asked if Ms. Hawke was aware of other Mecklenburg County towns' plans, and Ms. Hawke explained that Matthews was the only one to put in a request for this type of funding. Mr. Thomson asked about written guidance and Ms. Hawke explained that the regulation guidelines are going to be updated soon. The last version she saw mentioned direct microgrants to small businesses. She noted the clause from another part of the regulations that disallow the funds to be used to supplant lost revenue, so EDAC will have to figure out how to handle that nuance.

Mr. Thomson suggested asking the community to come to EDAC with solutions. EDAC could pose the challenges - such as childcare that would allow people to go to work, or helping people feel safer coming out to spend money in their local businesses – and ask the community for their answers. Challenges that might be discussed could include daycare/student care, marketing, and making people comfortable coming back into businesses. This type of crowdsourcing for answers would ensure that EDAC doesn't overlook any great solutions. The group also

discussed microgrants and how they might be reviewed. Ms. Hawke said EDAC could submit to the county the guidelines it would use to review criteria to authorize funding, so they could weigh in on the process before it started. Then EDAC would evaluate the applications. The burden will be on EDAC to administer funds properly. Ms. Kelso noted the need to consider staff capacity, explaining that the process of reviewing grant applications is a mammoth one. She instead suggested investing in an economic development-specific plan to create an environment that would encourage people to patronize Matthews businesses. A robust e-commerce platform would help businesses deal with the impact of the stay/safer at home orders and it would be more aligned with EDAC's goals. Mr. Thomson noted he knows of two entrepreneurs who were privately working on this type of e-commerce platform, and maybe they could apply for this funding to finish off their programs. Ms. Kelso said a good digital marketing campaign will never become unneeded. That kind of budget could create a great campaign to explore and sample the businesses that are in Matthews. Businesses have learned from COVID that they really need to be digitally ready for business.

Ms. Hawke noted that the county folks suggested that one thing that might make the difference in eligibility would be some kind of mechanism that would allow EDAC to track the resulting dollars spent at the businesses. Ms. Kelso said a good website will track the customer journey with analytics. Mr. Urban asked if businesses that already received PPP (federal Payment Protection Program) funding would be eligible for town grants, and Ms. Hawke said that's something EDAC would have to decide. She's seen some communities disallow that, and others not ask about it. The group discussed qualifying mechanisms for different funding/grant options.

Ms. Hawke said she'd prefer to see standalone, finite-timeline programs, noting that issues will arise with anything that still exists after the pandemic is over, such as a business website. It would have to be managed and funded, and the Town Attorney has already said that public dollars can't be used to enrich private businesses. The CARES Act opens up the ability to do some things that the town normally wouldn't be able to do with town funds, but it's only for a specific time period. A marketing campaign and other things of that nature would be active only during the time of CARES Act funding. The group continued discussing marketing options, analytics and post-COVID digital maintenance.

Ms. Hawke said she's comfortable saying that payroll would be eligible as long as it wasn't tied to revenue loss. Businesses and nonprofits could simply be asked if they need help making payroll. The \$300,000 would be consumed pretty quickly but it could make a difference to those who receive it. Since applicants can't be asked to demonstrate need she'd recommend a lottery system: set an application period, cap a number of applicants, and then disperse until the money is gone. EDAC would need to be very conscientious about outreach for folks who wouldn't otherwise be paying attention.

Mr. Thomson reiterated his suggestion to let the crowd figure out what the challenges are and let them help figure out how to solve them. He doesn't want EDAC members to be the ones constraining the problems they think need to be solved and what those solutions might be. Ms. Gossage liked this idea. Mr. Kiker noted that service and retail spaces are the ones that lost the most revenue while also having increased expenses – they had to prepare how to operate in the new COVID environment as well as losing capacity - and EDAC could help cover that gap of increased expenses.

The group discussed the need for detailed screening and review. They discussed possible qualifications for application, such as being in business for at least twelve months, being current with county taxes, being a registered nonprofit entity, etc.

**Ms. Sikorski departed*

Mr. Urban suggested using the town's façade grant program as a model, which reimburses expenses and requires a matching expenditure from the property owner. The application could be very simple with a list of requirements, including the base requirement of expenses related to COVID beyond revenue loss. Ms. Hawke

suggested limiting the applicant pool to those with fewer than X employees to keep it within the small business community.

Motion by Mr. Mitchell to hold a special EDAC meeting on August 12 to finalize the concept of a microgrant program that includes a matching money requirement, towards both for- and non-profit organizations that have needs to address COVID-related issues. Ms. Gossage was concerned about the matching aspect – her experience with Chamber members who are struggling to renew their membership, let alone spend any more significant amounts, tells her that requiring matching funds will end up eliminating a lot of companies and organizations that could otherwise benefit from the funds.

**Mr. Urban departed*

Mr. Mitchell amended his motion to retract the matching money requirement. The motion was seconded by Ms. Gossage and unanimously approved.

ADJOURNMENT

Motion by Mr. Mitchell to adjourn. The motion was seconded by Mr. Thomson and unanimously approved. The meeting adjourned at 6:15 pm.

Respectfully submitted,

Lori Canapinno
Town Clerk

**MINUTES
ECONOMIC DEVELOPMENT ADVISORY COMMITTEE
REMOTE SPECIAL MEETING
WEDNESDAY, AUGUST 12, 2020 – 4:30 PM**

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

ABSENT: Cindy Sikorski

This meeting was held remotely due to the social distancing requirements of the COVID-19 pandemic and the Mecklenburg County Safer 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 scheduled to discuss the committee's recommendations for use of \$300,000 in federal CARES (Coronavirus Aid, Relief, and Economic Security) Act funding as approved through Mecklenburg County.

Mr. Thomson called the meeting to order at 4:33 pm and declared a quorum.

The group continued to discuss possible uses of the funding to assist the business community. There had been some discussion at the previous meeting of requiring grant applicants to "have some skin in the game" by requiring the applicant to spend some of their own money in order to receive additional grant funding, and discussion on whether an applicant's prior receipt of PPP (federal Paycheck Protection Program) funds would impact their eligibility for town grants. Mr. Thomson was not in favor of the former, and for the latter, said applicants' PPP recipient status shouldn't matter as the PPP funds were for a different reason and had a different scope. By consensus the group agreed that applicants will not have to provide proof of money spent to be eligible to receive a town grant, and PPP status will not impact eligibility.

Mr. Mitchell discussed the innovation grants offered by the Charlotte Center City Partnership and suggested using that program as a model. The criteria involved adaptations and innovations businesses developed in response to the pandemic. Mr. Thomson noted this program isn't constrained in the use of funds the way the Town of Matthews will be due to the restrictions associated with the CARES Act. Ms. Kelso discussed the City of Charlotte's *Access to Capital* program being run by the Foundation for the Carolinas, which has simple criteria and a straightforward application.

Discussion ensued. Reimbursing businesses for qualifying expenses already incurred would be relatively fast and simple, and would help alleviate some of the previously-expressed concerns about eligibility. Applicants with plans on how to spend the funds in the future might need additional review and oversight. Nonprofit organizations have been excluded from many other programs staff has researched. Ms. Hawke hasn't seen any regulations that require that exclusion, but the question can be raised to Mecklenburg County staff so that they can define the application pool. Mr. Mitchell suggested including a requirement that recipients must be open to future interviews about how the money was used, as that indicates a level of accountability to show how it was used and the impact the funds had. The group discussed grant amounts. Mr. Mitchell recommended \$10,000, or perhaps less depending on the number of applicants. Mr. Urban recommended \$5,000 so more grants could be given. Mr. Jones acknowledged a cap might be necessary but cautioned against being too restrictive and leaving funds undistributed if there are fewer applicants than expected. Mr. Thomson suggested distribution in rounds – if funds were still available after the first round, adjustments could be made and a second round would open up.

Mr. Jones noted the previously-discussed suggestion of a town-wide marketing campaign, which could potentially be a better impact on the businesses than just grants to individual entities. Mr. Thomson said he believes the grant program will allow for that, since someone with the skills to build a marketing website of that nature could apply for a grant. Mr. Mitchell agreed and noted that the grants are better aligned with the restrictions inherent with CARES Act funding.

Mr. Thomson pointed out aspects of the applications from both the Charlotte Center City Partnership and Foundation for the Carolinas programs that could be used as a template for Matthews' program. He volunteered to take those, as well as the input from EDAC, and draft grant criteria for Matthews. It would include the following: nonprofit organizations would be eligible; entities that received PPP funds would be eligible; applicants would not have to have previously spent money on pandemic-related expenses to be eligible; and recipients would have to be open to follow up interviews/marketing. By consensus the group agreed. Mr. Thomson will send out a draft by Friday and the group will hold another special meeting on August 19 to review his draft in its entirety. The plan will need to be run by the Board of Commissioners before anything is submitted to the county.

Motion by Mr. Mitchell to adjourn. The motion was seconded by Mr. Jones and unanimously approved. The meeting adjourned at 5:17 pm.

Respectfully submitted,

Lori Canapinno
Town Clerk

DRAFT

MINUTES
ECONOMIC DEVELOPMENT ADVISORY COMMITTEE
REMOTE SPECIAL MEETING
WEDNESDAY, AUGUST 19, 2020 – 4:30 PM

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

ABSENT: Kim Gossage, Tim Jones and Erin Schackman

This meeting was held remotely due to the social distancing requirements of the COVID-19 pandemic and the Mecklenburg County Safer 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 scheduled to discuss the committee's recommendations for use of \$300,000 in federal CARES (Coronavirus Aid, Relief, and Economic Security) Act funding as approved through Mecklenburg County.

Mr. Thomson called the meeting to order at 4:35 pm and declared a quorum. Building from the previous week's discussion, Mr. Thomson reviewed two existing grant programs from Charlotte Center City Partnership and Foundation for the Carolinas to see what aspects could be used to build a Matthews-specific program. The group discussed various aspects of the programs.

*Brett Kiker arrived

Assistant Town Manager Becky Hawke asked the group to decide how the funding should be dispersed if demand exceeded available funds. She recommended a randomization factor so that there could be no issues of perceived subjectivity or favoritism. The group discussed options such as a lottery system or first come, first served. By consensus the group agreed to establish an application period with a specified window of perhaps two weeks, after which time the window would close and the applications would be reviewed via a lottery system to determine review order. Applications will be reviewed in the order determined by the lottery and funds will be assigned until depleted.

The group then reviewed issues of eligibility and criteria. By consensus, the group agreed on the following issues regarding eligibility:

1. The business or nonprofit must be physically located within the town limits of Matthews, NC.
2. Applicants must be current on all fees, permits and taxes as of the time of application except when extensions have been granted.
3. Must have between 2 and 50 FTEs.
4. The applicant entity must have been affected by the COVID-19 pandemic and can clearly articulate how the proposed solution (reason for the grant) will solve a unique challenge that the pandemic has directly created. The solution will be able to be measured to ensure effectiveness.
5. Applicant entity must have been established before January 1, 2020 and must still be in operation.
6. Gross sales (businesses) or earned revenue (non-profits) for 2019 must be at least \$50,000 and no greater than \$5 million. Grant applicants must submit their 2019 business tax return.
7. Applicants cannot currently be engaged in bankruptcy proceedings.
8. Check cashing agencies; gun shops; pawn shops; arcade and gaming establishments; adult entertainment businesses; current EDAC members; elected officials; and town employees are ineligible for this program. Applicants may not apply on behalf of multiple entities.
9. Grant recipients will be required to document how the funds were utilized, including receipts, as well as participate in post-grant interviews.

By consensus, the group agreed on the following issues regarding criteria:

1. The maximum grant will be \$10,000. The actual award will be determined by EDAC & the Town.
2. Funds will be dispersed on a reimbursement basis.
3. Proposals will be evaluated in terms of
 - o Response to direct hardship to the entity including direct expenses incurred as a response to COVID-19 ---- (add info on innovative approaches)
 - o context relative to the impact of COVID-19,
 - o impact on the local economy and community,
 - o any other criteria that relates to the project and the impact on the economic improvement to the town.
4. Grants may be used to reimburse eligible expenses incurred between March 1 and December 23, 2020.
5. Receipts must be submitted by December 23, 2020.
6. Grants cannot be used to replace lost revenue.
7. Grants may not be used for payroll expenses.

The group discussed offering some examples of the way applicants may qualify for a grant, but noted that there could be many ways to qualify, so EDAC doesn't want to be too restrictive. Some of the examples include applicants making the switch to e-commerce; transitioning a restaurant to outdoor seating; using enhanced technology to solve a customer service problem; and adding new COVID-19-related signage

The group discussed the fund distribution process. By consensus the group agreed to set up the program as a reimbursement. Applicants will go through the application process and those who are chosen will then submit a package of documents to the Town so that the grant payments can be processed through the Finance Department as an Accounts Payable process. The applicant package would include a copy of their approved grant, receipts, and any other applicable documents. The applicants would receive the funds after they've proven that they've done what their application stated. This way the Town won't have to worry about clawing back funds or invoicing any entity that doesn't follow through on their applications.

The group discussed using a portion of the funds for advertising to ensure as many people as possible are aware of the grant program. Ms. Hawke noted that a separate plan would have to be submitted to Mecklenburg County for their approval to use some of the funds for advertising. She suggested that EDAC could request marketing funding from the Matthews Board of Commissioners. Mr. Urban suggested partnering with the Red Brick Partnership for marketing. The group then discussed various marketing methods, including direct mail pieces, digital marketing, personal outreach to leaders in the minority communities, and ads in the Matthews-Mint Hill Weekly. EDAC could also try to get local new agencies to cover the program. The group agreed that marketing will be key and EDAC will need to work to get the message out to all possible applicants.

Ms. Hawke explained that Mr. Thomson will be reviewing this plan with the Board of Commissioners on August 24th. Assuming the Board has no problems with the proposed plan, it will be submitted to Mecklenburg County for approval. EDAC won't be able to begin marketing the program until the county issues that approval. EDAC will meet again in September to devise the methodology for application review.

Motion by Ms. Sikorski to adjourn. The motion was seconded by Mr. Mitchell and unanimously approved. The meeting adjourned at 6:54 pm.

Respectfully submitted,

Lori Canapinno
Town Clerk