A Strong Economic Development Ecosystem

- Interconnected
- Mutually supportive
- Overlain with programming like MWSBE
BOCC Economic Development Focus Areas

1. New & Existing Business Growth
   - Expand / Grow Jobs

2. Small Business & Entrepreneurial Growth
   - Nurture the New

3. Strong Communities & Neighborhoods
   - Connect Access

4. Workforce Development
   - People & Skills

5. Tourism, Arts and Culture
   - Import Dollars
Small Business and Entrepreneur Spectrum

**Growing Enterprises**
- 10 – 100 employees
- Manufacturing
- Contract & Personal Services
- Construction
- Retail services

**High Growth / High Tech**
- 1 - ???
- Technology based
- Mobile / Data
- Bio-Tech
- Energy

**Proprietor / Family Sustaining**
- 1-10 employees
- Retail
- Contract & Personal Services
- Construction

Credit Enhancements
Business System Improvements
Marketing
Talent Acquisition

Legal and business support services
Proprietor / Family Sustaining Impacts

Proprietor / Family Sustaining

- Most directly impacts economic mobility challenges
- Provides best opportunity to stimulate investment in challenged corridors
- Equitable access for all County residents
Proprietor / Family Sustaining Support Needs

Proprietor / Family Sustaining

- Business Planning
- Business Operation Skills
- Legal Counseling
- Capital Access
  - Marketing
  - Contracts
2016 / 2017 Assessment

2016 Comprehensive Small Business Ecosystem Assessment

1. Benchmark Mecklenburg County small businesses environment against national data and peer set
2. Collect input from small business owners, aspiring owners, support service providers, lenders
3. Inventory and map small business resources available in County
4. Research national best practices for small business development
5. Identify strategic opportunities
6. Provide staff and capital needs analysis

Focus groups, surveys, interviews, primary and secondary research informed results
2014 Board of County Commissioners Retreat

5 priority areas identified for development and implementation

1. New & Existing Business Growth
2. Small Business & Entrepreneurial Growth
3. Strong Communities & Neighborhoods
4. Workforce Development
5. Tourism, Art and Culture

2015 Office of Economic Development relaunched to implement 2014 priority areas

2016 / 2017 Assessment Findings

Mecklenburg County Rank Among Peers¹

- 1st of 6 in Minority-Owned Businesses
- 2nd of 6 in Foreign-Born Population
- 3rd of 6 in % of Establishments with <5 Employees
- 3rd of 5 in Startup Activity²
- 3rd of 5 in Survival Rate²
- 4th of 5 in Rate of Business Owners²
- 4th of 6 in SBA 7a Loans
- 5th of 5 in number of Microloan Intermediaries²

¹Austin, Indianapolis, Nashville, Pittsburgh, Raleigh
²Kaufman Foundation data did not cover Raleigh area
## 2016 / 2017 Assessment Findings

### Focus Group and Interviews

**Strengths**
- Population growth
- Welcoming small business community

**Weaknesses**
- Lack of targeted training
- Fragmented support network
- Miscommunication

**Opportunities**
- Increased transparency
- Concierge service for small businesses

### Survey Findings

**Strengths**
- Networking and Mentoring
- Ease of startup

**Weaknesses**
- Favoritism for larger businesses
- Difficulty growing
- Finding resources, capital, and workforce

**Opportunities**
- Financial assistance
- Web portal
5 priority areas identified for development and implementation:

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2015 Office of Economic Development relaunched to implement 2014 priority areas.

2016 / 2017 Assessment Findings

Inventory of Services
2016 / 2017 Assessment Strategic Opportunities

**Connect:**
Many support programs for small businesses, but business owners struggle to connect with them

**Establish:**
Several financing options but borrowers not always prepared and few options for smaller-dollar loans

**Sustain:**
Mecklenburg has a high startup rate, but businesses are not surviving past 5 years

**Promote:**
General sense that community leaders do not value small businesses as much as large businesses
BOCC Endorsed Recommendations

✓ Small Business Concierge Service
✓ Prepare Small Businesses for Accessing Loans and Capital
✓ Scale-Up Education Series
✓ Mentor Event Program
➢ Revolving Loan Fund Program
➢ Small Business Plan Competition
➢ Social Media and Marketing Presence
Connect:

Small Business Concierge Service – Launched 2017

• Helps potential and existing business owners navigate which support providers are most appropriate for their needs
• Provides face to face consultation / coaching with follow up
• High touch / high impact
• Neighborhood based locations and weekend / evening opportunities

Calendar Year 2018 Activity

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<tr>
<td>Outreach Interactions</td>
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Establish:

Credit Coaching and Capital Access Assistance – Launched 2018

- ‘Soft’ audits of business and financing plans for loan readiness
- Helps owners target lending programs that match needs most closely
- Helps owners develop action plans to strengthen loan applications
- Works closely with lending institutions to solicit ongoing feedback and information on their new and evolving programs
- Work to establish bona fides of County program participants with lenders

Calendar Year 2018 Activity

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<tr>
<td>Outreach Interactions</td>
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**Sustain:**

What’s Next? Series - *New for FY2019*

- 6 seminars per series
- Series held 3 times per year
- Live streamed as its happening
- Free and unlimited
  - Setting the Stage for Growth
  - Scaling Operations: Strategy to Execution
  - Hiring for the Long Haul
  - Scaling Sales and Marketing
  - Funding Growth and Your Financial Dashboard Measures
  - Tales of Growth
Sustain:
What’s Next? Series - *New for FY2019*

**Get Up and Grow!**

- 5 month accelerator program
- 24 *competitive* slots
- 31 hours of class room time
- 10 modules
- Peer to peer roundtables
- Targeted expert consulting
- Diagnose and solve specific barriers

**Eligibility Requirements**

- Must be the owner and/or CEO of the company
- Business must be located in Mecklenburg County
- Been in operation for two+ years
- Has at least two employees
- Annual sales from $125K to $400K
- Must have a strong commitment to grow the business and actively attend program sessions.
Pending Pilot Programs

Promote:

Small Business Plan Competition – Concept
• Opportunity to win start-up grant
• Open application process
• Top applicants receive business plan support and consulting
• Mix of social media voting and expert judging
• Goal of creating bricks and mortar operations
• Variations of model in other cities
• Likely requires non-profit collaboration

Social Media and Web Based Promotional Strategy – Concept
• Part of overall OED communication strategy
• Ongoing data tracking and reporting
Establish:

**County-Based Revolving Loan Fund – Concept**

Assessment identified gap in capital access for small businesses seeking less than $75,000
Pending Pilot Programs

County-Based Revolving Loan Fund Concept:

**Context and Issues**

Must function within powers granted by NCGA

- **CANNOT** guarantee loans by statute
- **CAN** engage directly to fund, underwrite and manage loans
  - Requires public hearing and BOCC approval of each loan and loan action
  - County would have to develop full lending infrastructure
  - County exposed to fiscal and reputational risk
- **CAN** engage a third party to underwrite and manage loans
  - County establishes lending criteria
  - County places funds solo or part of a pool of funds
  - Arms length from actual transactions
  - Monthly, quarterly and annual reporting / monitoring
County Based Revolving Loan Fund Concept:

Current Status

- OED identified and verified Mecklenburg market gap
- OED presented options to Executive Team and BOCC for review
- OED directed to explore third party lending option
- OED issued Request For Expressions of Interest for Third Party Loan Administration
  - Nine invitees
    - Two positive responses
    - One request to augment fund for loans of more than $250,000
  - Six declined to participate
County Based Revolving Loan Fund Concept:

Current Status - continued

- OED issued Request For Proposals to two RFI Respondents
  - One declined to propose
  - One proposal received
- County Manager’s Office / senior leadership team reviewed proposal and requested clarifications and additional information
- County Manager’s Office / senior leadership team reviewed supplemental information and provided guidance on presentation of proposal
- OED staff is preparing an executive summary highlighting the strengths and potential challenges with the current conceptual framework and is planning to present a refined option for consideration by the County Manager/Executive Team and Economic Development Committee
Typically 60 to 80% of new jobs come from existing businesses growing
Typically 15 to 25% of new jobs come from new businesses starting locally
Typically 5 to 15% of new jobs come from businesses relocating to or expanding into a community
Business Attraction Goals

Business Investment Program

- Jobs
- Fair salary
- Taxable Investment
- “But for...”
- Targeted industries
- Revitalization opportunity
Existing Industry Goals

Existing Industry Program

- Increased competitiveness
- Growth and expansion
- Retention of jobs and investment
Existing Industry Activity Areas

**Expansion & Growth:**
- Building and site identification
- Infrastructure and utility upgrades
- Zoning and permitting assistance
- Grant funding assistance

**Workforce and Training:**
- Connection to workforce training resources and potential state funding
- Assistance on sourcing workforce talent
Existing Industry Activity Areas

**Production and Operations:**
- Sourcing supply chain connections
- International Organization for Standardization certification assistance
- Six Sigma and lean training assistance
- International trade assistance

**Utilities Infrastructure & Transportation:**
- Rail assistance and rail infrastructure grants
- Accessing lighting, HVAC, industrial equipment rebates
- Assistance with water, sewer and storm water issues
- Connection to brownfield and environmental programs
Existing Industry Outreach

**Company visits:**
- 25 to 30 per quarter, with introductory letters from County Manager
- Meet and greet to share program opportunities
- Listening session to learn of company specific and industry wide concerns
- Annual follow ups and year round targeted communications

**Outreach events:**
- NC Chamber and other events to promote program
- Ally meetings to identify future quarterly or immediate need visits
- Ally meetings to stay current on program offerings and changes
Industry Survey:

- Web based anonymous survey
- Solicit feedback on program preferences and utility
  - Industry Roundtables
  - Mock OSHA Audits
  - Wage and Benefit Survey
  - Networking / Benchmark Guild
  - Supply Chain Connections
Existing Industry 2019 Initiatives

Social Media / Outreach:

- “Did You Know?....” Tweets / Facebook
- Growth / Anniversary / Milestone recognitions
- Alerts to events and opportunities
- “Behind the Scenes” videos

2018 Calendar Year Activity

<table>
<thead>
<tr>
<th>Activity</th>
<th>Count</th>
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<td>Company Meetings</td>
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<td>Cases Opened</td>
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<tr>
<td>Cases Closed</td>
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<tr>
<td>Ally Meetings</td>
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