

Small Business Grant Findings

CCES Meeting
October 6, 2023

CHAPEL HILL

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Recap: ReVive Grant Program

2021: Council appropriated \$200,000 in ARPA funds

- **Micro Grants:** up to \$1,000 to support business ideation that leads to enterprise creation and growth;
- **Entrepreneur Grants:** up to \$1,500 to support entrepreneurs who are on a path toward creating a successful enterprise; and
- **Small Business Grants:** up to \$5,000 to support existing Chapel Hill enterprises and help them continue to grow through the pandemic.

Recap: ReVive Grant Program

Applications:

- 88 applications received (\$367,000 in requests)
- 66 applications eligible (\$206,500 in requests)

All 66 eligible applicants received funding (\$162,250 in grants)

Awards:

- 47 Small Business Grants (\$137,500) >> *average of \$2,900*
- 15 Entrepreneur Grants (\$20,750) >> *average of \$1,383*
- 4 Micro-Grants (\$4MM,000) >> *average of \$1,000*

Additional ReVive Grant Awards

2022:

- 5 micro-grants to Bright Path Solutions participants (\$5,000)
- Matching funds awarded from Duke Energy Foundation to Chapel Hill small businesses (\$6,000)

Balance of \$7,500 remaining.

Downtown Relocation Grants

2023: \$100,000 in ARPA funds (earmarked for ReVive Recovery)

Intent: To help Downtown storefront businesses mitigate the impact of redevelopment on economically-viable local businesses.

Purpose: To help reduce the costs of physically moving an existing Downtown business to a new location, while supporting the overall growth & vitality of Downtown Chapel Hill.

Downtown Relocation Grants

Marketed together with the Chamber & Downtown Partnership, with applications accepted July 1 – August 30, 2023.

- 9 applications started (\$802,094 in requests)
 - >> 7 applications completed
 - >> 3 applications eligible for funding per the program guidelines
- 5 additional inquiries

The Grant Review Committee met on September 27 to review and score the eligible applications. Their recommendations for funding are being forwarded to the Town Manager's Office for consideration.

Downtown Relocation Grants

Requests:

- 5 asked for rental assistance (Downtown rents average ~\$35/sf)
- 4 asked for moving assistance & utility connections
- 14 asked for help with equipment and/or building up-fits

Additional concerns:

- Access to resources
 - >> *Staff compiling a comprehensive list of resources*
- High land values
 - >> *Continue to offset with a robust grants program*
- Unhoused population (direct & indirect)
 - >> *Continue to support Downtown Together implementation efforts*

Orange County Grants

OCED Business Investment Grants

- **Startup Grant** - Up to \$1,500; Awarded to businesses that have been in operation for 6-months or less.
- **Small Grant** - \$1,500 - \$5,000; Awarded to businesses that have been operational for at least 6-months.
- **Large Grant** – \$5,000 - \$10,000; Awarded to businesses that have been operational for at least 1-year.

Orange County Grants

Awards to Chapel Hill-based businesses (since 2015)

	Total Applications	Total Awards	Average Requested	Average Awarded	Avg. Dispersed (Yearly)
Large Grants	193	85	\$9,805	\$6,255	\$63,308
Small Grants	71	31	\$2,466	\$2,608	\$8,932
Startup Grants*	3	3	\$1,500	\$1,500	\$4,500

**New award category as of 2023*

Use of funds: Roughly even distribution for equipment, workforce expansion (employee salaries) and working capital (marketing, advertising & inventory)

Options for Consideration

A “Building Upfit” grant for interior & (limited) exterior renovations

- Intended to assist small businesses with commercial improvements, including unanticipated incidentals
- Allows the Town to prioritize areas of investment

Pros	Cons
Addresses an unmet need	Staff capacity: administrative workload
Improves the commercial space supply	

Options for Consideration

Matching grants for Orange County's business investment grant recipients

- Limited to small businesses based in Chapel Hill
- Applicants are pre-vetted through the County's competitive grant program
- Increases the amounts available to small & large grant recipients

Pros	Cons
Amplifies resources	No control over the review process
Low administrative workload	

Staff Recommendation

\$100,000 in funding for building upfit grants for commercial improvements

- Scoring metrics weighted to prioritize specific commercial areas and businesses negatively impacted by redevelopment

\$50,000 in matching funds for County's grant recipients

- For small & large business grants only
- Allows for a wider variety of uses, including equipment purchase, workforce expansion, working capital, as well as tenant up-fit.

Applicants may only apply to one Chapel Hill program yearly.

Questions?

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