

# Sarasota County Small Business Assistance Proposal

To help businesses and employees through these uncertain times

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# Guiding Strategy — What does success look like?

## A look back post-pandemic:

- a reasonable number of small businesses have survived through a local bridge program, delivered quickly, combined with the federal and state programs and are starting to open and hire employees again
- a majority of those receiving local assistance have survived to re-open
- federal/state assistance has provided the necessary support to hold our local economy together

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# Current Business Landscape – Sarasota County

<u>Business Size</u>	<u>Businesses</u>	<u>Total Employees</u>	<u>Payroll</u>
<b>0-3 Employees</b>	9,957	12,394	\$202,774,783
<b>4-10 Employees</b>	3,415	21,356	\$257,076,093
<b>11-50 Employees</b>	2,270	48,285	\$544,291,517
<b>SMALL BUSINESS</b>	<b>15,642</b>	<b>82,035</b>	<b>\$1,004,142,393</b>
<b>50+ Employees</b>	551	90,445	\$1,053,080,441
<b><i>Total</i></b>	<b><i>16,193</i></b>	<b><i>172,480</i></b>	<b><i>\$2,057,222,834</i></b>

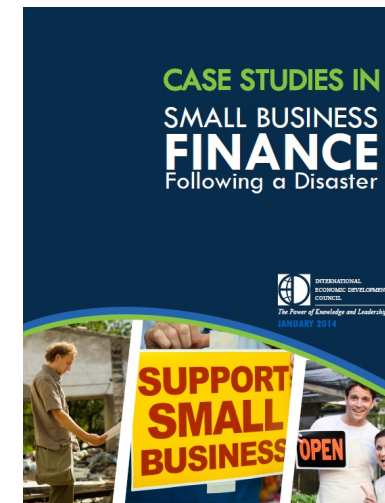
\*All Data per Bureau of Labor Statistics – QCEW Report – Q4 2018

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# Process

- March 24 – BOCC instructed to EDC to examine potential uses for the Economic Development Incentive Fund in the COVID-19 response/recovery
- EDC conducted listening sessions with business and community leaders to gather input from sectors including:
  - Hospitality
  - Finance
  - Information Technology
  - Retail
  - Manufacturing
  - Industry Associations/Chambers
  - Construction/Development
- Reviewed International Economic Development Council's best practices

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# Individuals Participating in Listening Sessions

## Hospitality

- Virginia Haley – VSC
- Michael Klauber – Michael's on East
- Nick Mavrikis – Embassy Suites
- Steven High – The Ringling Museum
- Gil Reyes – Westin Hotel
- Mark Walsh – Ocean Properties

## Chambers of Commerce

- Ed Hill – Englewood Chamber
- Heather Kasten – Greater Sarasota Chamber
- Bill Gunnin – North Port Area Chamber
- Kathy Lehner – Venice Area Chamber

## Business Groups

- Christine Robinson – Argus Foundation
- Mary Dougherty – GCBX
- John Mast – BIA

## Finance

- Charlie Murphy – Bank of Tampa
- Rob Lane – Kerkering, Barberio & Co.
- Jody Hudgins – First Florida Integrity Bank
- Shaun Merriman – CenterState Bank
- Tramm Hudson – TrammHudson Partners
- Mark Irwin – BB&T/Truist

## Business Leaders

- Pete Petersen – Dealers United
- Dr. Walt Leise – Sarasota Medical Products
- Steve Dawson – Harmar
- Erin Cigich – PerformCB
- Jim Westman – Octex
- Jenny Alday Townsend – Music Compound
- Larry Fineberg – Benderson Development

- Anand Pallegar – AtLarge
- Rod Hershberger – PGT Innovation
- Joe Hembree Sr. – Hembree and Associates
- A.G. Lafely – retired
- Jim Ley – StrategyPlus
- Patricia Cortois – OnIdeas
- Rae Dowling – FPL

- Joe C. Hembree – Hembree and Associates
- Lisa Krouse – FCCI
- Bob Messick – Icard Merrill
- Paul Caragiulo – Owen's Fish Camp, Caraguilos Restaurant
- Lisa Weiland - FCCI

# Identified Gaps

- Fill Immediate, Short-Term Business Needs
  - Capacity of current systems cannot process grants/loans fast enough
  - New programs delayed due to uncertainty (Paycheck Protection Program, PPP)
  - Delays in state and federal program delivery
- Private Equity/Affiliated Businesses
  - Companies that are PE backed are largely not eligible for SBA programs, nor PPP
- Types of Business
  - Certain programs exclude sole proprietorships

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# What an Effective Local Program Looks Like

- Use available county funds to provide short term relief to business community and their employees
- Coordinate any local program with the federal and state programs and help direct applicants to those programs
- Look to fill gaps either in timing or qualification in the larger federal programs
- Address biggest, most immediate needs to help small businesses survive
- Realize the limited funding available will only fill a limited need
- Structure so that funds can be paid back over time with low interest and deferred payment
- Recognize there will be defaults

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# Local Capacity:

**Total Available Funds: \$4,300,000**

Number of Loans at:

\$10,000	430
\$25,000	172
\$50,000	86

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# Sarasota County Small Business Assistance Proposal

- A combination loan/grant program seeded by the Economic Development Incentive Fund
- Applied as a stopgap until either SBA Economic Injury or Paycheck Protection Program monies are received
- A maximum \$25,000 per company
- 0% interest, no payment for 12-months
- 3.5% interest rate on balance after 12-months
- 3-year term

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# Sarasota County Small Business Assistance Proposal

- Applicant submits either SBA Economic Injury Loan or PPP application, plus a one-page Sarasota County application
- Qualifying expenses are
  - Payroll – Up to 2.5 months
  - Rent or Mortgage - Up to 2.5 months
  - Utilities – Up to 2.5 months
- Potential to convert up to 20% of the loan to a grant – Max of \$5,000
  - Applicant must repay principal within the 1<sup>st</sup> year

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# Process

- Assigned agency acts as the application intake
- Applications reviewed and qualified by assigned agency
- Loans to be reviewed and approved within 5-days of receipt of application
- Funds are deposited in business account within 2-days of document execution by assigned agency
  - Loan documents are standard to all applications and executed by the assigned agency
- Since loans are due to start repayment after one year, the assigned agency can develop loan servicing processes including handling repayments and default

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# Major Policy Decisions for BOCC

- Approve the above guidance to an agency (County Administrator, EDC, or other existing agency)
- Designate implementation to an agency (County Administrator, EDC, or other existing agency)
- Designated agency works with the County Administration, Attorney and Clerk to implement
- Designated agency to have program up and running in no more than \_\_\_ days

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# Other Policy Issues

- Is a short-term bridge loan program an appropriate role for local government?
- Loan vs. grant?
- Would some or all of this money be more effective in helping businesses gear up for re-start later this year (acquire inventory, rehire employees, etc)?
- Would the county funds be better spent paying local property tax/sales tax for local businesses?

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