



Legislation Text

File #: ID 20-0844, **Version:** 1

Public Hearing for a Resolution to Approve Contract Amendment for the Small Business Continuity Program

Council Priorities: Create an Environment to Promote Economic Development Opportunities and Job Creation

Department: CMO
Council District: All

Public Hearing: Yes
Advertising Date/By: November 19, 2020/City Clerk

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Purpose:

To conduct a public hearing to consider a contract amendment for the Small Business Continuity Program, administered by Piedmont Business Capital.

Background:

The City is partnering with Piedmont Business Capital to provide a small business continuity program, offering small dollar loans (\$5,000 - \$10,000) depending on need with payments deferred for the first 90 days on 48 or 60 month terms. City Council approved the program on April 21, 2020, with an investment of \$460,000, which included \$400,000 for loan capital and \$60,000 for professional services.

The Small Business Continuity Program has provided loans to 47 businesses with participation in each council district. 55% of the participating businesses are minority owned.

While only a small portion of the outstanding loans are considered delinquent at this time, Piedmont Business Capital has requested an amendment to the service contract allowing for loans, under certain circumstances, to be considered grants for the purposing of reporting performance for Piedmont Business Capital. These circumstances are: 1) the borrower is unable to repay the loan due to permanent closure of business, 2) the borrower is unable to repay the loan due to illness, injury or death and 3) the borrower is unable to repay the loan due to a reduction in business revenue stream resulting in the inability to make the loan payments. Loan restructuring efforts precede any and all final loan to grant conversions.

Pursuant to North Carolina General Statutes Section 158-7.1, a public hearing is required for this contract amendment.

Budget Impact:

There is no budget impact related to this contract amendment.

Recommendation/Action Requested:

City Council is requested to adopt the attached resolution authorizing the recommended contract amendment.