



Legislation Text

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CITY COUNCIL AGENDA ITEM

Memo Date: April 27, 2021
Agenda Date: May 11, 2021
Prepared By: Angela Essing, Economic Development Manager
Through: Nancy A. Bunt, Community Services Director
Requested Action:

Adopt a Resolution to create an Upstart Cocoa Minority and Small Business Program, approving the Upstart Cocoa Policies, Procedures, and Conditions and granting the ability to execute an agreement with weVENTURE WBC.

BACKGROUND:

City Council has requested that staff formulate an incentive to promote the growth of minority-owned businesses throughout the City. The Upstart Cocoa Minority and Small Business Program is a forgivable loan that has been created for such. The program and forgivable loans will be available to minority and/or women owned small businesses. The goal of the Upstart Cocoa Loan(s) is to empower entrepreneurs to succeed in the City of Cocoa, attract small minority business to the area, contribute to the economic vitality by promoting small business, and to cultivate vibrant neighborhoods through the encouragement of diverse businesses. Awards made to businesses will encourage business to locate or relocate to Cocoa and support minority entrepreneurs with business skill sets, start-up and marketing expenses. The Upstart Cocoa Loan program is designed as a three-year forgivable loan program with a community enrichment component to "pay back" 25% of the grant to the community within three years. After three years of maintaining the business in Cocoa and successful completion of the "pay back" the loan will be forgiven at 100%.

The success of the businesses/entrepreneurs is dependent on an appropriate level of business savvy and a comprehensive understanding of executing a well thought out business plan. Thus, we are proposing to collaborate with weVENTURE WBC (weVenture) to provide a customized education tract. weVENTURE will develop a customized program to guide businesses through their business plan and completion of course work with weVENTURE. Items that were inadvertently overlooked in a business plan will be refined and enhanced in an edited business plan supported by a weVENTURE analysis for funding recommendations at the completion of a 24 week business education track. Partnering with weVENTURE WBC is an opportunity to provide direct business support in a customized accessible way utilizing proven programs of the US Small Business Administration (SBA) WBC model. The attached agreement with weVENTURE is subject to final modifications that are acceptable to weVENTURE and the City Attorney.

At the conclusion of the 24-week period, weVenture or the City's selected service provider shall provide a funding recommendation to the City's Office of Economic Development regarding the specific eligible expenses that the City may wish to fund. The Upstart Cocoa Review Committee will

make a recommendation to the Cocoa City Council regarding the award of a Forgivable Loan, ranging between \$1,500 and \$10,000. The Upstart Cocoa Review Committee's recommendation will be made at a duly noticed public hearing.

The Upstart Cocoa Review Committee will oversee the review of all applications, recommendations for selection of participants/grantees, funding recommendations to the City of Cocoa and default procedures. The Committee will meet on an as needed basis. The Upstart Cocoa Review Committee will be comprised of a representative of the Office of Community Services, a representative of weVenture (or the City's then-current selected service provider) and an appointed community banking representative, all of which will be appointed by the City Manager or his/her designee. Additional representatives may be added as needed based on additional funding sources and/or partnerships.

After a Forgivable Loan is awarded by the City Council, the City will enter into an Upstart Cocoa Program Agreement with the applicant/grantee, which contains terms and conditions to receiving funding, as well as provisions should the grantee fail to meet the terms of the Upstart Cocoa Agreement. The maximum funding per business that will be awarded under the program is \$10,000.

STRATEGIC PLAN CONNECTION:

Goal 1: Attraction and Recruitment of \$100 million of taxable value by FY 2020. Objective 1.2: Recruit new business and industry to increase private capital investment and job creation. G. The City should develop relevant economic incentives and assess the program and the City's competitiveness bi-annually to determine if they meet the current economic development needs of the community.

BUDGETARY IMPACT:

The budgetary impact of one loan will be approximately \$10,000. It has been budgeted in the FY21 Budget under 001-3205-559.49-11 Business Assistance Program. This will include a payment to weVENTURE of \$2,500 per grantee for the 24 week business tract and upon completion of the weVENTURE business tract an award of a forgivable loan between \$1,500 and \$7,500 that will receive prior approval from City Council.

PREVIOUS ACTION:

N/A

RECOMMENDED MOTION:

Approval of a Resolution to create an Upstart Cocoa Minority and Small Business Program, approving the Upstart Cocoa Policies, Procedures, and Conditions and granting the ability to execute an agreement with weVENTURE WBC.