



# **ECONOMIC RECOVERY PROGRAM PROPOSAL: IMPACTED BUSINESS SUPPORT**

March 16, 2021

Economic Initiatives Committee

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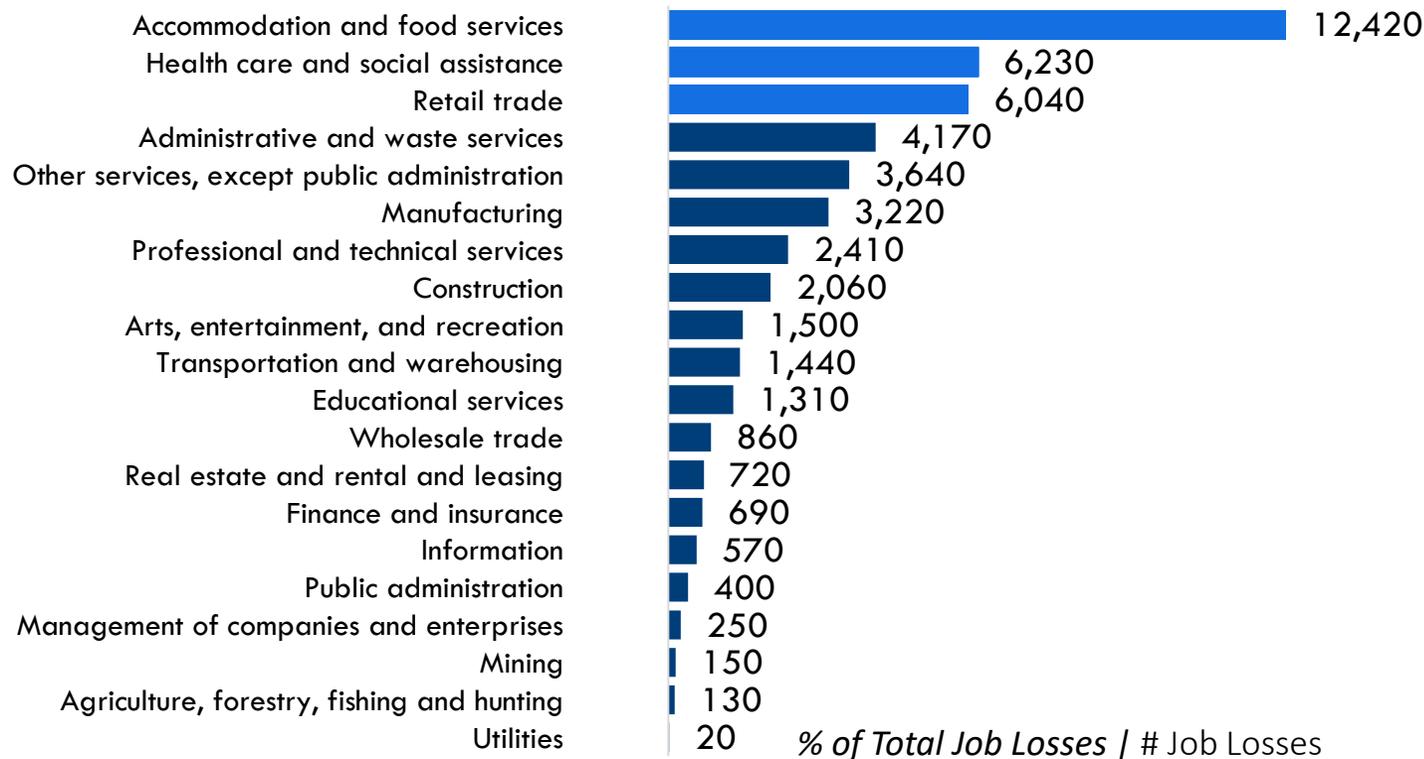
# AGENDA

1. Economic Impacts
2. Recovery Framework
3. Proposed Programs
  - Pivot Grants
  - Thrive Programs
4. Other Small Business Support Initiatives

# ECONOMIC IMPACT OF THE PANDEMIC

Three industries with the greatest job losses make up **over 50% of lost jobs**  
 These are primarily in ‘engagement’ or ‘high-touch’ industries

## PROJECTED JOB LOSSES THROUGH DECEMBER 2020



**90%**  
 Of all job losses took place in industries with average wages less than 80% AMI

**63%**  
 Of all job losses took place in industries with higher than avg. representation of people of color

# ECONOMIC IMPACT OF THE PANDEMIC

“The larger rates of business closures we have will slow down recovery. It takes time to start a business. **So, if we can preserve the current businesses at a better rate than other places then we will recovery faster.**”

Jeanette Chapman, Director, The Fuller Institute  
Regional Economic Forecast, February 12, 2021

February 9, 2021 Board Matter:

- Business interruptions have been most severe for establishments that rely on **in-person activities**
- Sectors that were particularly hard hit and face difficult recovery challenges... include **hospitality, food service, small retailers, and arts and entertainment.**

# ECONOMIC RECOVERY FRAMEWORK

## Proposals to Address Economic Recovery Framework Recommendations

### Business Recovery & Resilience

Launch **targeted small business recovery & resilience programs** focused on delivering technical support to small businesses in the industries and communities most impacted by the pandemic.

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Identify strategies to **reduce small and local business costs**, including through engagement with private-sector landlords and lenders.

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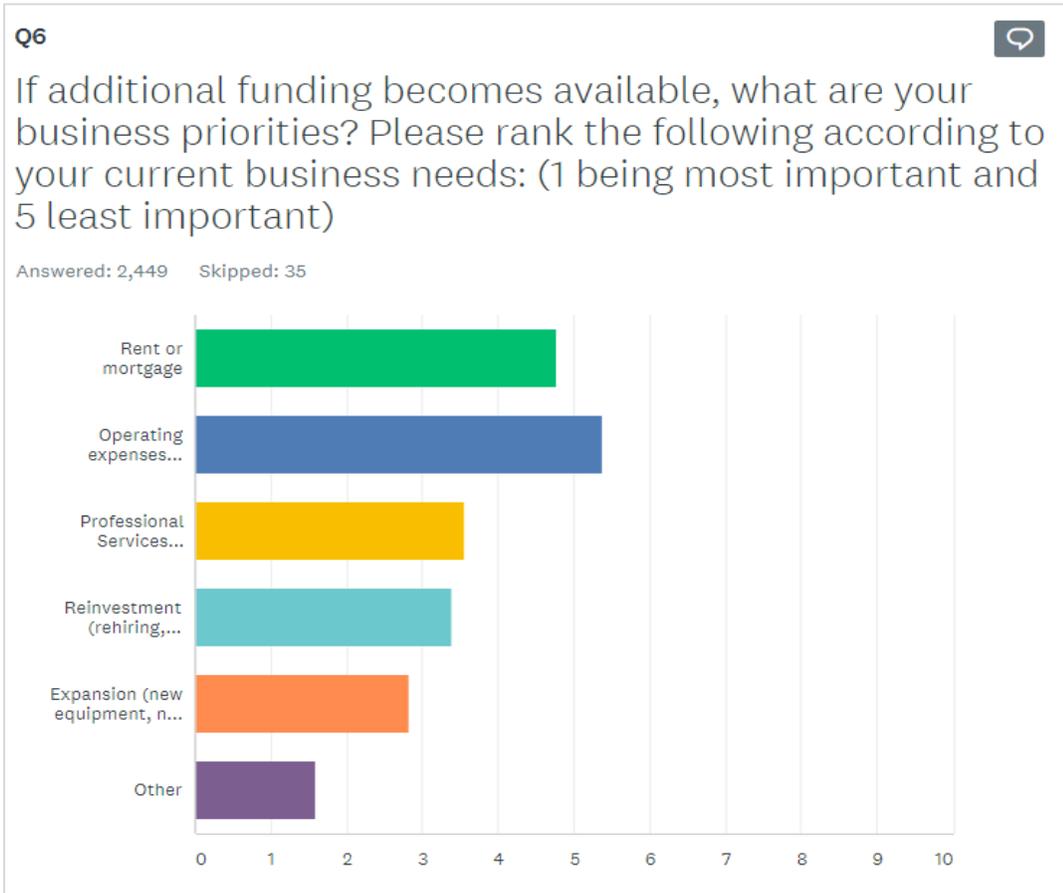
# IMPACTED SECTORS IN FAIRFAX COUNTY

Collectively, thousands of impacted businesses and employees

Sector / Sub-Sector	Establishments	Number of employees	Annual payroll (\$1,000)
Retail Trade	2,636	51,909	\$1,702,669
Restaurants, special food services, other eating places sub-sector	2,312	41,436	\$867,362
Arts, entertainment, and recreation ( <i>includes large venues</i> )	411	10,318	\$310,328
Traveler accommodation sub-sector	117	5,206	\$170,935
<b>Totals</b>	<b>5,476</b>	<b>108,869</b>	<b>\$3,051,294</b>

U.S. Census Bureau. Fairfax County, Virginia-- *Geography Area Series: County Business Patterns*. <http://www.census.gov>.

# CURRENT SMALL BUSINESS NEEDS



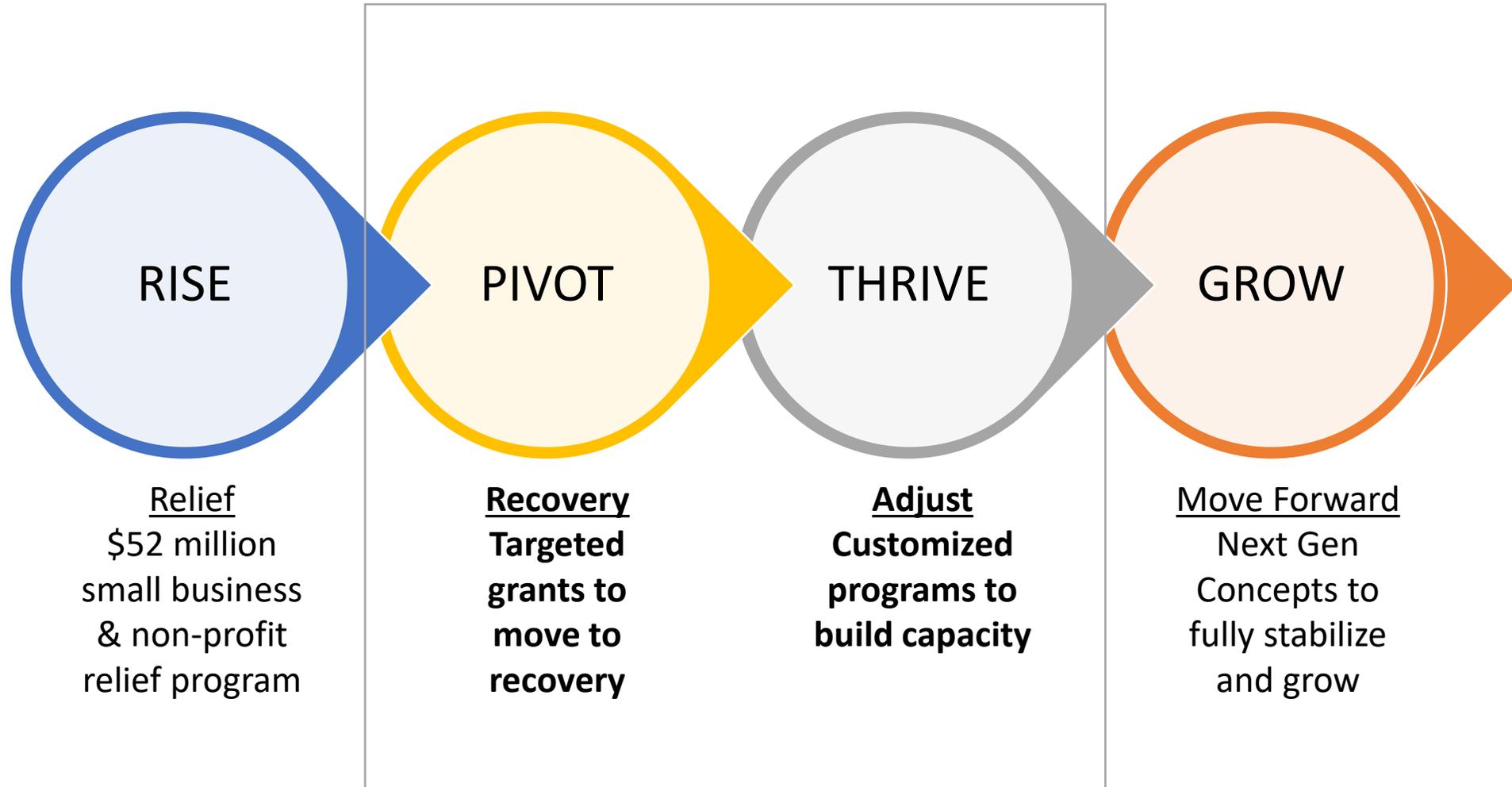
## Survey of RISE grant recipients

2,748 total responses

93%

of Respondents identified  
**Operating Expense or  
Rent/Mortgage Support**  
as top need for support

# A RECOVERY CONTINUUM



# TWO RECOVERY PROGRAMS PROPOSED

## 1. Pivot Grants

Small grants for impacted businesses to support continued operation, pivot to recovery.

Why?

- Operating funds are most needed
- Mitigate individual business costs & business closures for economic recovery
- Can be scaled up

## 2. Thrive Programs

Technical assistance and counseling to help businesses & entrepreneurs adjust and transition towards growth.

Why?

- Propel businesses, entrepreneurs & workers to reach needed resources
- Strengthen businesses, ensure viability
- Build an ecosystem around a business

# PIVOT GRANTS - CONCEPT

- For impacted, local businesses
- Eligibility criteria varies by sector
- Current concept, local funds only
- Recommendation: build out now, scale to utilize federal funding

Impacted Sector	Aprox. Proposed Fund	Aprox. Number Businesses Served
Restaurant	\$5,000,000	500
Hotel	\$2,500,000	110
Arts & Recreation Organizations	\$850,000	57
Small Retail + Personal Care + Child Day Care	\$5,200,000	520
<b>Total Grants</b>	<b>\$13,550,000</b>	<b>1,187</b>

# PIVOT GRANT ADMINISTRATION

- Requires an **Experienced, Established Administrator**
  - Very Complex & Dynamic Programs
  - Fully-staffed grant team
  - Specialization in small business support
  - Seamless, live applicant assistance
  - Sophisticated tracking and reporting
- Single **Fairfax County Pivot Grant portal** for multiple grant types (retail, restaurant, etc.)
- Full **promotion and outreach** campaign to reach impacted businesses – target diverse communities through multiple languages

# PIVOT GRANT TIMELINE

*Dates Approximate*

*Timeline may be impacted by disbursements of federal funding and guidelines*

*Ongoing Refinements & Reporting to the Board*

## March

- Prepare grant details w/ Board
- Identify administrator

## April-May

- Bring Action for approval
- Promotion & Outreach

## May-June

- Launch Pivot Grants Portal
- Open application period

## June-July

- Eligibility Reviews
- Grants begin going out

# THRIVE PROGRAM PROPOSALS

## Proposed \$500,000 to Select Thrive Program Providers

### Existing Business Cohorts

- ~10 cohorts
- Sector-specific

### Start-Up Cohorts

- ~10 cohorts
- Topic-based or sector-based

### One-on-One Assistance

- Support to existing SBDCs to expand services to grantees and FFX County small businesses & entrepreneurs

- Customized topics for small businesses, entrepreneurs and workers
- Support to Build Capacity, Transition and Grow

# THRIVE PROGRAMS: POTENTIAL RESPONSES

## Opportunity to Leverage Partners, Programs, Funding

- Community Foundation Build Back - Dream Forward Initiative
- Inclusive Innovation Incubator (I3)
- EDA Webinar & Workshop Series
- Small Business & Entrepreneur Technical Assistance & Training Providers

## Thrive Program Timeline:

- Provider(s) selected and identified
- Launch Summer, 2021 and run through the year

# PIVOT & THRIVE – FUTURE LOOK

## With additional ARP Federal Funds

- Increase total funding to most impacted sectors
- Expand sectors targeted
- Create targeted use programs
  - Examples: Grants for employee training & engagement, capital improvements, professional services, marketing, legacy businesses, most impacted geographies
- Support Campaigns
  - Examples: Buy-local and visitor promotion campaigns
- Focus on Framework Recommendation Actions

# WHAT'S NEXT: SMALL BUSINESS RECOVERY

- *Next:* Monitor funding, pursue Framework recommendations
- *New:* Local Business Marketplace Pilot
- *New:* Small Business Lease Negotiation Research & Resources  
partnership with GMU Center for Transformational Retail
- *New:* Made in Fairfax – Co-branding licensing agreement
- *Ongoing:* BizEx Services / small business partner engagement
- *Ongoing:* EDA and partner webinars, training, counselling

# MADE IN FAIRFAX

Department of Planning & Development

## Recent Initiatives & Successes

- Online maker directory (75 businesses featured)
- Networking group (150 participants) & Meet-Ups
- Website resources for makers

## Co-Branding & Licensing Proposal

- Raises visibility of makers and Fairfax County “brand”
- Eligibility for recognized County businesses (75+)
- Offered through a written license agreement (County Attorney)
- Provides control over use of logo (placement, duration)
- Co-branding with partners (Visit Fairfax, Shop Made in VA, etc.)



### BUSINESS DIRECTORY

Business Type Filter

<p>LAKE ANNE BREWHOUSE</p> <p>CRAFT BREWERY &amp; TAPROOM</p>	<p>OMMADE PEANUT BUTTER</p> <p>LOCALLY SOURCED PEANUT BUTTER</p>	<p>KERI'S PAPERCRAFTS</p> <p>HANDMADE CARDS, KITS, &amp; WREATHS</p>
<p>NORDIC-KNOT</p> <p>FRESH BAKED SOFT PRETZELS</p>	<p>SEMICOLON CRAFT AND FORGEWORKS</p> <p>HAND FORGED BLACKSMITH GOODS</p>	<p>ANA'S TWIST</p> <p>HANDMADE GLUTEN FREE &amp; VEGAN FOODS</p>



# QUESTIONS & DISCUSSION