

MEMORANDUM

Date: January 17, 2012
To: Mayor and Board of Aldermen
From: Michael W. Avery, AICP, Director of Planning & Inspections
Subject: Public Hearing on a 2011 CDBG Small Business and Entrepreneurial Assistance Grant Program Application

Background Information:

The NC Division of Community Assistance recently opened the application window for the 2011 CDBG Small Business and Entrepreneurial Assistance (SBEA) grant program. The maximum grant amount is \$250,000.00 and the minimum is \$150,000.00. No matching funds are required. The application is due on April 30, 2012. This resolution calls for the first of two required public hearings to receive public comment regarding the grant application.

This primary purpose of the program is to provide funding to local governments to jumpstart growth of existing small businesses, thus creating new jobs or retaining existing ones. This assistance must lead to the creation or retention of jobs primarily benefiting low- and moderate-income persons.

Funding eligibility is contingent upon the creation or retention of permanent, full-time jobs, at least 70% of which must be made available to persons earning 80% or less of the area median income within the previous 12 months. Currently, Craven County's median income is \$58,000.00 for a family of four.

The application must propose a project in conjunction with one or more existing, small businesses (a business that has been in operation within the city for at least two years and that has 100 or fewer employees). Projects creating or retaining jobs that pay higher wages will be given preference over low-paying jobs, as will employers who offer qualifying health insurance for all full-time positions and pay at least 50% of employee premiums.

Eligible grant activities include, among others, infrastructure improvements, purchase of land, construction or renovation of a building to accommodate the business, purchasing capital equipment and job training that can be linked to specific jobs at a specific firm.

Ineligible activities include, among others, revolving loan funds, microenterprise grants or loans, incubator projects for start-up businesses, and debt restructuring,

The second component of the SBEA project is to create and nurture an entrepreneurial environment within the community. Funds are available for activities that will equip project team members and community and business leaders to take deliberate steps to create an environment in which small businesses/entrepreneurs can flourish. The funds may be used for training of the project team community and business leaders to learn about methods and tools for creating an entrepreneurial environment, coordinating meetings to identify needs of entrepreneurs, planning for an entrepreneurial environment, or sponsoring events to market local entrepreneurs/businesses. \$5,000 of the grant MUST be used for this purpose.

Local business owners who are ready to expand their existing businesses may contact the Community Development Coordinator at 639-7586 for more information regarding this program.

Recommendation:

The Planning and Inspections Department recommends the Board adopt the attached resolution to schedule a public hearing to be held on February 14, 2012.

If you have any questions or need additional information, please let me know.

**RESOLUTION BY THE BOARD OF ALDERMEN
OF THE
CITY OF NEW BERN**

WHEREAS, the City of New Bern wishes to submit an application for the 2011 Small Business and Entrepreneurial Assistance (SBEA) grant program through the North Carolina Department of Commerce, Division of Community Investment and Assistance; and

WHEREAS, the City of New Bern is required to hold two public hearings regarding this application;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF NEW BERN:

That the first public hearing will be conducted by the Board of Aldermen of the City of New Bern at 7:00 p.m., or as soon thereafter as the matter may be reached, on February 14, 2012 in the City Hall Courtroom, 300 Pollock Street, on the proposed application, in order that all interested parties may be given an opportunity to be heard.

ADOPTED THIS THE 24th DAY OF JANUARY, 2012.

LEE WILSON BETTIS, JR.
MAYOR

VERONICA MATTOCKS
CITY CLERK