



Legislation Details (With Text)

File #: 22-0327 **Version:** 1 **Name:** Revolving Loan and Grant Fund
Type: Resolution-Budget **Status:** Passed
File created: 11/17/2022 **In control:** City Council Legislative Session
On agenda: 12/14/2022 **Final action:** 12/14/2022
Title: Resolution Authorizing the Reallocation of the Downtown Hampton/Phoebus Retail Incentive Fund and the Hampton Economic Gardening Program Fund to the Economic Development Authority's Revolving Loan and Grant Fund

Sponsors:

Indexes: DO NOT USE - 21 - Budget Adjustments

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
12/14/2022	1	City Council Legislative Session	approved	Pass

Resolution Authorizing the Reallocation of the Downtown Hampton/Phoebus Retail Incentive Fund and the Hampton Economic Gardening Program Fund to the Economic Development Authority's Revolving Loan and Grant Fund

PURPOSE/BACKGROUND:

Reallocate certain grant funds dedicated to specialized programs to the Economic Development Authority of the City of Hampton, Virginia's (the "EDA") Revolving Loan and Grant Fund; and authorize the EDA to use those reallocated grant funds to provide support to businesses throughout the City.

Discussion:

The City Council of the City of Hampton ("City Council"), through the adoption of its fiscal year 2010 budget, appropriated to the EDA \$1.5 million to administer the then newly created program designed to stimulate retail and other commercial activities in the Downtown and Phoebus areas of the City (the "Downtown Hampton/Phoebus Retail Incentive Fund"). Since its inception approximately half of those funds have been invested to revitalize the Phoebus and Downtown areas, with awards to Sly Clyde's, Mango Mangeaux's several endeavors, Baker's Wife, to name a few. In addition, the Downtown area has also been enhanced, with EDA grant funds being used to transform what was La Bodega to Baked Bistro, as well as multiple facade improvements to replace awnings and update building facades throughout the Downtown area. In recent years, it is apparent that over the course of the past 12 years, the purpose of the original funding has been reasonably satisfied. It is also apparent that other areas in the City are in need of similar support in order to enhance and sustain a strong economic base throughout the City. The Downtown Hampton/Phoebus Retail Incentive Fund has a current balance of approximately \$755,821.

In another action, in 2012, the City Council also redirected \$45,000 available to the EDA for Small

Business Incubator Operations to the Hampton Economic Gardening Program, a program intended to assist second stage companies in furthering their growth. Two (2) grants were awarded under that new program, both in 2013. That program has been dormant since that time. The Hampton Gardening Program has a current balance of \$27,000.

The grant awards through the EDA's Revolving Loan and Grant Fund are limited by location (so long as within the City), and are awarded to stimulate economic activity by providing resources to businesses that will substantially and meaningfully enhance the City, through capital investment, job growth, wage elevation, tax revenues, business sustainability, and/or other economic indicators that may positively impact the City's commerce.

Impact:

The reallocation of the funds described above will allow the resources available to the EDA to be used City-wide to stimulate and grow the City's economy.

Recommendation:

Approve the Resolution.

WHEREAS, the Economic Development Authority (formerly the Industrial Development Authority) of the City of Hampton, Virginia (the "Authority") was created for the purpose of promoting industry and developing trade by inducing manufacturing, industrial and commercial enterprises to locate in the City, as well as to promote and encourage the creation and development of new businesses in the City through, inter alia, the acquisition and leasing of real property and the provision of loans and grants;

WHEREAS, on May 12, 1987, the City Council established a "Revolving Loan Fund" and authorized the Authority to administer the funds with the goals of creating jobs, increasing business ownership, promoting economic or community development, or promoting economic self-sufficiency within the; City of Hampton;

WHEREAS, on January 11, 2012, the City Council authorized the Authority to use funds appropriated to the Authority and/or subsequently collected by the Authority through the administration of the Revolving Loan Fund to also be used to make grants in such amounts as the Authority deems prudent, appropriate and necessary to stimulate economic development in the City (and thereby renaming the Revolving Loan Fund to the Revolving Loan and Grant Fund);

WHEREAS, on May 9, 2009, the City Council appropriated, as part of the approval of the City's fiscal year 2010 budget, \$1,500,000 to the Authority to create a program to stimulate retail and other commercial activities in the Downtown and Phoebus areas (the "Downtown Hampton and Phoebus Retail Assistance Program");

WHEREAS, since the inception of the Downtown Hampton and Phoebus Retail Assistance (Incentive) Program, more than \$700,000 has been invested in the revitalization of the Downtown and Phoebus areas;

WHEREAS, on March 14, 2012, the City Council authorized the Authority to reallocate

\$45,000 of uncommitted funds that had been allocated to Small Business Incubator Operations to a new program designed to assist second stage companies (the "Hampton Economic Gardening Fund Program");

WHEREAS, \$18,000 was awarded to second stage companies in 2013, but the Hampton Economic Gardening Fund Program has not otherwise been utilized since then;

WHEREAS, based on the success of the Downtown Hampton and Phoebus Retail Assistance Program, and the current need in other parts of the City for support and stimulation similar to what has occurred in Phoebus, the City Manager recommends that the City Council reallocate the funds remaining in the Downtown Hampton and Phoebus Retail Assistance Program to the Authority's Revolving Loan and Grant Fund, and authorize the Authority to use those funds to award grants (and loans, to the extent the Authority deems it prudent) to stimulate retail and other commercial activities where needed throughout the City;

WHEREAS, due to the extended dormancy in demand for the Hampton Economic Gardening Fund Program, the City Manager also recommends that the City Council also reallocate the funds remaining in that program to the Authority's Revolving Loan and Grant Fund, and authorize the Authority to use those funds to award grants (and loans, to the extent the Authority deems it prudent) to stimulate retail and other commercial activities where needed throughout the City; and

WHEREAS, the City Council finds that it is in the best interest of the citizens of Hampton and the business community that the aforesaid programs be consolidated and the remaining funds be transferred to the Authority's Revolving Loan and Grant Fund.

NOW, THEREFORE, BE IT RESOLVED by the City of Hampton, Virginia, as follows:

1. That it authorizes (i) the consolidation of the Authority's Downtown Hampton and Phoebus Retail Assistance (Incentive) Fund and the Hampton Economic Gardening Programs Fund with the Economic Development Authority's Revolving Loan and Grant Fund, and (ii) the transfer of the remaining funds in the aforesaid programs to the Authority's Revolving Loan and Grant Fund; and
2. That the City Manager is authorized and directed to take all actions necessary to transfer any remaining funds from the Downtown Hampton and Phoebus Retail Assistance (Incentive) Fund and the Hampton Economic Gardening Programs Fund to the Economic Development Authority's Revolving Loan and Grant Fund to be administered under those guidelines developed and adopted by the Authority in furtherance of this resolution and prior direction received from City Council.