CASE STUDY

Keys to Economic Recovery from COVID-19

This case study was developed by NCGrowth and the ncIMPACT Initiative as part of the Testing the Keys for Economic Recovery project supported by the North Carolina Policy Collaboratory at the University of North Carolina at Chapel Hill with funding from the North Carolina Coronavirus Relief Fund established and appropriated by the North Carolina General Assembly. Learn more about project findings, upcoming webinars, case studies and resources at https://go.unc.edu/KeystoRecovery.

BELMONT, NC

Data Snapshot

DATA	DATA YEAR, ETC.
Population: 12,495	**Data year:** 2018
Municipal budget: $14,647,487	**Data year:** FY 2020-21 **Data source:** Town website
Per capita income: $34,536	**Data year:** 2018
Median household income: $70,506	**Data year:** 2018
Poverty rate: 11.99%	**Data year:** 2020
Minority population: 38.17%	**Data year:** 2020
Proximity to urban center: 14.4 miles	**Urban center name:** Charlotte, NC
Proximity to interstate highway: 5.4 miles	**Interstate name:** I-85

Synopsis: Belmont paired an emergency small business loan program with the "Keep the Lights on in Belmont" program to drive residents to support local enterprises.

Overview/Introduction: The City of Belmont is offering a total of $400,000 in small business emergency loans to locally owned, non-franchise businesses located within the Belmont corporate limits as part of the City's "Keep the Lights on in Belmont" program. "Keep the Lights on in Belmont" is a relief effort by Downtown Belmont Development Association to support local small businesses.

Loans to eligible small businesses will be awarded in amounts up to $10,000 to help cover operating expenses until state or federal assistance is available or until the economic crisis passes. The City of Belmont performed the loan administration themselves, and partnered with the Main Street Advisory Committee as part of the oversight process. They created a process to review applicants and reward funds. So far, a quarter of the funds have been allocated. This $100,000 issuance enabled businesses to stay open during the pandemic.

The Community and its History: The City of Belmont began to take off shortly after the recession of 2008. Because of its location many people were interested in moving to the area, as it is a small town on the outskirts of Charlotte. It was a way to experience "hometown nostalgia" while also staying close to a populated metro. At almost 100% occupancy, the town and its housing market are booming.

Residents relish downtown life and enjoy Main Street. The Main Street in Belmont is comprised mostly of small, locally-owned businesses and is a quintessential part of town. However, once COVID-19 hit, residents became concerned for the well-being of businesses, especially those downtown. At first, people would go downtown and realize for the first time that there was not a soul in sight.

As Belmont municipal employees began to understand that people were not prepared for the financial and economic impacts of the pandemic they began to further analyze the needs of the community. This eventually led to the launch of the "Keep the Lights on in Belmont" campaign.

The Strategy: "Keep the Lights on in Belmont" was created and administered by the Downtown Belmont Development Association. Originally, the strategy arose from a need to address concerns about Main Street businesses' ability to continue operating. As Main Street is the center of town and one of the popular spots, it was important to focus on ensuring its health.

Initially residents' feelings of concern were elevated by the launch of "Keep the Lights on in Belmont." It was intended as way to educate people about COVID-19, but ended up scaring people about the health of the economy. After the City

realized these concerns, they switched the campaign to be more focused on promoting local businesses and ensuring their well-being. With this shift the campaign took off and was shared throughout the community via social media videos by employees.

After a second wave for the campaign, residents showed up and worked hard to support all local businesses and ensure they would be able to survive during the COVID-19 pandemic. The push to patronize more restaurants improved business revenues for many, and they eventually created a downtown relief fund. They raise funds for local businesses and distribute them to those that may be on the brink of closing. At the beginning of this second wave, the loan program also started. In April 2020 a city council member asked staff about an emergency loan program they heard about through an external resource, the UNC-Chapel Hill School of Government.

The City Manager of Belmont began to research it as an option for the city and determine it's feasibility. Soon the School of Government was consulted about the process and the city attorney advised on statutes and whether or not it was in compliance with state law and local ordinances. The city determined that a loan program was possible and decided to fund it with general funds. The city allocated $400,000 to these emergency loans from the general fund.

During this process the city council learned more about the program and voted in favor of adopting the program. It took two weeks and a lot of staff time to get the program operating. As of October 1, 2020, one quarter of the funds have been used and the program is still open to new applicants. For businesses, it takes about two weeks to receive funds awarded, but in comparison to state and federal turnaround this timing is more expedient. It serves as a unique bridge loan while waiting for receipt of other funds. Although not all of the funds have been utilized, it has been beneficial for those who have taken part.

The Outcomes:

☐ Approximately ten small businesses received $10,000 as part of the program as of early October. There are still funds remaining and the City hopes to allocate the rest of the $300,000 to 30 more businesses.

☐ Partnerships created going forward with the Downtown Belmont Development Association and the Main Street Advisory Board.

☐ Businesses support each other and find new ways to work together by hosting joint events, working on loan programs together, and more.

☐ Businesses are more creative in their problem-solving and ability to provide new services. They started to offer different combinations of services, like "family meal" options and other new meal combinations and online sales.

☐ Local businesses expanded programs with the emergency loan funds by selling at new locations and taking part in new types of shops where multiple vendors attend.

How and Why the Strategy is Working:

1. There was strong buy-in from Belmont staff and elected officials. This strategy worked well because of the dedication of Belmont staff and leadership. The city council was interested in emergency loan programs and directed the city manager to work out the details. After seeking outside assistance, the Main Street Advisory Committee and the Downtown Belmont Development Association joined as local partners to implement the program.

2. The City of Belmont leveraged outside resources to guide program development and act quickly. For Belmont the UNC School of Government was a perfect fit to provide techinical assistance on the loan program, but there are many resources out there that can assist local governments. The City had existing relationships with the School that they were able to build on to quickly get the information they needed to act in an uncertain time.

3. The response was quick and well-timed. City staff sought out research, technical assistance and information from peer organizations early. By acting quickly and gathering information from others who already tried this approach, it ensured quick success for the program.

Lessons Learned from the Story:

1. Be nimble and do not let the fear of criticism impact your work or response. Belmont acted quickly and initially got a negative response from the community on the framing of the "Keep the Lights On" program. Rather than letting it stop them, they addressed community concerns and shifted the program to be successful. When responding to an emergency situation, decisions must be made quickly and the first try won't always work - but by starting with

something you can quickly get community feedback and continue to iterate to make the program work and best serve the community's needs.

2. Take advantage of outside resources for advice, especially during times of uncertainty. Research available resources in your state and community before an emergency hits so that when the time comes you know who to call for help.

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