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**OFFICE OF ECONOMIC DEVELOPMENT**

**CARES Act Task Force Support Small Business Committee Meeting**  
**Meeting Minutes-Friday, June 26, 2020**  
**11:00AM Virtual Zoom Webinar**

**Attendance:**

**Committee Members Present:** Co-Chair Lee Mikles, Co-Chair Tamarra Morris Foulkes (NCC Director of Economic Development) Councilman Cartier, Councilman Sheldon, Ed Capodanno, Desa Burton, Lee Mikles, Nakishia Bailey, Patrick Callahan, DaWayne Sims, Matt Parks, Jeff Flynn, Tom Coleman, Kurt Foreman, Givvel Marrero, Mike Quaranta, Denita Henderson, Tom Coleman, Robert Herrera, Jessica Gibson Brokenbaugh (NCC PR Officer)

**Committee Members Absent:** Damian DeStefano, Jason Aviles, Sam Latham, Melissa Marchione, Paul Huges

**Others in Attendance:** Sanjay Bhatnager (NCC Department of Law) and members of the public, Bob Wasserbach (NCC Auditor)

**Proceedings:**

- Meeting called to order by Tamarra Foulkes at 11:03AM
- Motion to Approve Minutes from 6/19/2020 by Councilman Cartier; Seconded by Councilman Sheldon

**Restaurant/Retail Impact:**

- Lee Mikles: Switch to new approaches; online menu communication, new technology, online ordering/curbside pickup; 'Zombie Restaurants' will not come back. Forced changes that could be long standing; Public uncertainty of funding and how it would be implemented. Timelines: should I keep employee on; Chef first/business second is difficult to transition. Needed: Tools to assist with change in business strategy
- Denita Henderson: SBDC assisted restaurants with relief assistance grants; taking business online/integrated solutions to go digital. Decisioning tools: to create forecasting opportunities; tools
- Matt Parks: Are landlords supportive? What is the level of pressure to pay?
- Lee Mikel: For the most part Landlords are supportive, and employee focused
- Matt Parks: PPP splits have changed; what are banks doing to be flexible?
- Mike Quanta: "Cascade of the problem": support from landlords and lending institutions. What will be forgiven? What is the expectation for the client to catch up? There is not a straight forward answer to fixed cost solutions.
- Councilman Cartier: Chain of payments spreads across all sectors of renters.
- Lee Mikles: Deferring rent to a business that will not recover? HELP program guidelines required proof of sustainability
- Kurt Foreman: How viable were businesses before closure? Needed: Support businesses to develop new concepts for doing business

- Councilman Cartier: Needed: Easier county process to allow for outdoor seating. Variances for low density
- Tom Coleman: How is the NCC outdoor seating process being received?
- Councilman Cartier: Streamlined process to assist with application process
- Mike Quarenta: Outdoor seating options are popular. Public seems to feel comfortable using other public spaces; Needed: alcohol sales in new/innovative spaces
- Tom Coleman: Newark parks hosts draft beer gardens see Newark Post for pictures; 12-13 restaurants have expanded outdoor seating
- Tamarra Foulkes: What about Wilmington?
- DaWayne Sims: Curbside Wilmington: extended outdoor seating/patio seating on sidewalk. Create parklet style seating into designated parklet spaces outside the sidewalk. Curbside/pick up and deliver zones; Focus on residential parking being used; working with partners to identify parking solutions. Free valet in 3 locations. Comprehensive solutions to increase space. Public Health and Economic initiative. Trend is outdoor seating is more favorable than socially distanced indoor seating. Friday happy hour 8-9<sup>th</sup> streets shut down for live entertainment.
- Rob Herrera: How much did Curbside program cost? Should extend throughout the county?
- DaWayne Sims: Partnership with local businesses to utilize some in-kind and low-cost services; Delaware is the 3<sup>rd</sup> hardest hospitality industry hit in the nation
- Jeff Flynn: Needed: Collaborative marketing to drive more traffic to Wilmington is a key focus; funding to increase traffic with consistent messages
- Rob Herrera: Small businesses downtown are starting to bounce back as a result of the damages and inventory loss due to riots
- Councilman Cartier: Retail sector was divided into; essential and non-essential creating the negative affect of non-essential
- Tamarra Foulkes: Kurt Foreman, is there data to share from the statewide survey regarding restaurant/retail impact?
- Kurt Foreman: Businesses affected; retail, accommodations, art and entertainment etc.
- Tamara Foulkes: How many businesses were closed? What business sectors were closed?
  - Kurt Foreman will engage Damian DeStefano for specifics
- Lee Mikles: Is there payroll recording to assist with a count of businesses affected? Supply chain affected deeply; software and supply chain for restaurants were unable to support. Furniture, software etc.
- Desa Burton: Usage of technology to connect with customers? What investments were made to move through tough time?
- Lee Mikles: Needed: Closures were abrupt; restaurants needed more planning time; online ordering became 100 % of the business; investment. Contactless payment became an integration issue. Integration of technology and updates. More time to create solutions

#### **Startups Impact:**

- Patrick Callahan: Some startups qualified for grants. Problem solvers say 'incubation of ideas takes time'. Utilizing entrepreneurs to develop solutions to address.
- Rob Herrera: Many industries; pivot or shutting down; 50% of startups will probably not open. All have a pain point or impact. Approximately 20 event planning companies will cease to exist. Software companies doing well
- Desa Burton: Zip Code Wilmington's model is based on hiring. Hiring freeze hit students hard. Tuition was not being paid. Using inhouse talent to pivot.
- Patrick Callahan: Startups born out of addressing problems; How do we connect entrepreneurship with the need for business support solutions?
- Tamarra Foulkes: Denita, what would a triage program look like?

- Denita Henderson: Tools being developed to connect startup to resources. Using local small businesses to help with program development; SBCE provided 3000 hours of assistance for disaster relief. Pairing businesses with specific needs.

**Open Discussion:**

- Patrick Callahan: Students are looking for opportunities to help develop solutions
- Denita Henderson: UD students in the Lerner College to assist businesses; Senior or CAP project; must be a real solution; IT skills and accounting; matching project with students
- Desa Burton: Zip Code can offer technical support for restaurateurs/furloughed employee to be more prepared to come back and move the company forward.
- Councilman Sheldon: PPE, extra costs to reopen and adhere to new requirements should be reimbursable; creating a specific grant to addresses these specifics
- Tamarra Foulkes: Sanjay, please summarize federal guidelines for reimbursement
- Sanjay Bhatnagar: Requirements: costs or expenditures associated with COVID-19 are reimbursable; guidelines are broad
- Lee Mikles: Next meeting discussion will include; what does the idea vetting process look like? What are the boundaries? Longer term solutions; What are the guidelines for the grant programs we would like to begin?
- Bob Wasserbach: Request to clarify DE AG guidelines vs. US Treasury guidance for reimbursement to business interruption. DE AG Office FAQ: CRF Funds
- Sanjay Bhatnagar: Federal funds are not governed by any state regulations. If a business was reimbursed by insurance, it does not qualify for additional relief
- Councilman Cartier: Request for clarification. AG guidelines
- Sanjay Bhatnagar: Binding Authority is the Treasury Regulations. AG may be in line with Fed Guidance. Can't collect twice
- Councilman Cartier: State in not an intermediary. New Castle County qualified and applied for the fed grant
- Sanjay Bhatnagar: This committee is using treasury guidelines; Federal Compliance

**Public Comment:**

- None

**Adjournment:**

- Motion to Adjourn from Councilman Cartier; seconded by Councilman Sheldon