

# SUPPORTING SMALL BUSINESS DEVELOPMENT

TIPS TO DEVELOPING AND GROWING COMMUNITIES

**Cathy Lowe**  
Executive Director

**VIRGINIA HIGHLANDS**  
SMALL BUSINESS INCUBATOR  
YOUR BUSINESS STARTS HERE

**Sandy Ratliff**  
VP Community Innovation





THRIVING STREETS -  
- MERCHANTS BUSY  
- - REVENUE UP - -  
CITIZENS HAPPY

IT TAKES PLANNING, COLLABORATION,  
SYSTEMS AND MORE BUT DOABLE!



# AGENDA

- Accessing capital
- Why Zoning is Needed & How it Works
- Importance of Enforcing Regulations
- Technical Assistance Preparations & Resources
- Business Support Playbook





# ACCESSING CAPITAL



# Virginia Community Capital

- ▶ ***A Community Development Financial Institution, VCC's mission is to create jobs, energize places and promote an enhanced quality of life for Virginians.***
- ▶ Established in 2006 as a CDFI with an initial \$15 million investment
- ▶ Our lines of businesses – impact, lending and investments
- ▶ \$1.92 Billion in Impact from loan support to small businesses, create jobs, revitalize downtowns, provide affordable and workforce housing, and improve buildings' energy efficiency.
- ▶ 1,450 Total loans - - Equaling \$809 million and 32,871 Hours of free advising services



# Lending Programs

**Loan Size = \$150,000 - \$9,000,000**

- Small Business
  - Debt Refinancing
  - Equipment Purchase
  - Working Capital
  - Tenant Improvements
  - Business/Franchise Acquisition
  - Owner-Occupied Commercial Real Estate Purchase



- **Government Loan Programs:**
- SBA 7(a) Loan Program
- SBA 504 Loan Program
- USDA Guarantee Programs

# Special Loan Programs

- **Grocery/Food Access**

- Food System Financing - Produce, meats, dairy, etc
- Uses: construction, real-estate acquisition, equipment lending, working capital line of credit
- Contact: Lauren DeSimone, [ldesimone@vccva.org](mailto:ldesimone@vccva.org)

- **Solar/Energy**

- Offer a variety financing options in the energy and renewable sector.

- **Economic Equity – Women and/or Minority Owned**

- Low-cost financing for small business owners who are women and/or Black, Indigenous or People of Color (BIPOC) operated for 18 months or longer
- Uses: business acquisition, debt refinancing, equipment financing, working capital line of credit



# Real Estate Lending

- Affordable Housing
- Multi & Single-family Investment Property
- Commercial Real Estate

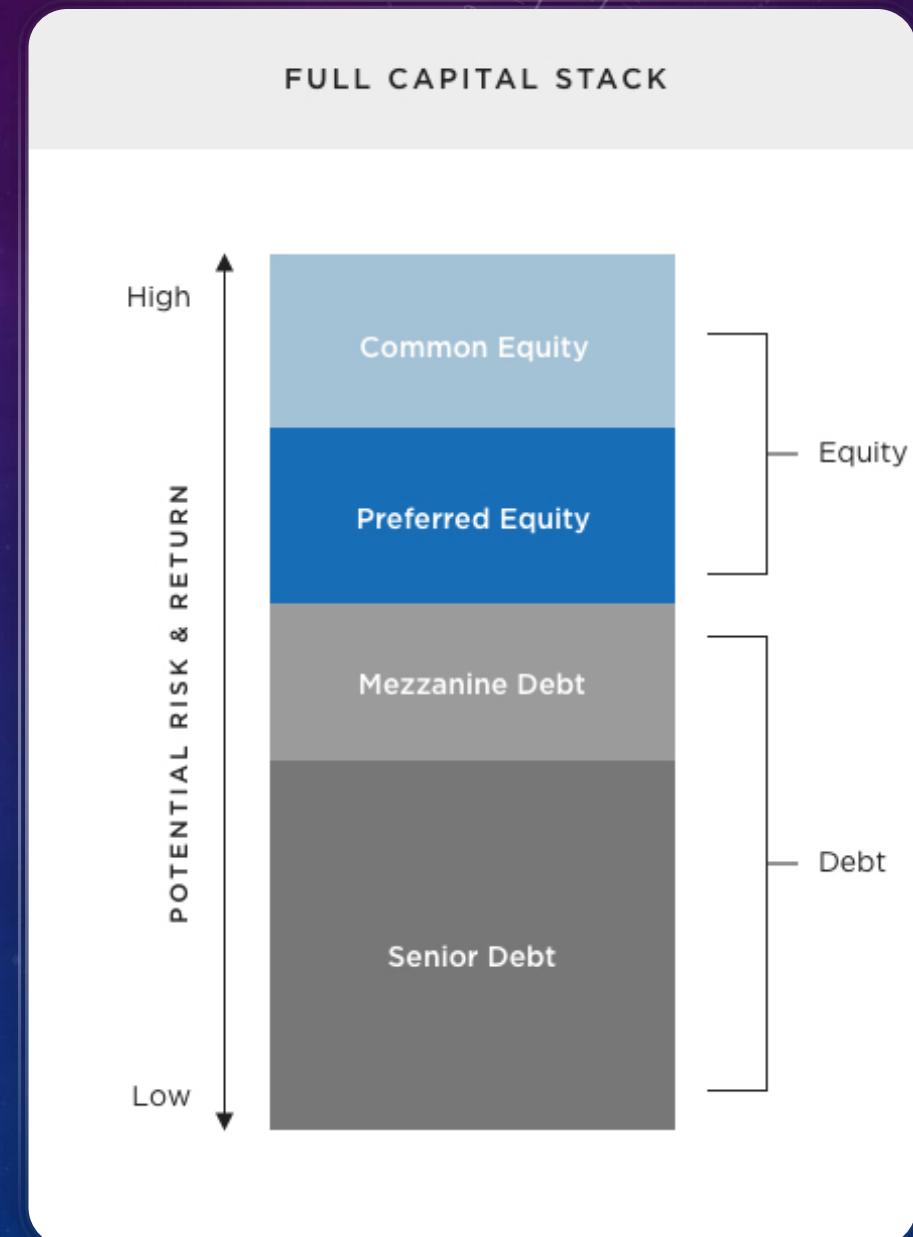
## Uses of Funds

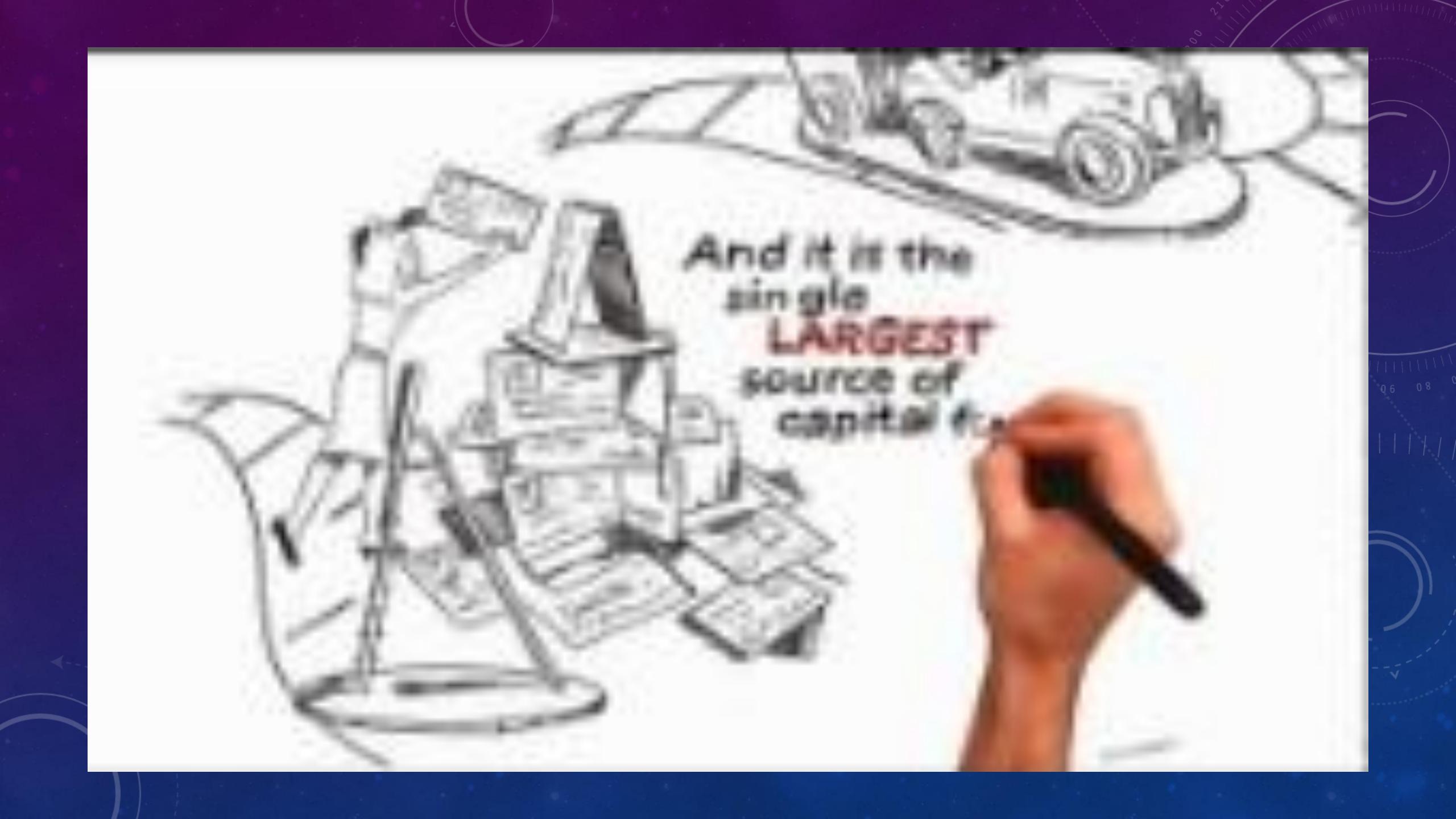
- Predevelopment Project Costs
- Real-Estate Acquisition
- New Construction or Build Rehabilitation
- Historic Tax Credits - Gap Financing



# FINANCING BUZZWORDS

- **Capital Stacking**
  - Personal Funds (Bootstrapping)
  - Grants
  - Debt
  - Equity
- Community Development Financial Institution - CDFI





And it is the  
single  
**LARGEST**  
source of  
capital for



# Questions to ask when evaluating funding options



How much do I need?



What will the money  
be used for?



What are the risks  
and benefits?



How much personal  
risk can I tolerate?

# Questions to ask when evaluating funding options



How much do I need?



What will the money  
be used for?



What are the risks  
and benefits?



How much personal  
risk can I tolerate?

# Questions to ask when evaluating funding options



How much do I need?



What will the money  
be used for?



What are the risks  
and benefits?



How much personal  
risk can I tolerate?

# Questions to ask when evaluating funding options



How much do I need?



What will the money  
be used for?



What are the risks  
and benefits?



How much personal  
risk can I tolerate?



Grants



Incentives



Debt Financing



Equity Financing



# Working With Local Government On Your Development Projects

YOUR TO DO LIST

# The Partnership

- ▶ Zoning
- ▶ Does the Municipality Have a Main Street Program
- ▶ Government Regulations/Ordinances
- ▶ Departments of the Local Government
- ▶ The Economic Development Goal of a Municipality
- ▶ The IDA and County Government
- ▶ The Comprehensive Plan
- ▶ Streets and other infrastructure

# Things to Consider

- ▶ **Municipality**
- ▶ Does the development comply with the zoning ordinances
- ▶ Does the development fit in the Municipality Comprehensive Plan
- ▶ Are there any barriers to entry
- ▶ Do not call an elected official for a favor when it comes to zoning and ordinances. The Council is the last resort.
- ▶ **Developer & Entrepreneur**
- ▶ Contact the Planning Department and inquire about the zoning, any infrastructure requirements
- ▶ Inquire about licenses, building permit requirements and plan submittal requirements.
- ▶ Be diligent in working with the department heads in planning, building permits and public works.

# Economic Vitality

- ▶ Who funds the capital, incentives and other financial tools? The Economic Development Director and/or the Planning Director will know of State funded incentives to assist development initiatives: opportunity zones, enterprise zones, Tobacco Commission, VEDP

**ECONOMIC VITALITY** focuses on capital, incentives, and other economic and financial tools to assist new and existing businesses, catalyze property development, and create a supportive environment for entrepreneurs and innovators that drive local economies.

# Tax Credits

- ▶ **New Market Tax Credits**
- ▶ The NMTC Program attracts private capital into low-income communities by permitting individual and corporate investors to receive a tax credit against their federal income tax in exchange for making equity investments in specialized financial intermediaries called Community Development Entities (CDEs).New Market Tax Credits
- ▶ **Historic Tax Credits**
- ▶ **Federal:**The federal historic rehabilitation tax credit (HTC) program is an indirect federal subsidy to finance the rehabilitation of historic buildings with a 20 percent tax credit for qualified expenditures.
- ▶ **State:**The Rehabilitation Tax Credits are dollar-for-dollar reductions in income tax liability for taxpayers who rehabilitate historic buildings. Credits are available from both the Federal government and the state of Virginia.
- ▶ The amount of the credit is based on total rehabilitation costs. The Federal credit is 20% of eligible rehabilitation expenses. The State credit is 25% of eligible rehabilitation expenses. In some cases, taxpayers can qualify under both programs, allowing them to claim credits of 45% of their eligible rehabilitation expenses.

# Design

- ▶ Design is an easier initiative to accomplish. The business should be in compliance with historic guidelines and overlay guidelines. Spend some time reviewing those. Any plans not granted “by right” must seek a special exception permit.
- ▶ The local government has zoning and ordinances in place so the developer/entrepreneur already has a written tool to guide them.
- ▶ **DESIGN** supports a community's transformation by enhancing the physical and visual assets that set the commercial district apart.

# Catalyst Strategies

- ▶ Catalyst Strategies must be clear and concise.
- ▶ It is helpful if the developer/entrepreneur has a written plan for the Planning Commission and Economic Development Authority to review.
- ▶ Some "ready-to-use" strategies — called Catalyst Strategies — fall into two broad categories: (1) those that are focused on a specific customer segment (2) those that are focused on an industry, product, or service segment.

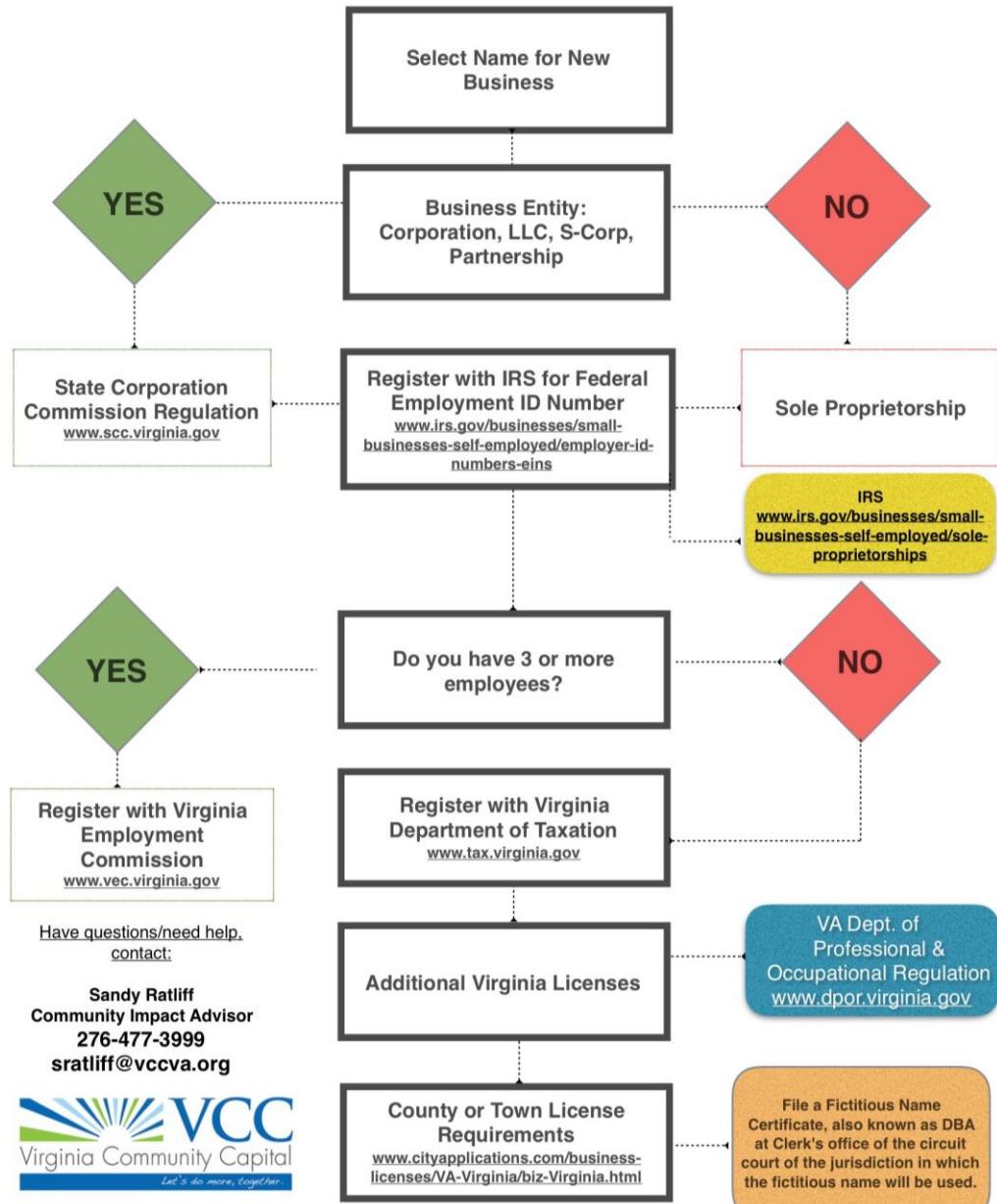


- ▶ Virginia Highlands Small Business Incubator
- ▶ Cathy Lowe, Executive Director
- ▶ 851 French Moore Jr Blvd
- ▶ Abingdon, VA 24210
- ▶ 276-492-2060
- ▶ [clowe@vhsbi.com](mailto:clowe@vhsbi.com)
- ▶ [jean@vhsbi.com](mailto:jean@vhsbi.com)



## TECHNICAL SUPPORT PREPARATIONS

- Tools/Information Needed: (Sampling)
  - Business License Requirements
  - Utilities – Requirements and How to Contact
  - Taxes Required and How to Register
  - Professional & Occupational License if Needed
  - SBDC and/or SCORE Contacts for help!
  - Funding Sources – Local, Regional, State and Federal List



# The Community Engagement Playbook

53 tactics to engage and add value to your community





# SUPPORT RESOURCES

- VIRGINIA SMALL BUSINESS DEVELOPMENT CENTERS
- SCORE.ORG
- PLANNING DISTRICT COMMISSION
- VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP
- DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT
- STATE AND FEDERAL LEGISLATORS
- COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION
- VIRGINIA BUSINESS ONE STOP

# Professional Development Training

- Host Skill Development Workshops Bi-Weekly
  - Noon Knowledge Series – 20+ presented annually
  - Presented by small business owners, professionals and government leaders
  - Over 170 videos available for on-demand viewing at [YouTube.com/noonknowledge](https://YouTube.com/noonknowledge)
- Other VCC Hosted Workshops
- <https://www.vacommunitycapital.org/our-impact/communityinnovationcenter/>
- Provide Technical Assistance Services



**In-Person Workshops**  
**Community and Economic Development Financial Resources Workshop**  
Thursday, March 31 | 10am - 12pm | The Depot Community & Hospitality Center, Town of Rocky Mount  
52 Franklin Street, Rocky Mount, VA, 24151  
Friday, April 1 | 10am - 12pm | Bristol Public Library in the J. Henry Kegley Meeting Room  
71 Goode Street, Bristol, VA, 24201  
*Let's do more, together* | [vacomunitycapital.org](https://vacomunitycapital.org)

**Guest Speakers:**  
- Cara Simpson, Market Manager, Opportunity Virginia | Virginia Community Capital  
- Billie Roberts, Community Innovation Advisor | Virginia Community Capital  
- Christina Cain, Microfinance Program Manager | Community Revitalization Office, Virginia Department of Housing and Community Development (DHCD)  
- Cindy Snider, Assistant VP Small Business Loan Officer | Virginia Community Capital

**Topics:**  
- Capital Stacking: Grants vs Debt vs Equity  
- Overview of DHCD Funding Opportunities  
- Resources for IDAs and EDAs  
- Opportunity Zone Capital

Register Now: [bit.ly/35tGj5V](https://bit.ly/35tGj5V)



**FRESH FOOD FINANCING**  
MAKING HEALTHY FOOD—AND CAPITAL—MORE ACCESSABLE WITH VCC'S VIRGINIA FRESH FOOD LOAN FUND.

Learn how to access Virginia Community Capital's expertise and capital through the Virginia Fresh Food Loan Fund to build your business and a healthy community.

Lauren DeSimone, Food System Financing Advisor with Virginia Community Capital will lead this session.

October 5, 2022  
12-1 PM  
WEBINAR

Register for this online event at: <https://tinyurl.com/freshfoodfinancingprograms>  
Questions? Contact 276-628-8441 or 276-492-2062



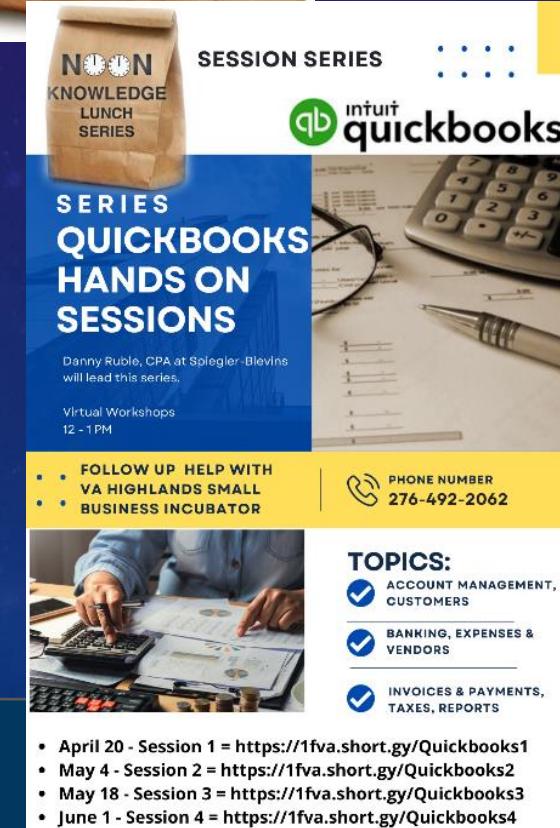
**Thinking About Creating a Short Term Rental (AirBnB)**  
ZOOM Event  
November 2, 2022  
12:00 PM  
Register at: <https://tinyurl.com/airbnboneknowledge>

Janice Thayer, owner and operator of Curated Properties LLC, will lead this session outlining the following:

1. A brief history of bed & breakfasts and the market disruption created by Airbnb.
2. General information to create a legal and safe Short Term Rental (STR).
3. Developing relationships with local officials for zoning, permitting, and safety inspection certification.
4. Taxation and reporting.
5. Listing an STR beyond the usual sources.
6. General discussion of development costs and timeline.

If you have any questions, please contact the Washington County, Virginia Chamber of Commerce at 276-528-8141 or Virginia Highlands Small Business Incubator at 276-492-2062.

Find other Noon Knowledge Sessions at: [events.vastartup.org](https://events.vastartup.org)



**SESSION SERIES**  
**NOON**  
KNOWLEDGE  
LUNCH  
SERIES

**intuit quickbooks**

**SERIES**  
**QUICKBOOKS**  
**HANDS ON**  
**SESSIONS**

Danny Ruble, CPA at Spangler-Blevins will lead this series.

Virtual Workshops  
12 - 1 PM

**FOLLOW UP HELP WITH**  
• VA HIGHLANDS SMALL  
• BUSINESS INCUBATOR

**PHONE NUMBER**  
276-492-2062

**TOPICS:**

- ACCOUNT MANAGEMENT, CUSTOMERS
- BANKING, EXPENSES & VENDORS
- INVOICES & PAYMENTS, TAXES, REPORTS

- April 20 - Session 1 = <https://1fva.short.gy/Quickbooks1>
- May 4 - Session 2 = <https://1fva.short.gy/Quickbooks2>
- May 18 - Session 3 = <https://1fva.short.gy/Quickbooks3>
- June 1 - Session 4 = <https://1fva.short.gy/Quickbooks4>

# SWVA Regional procurement pitch contest

- **\$50,000 in Awards** = 5 - \$10,000 each business investment grants for procurement opportunity with Bristol Casino
- Must be woman and/or minority owned business located within 25-County Appalachian Regional Commission service area
- Rules, application link, training session video and more details available at:  
**[tinyurl.com/swvapitchcontest](https://tinyurl.com/swvapitchcontest)**
- Applications must have 3-minute pitch video included and submitted by October 21, 2022
- Industry sector opportunity videos available at  
**[tinyurl.com/swvapitchyoutube](https://tinyurl.com/swvapitchyoutube)**



## SWVA Regional Bristol Casino Pitch Contest

We want women and BIPOC-led businesses!

Pitch your business to the for a chance to win a \$10,000 business investment grant.

In partnership with



Applications due:  
October 21, 2022

[shorturl.at/bdem6](https://shorturl.at/bdem6)

Small Business



# HOW TO SUPPORT SMALL BUSINESS

- Make business services and resources more accessible.
- Provide on-site business consulting.
- Help businesses raise money.
- Help small businesses win government contracts.
- Create an environment that is business friendly.
- Consider business workshops and/or competitions to encourage new business starts and expansions.





Access Presentation Slides



Cathy Lowe

276-492-2062

[clowe@vhsbi.com](mailto:clowe@vhsbi.com)

VA Highlands Small Bus. Incubator



Sandy Ratliff

276-477-3999

[sratliff@vccv.org](mailto:sratliff@vccv.org)

Virginia Community Capital



YOUR BUSINESS STARTS HERE

