

CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA



Agenda Date:	June 21, 2021
Action Required:	None, Information only
Presenter:	Chris Engel, Director of Economic Development
Staff Contacts:	Chris Engel, Director of Economic Development Jason Ness, Business Development Manager
Title:	Overview of Recovery Roadmap – A Plan for Business Recovery in Charlottesville

Background:

At a work session, in the fall of 2020, the City Council indicated that helping businesses recover from the impacts of the pandemic was a priority. The Office of Economic Development (OED) took initiative to develop a plan to address this priority to aid with recovery.

Discussion:

OED initiated a process to establish a Recovery Roadmap: A Plan for Business Recovery in Charlottesville beginning in the winter of 2021. With the participation and input from Charlottesville businesses and stakeholders, the Office of Economic Development established this written plan with a series of practical initiatives to assist the recovery of the Charlottesville economy. The plan's purpose is to holistically and thoughtfully assist businesses throughout the City of Charlottesville as they recover from the COVID-19 pandemic by identifying key local economic development programs to strengthen and sustain the Charlottesville entrepreneurial ecosystem in the next 12-18 months.

With the presence of COVID-19 diminishing in our community and the state and local restrictions being lifted, the timing is good to review a plan designed to aid with business recovery.

Attachments:

Recovery Roadmap Plan



RECOVERY Roadmap

A PLAN FOR BUSINESS RECOVERY IN CHARLOTTESVILLE

INTRODUCTION

The City of Charlottesville Office of Economic Development (hereafter Office of Economic Development or OED) initiated a process to establish a Recovery Roadmap: A Plan for Business Recovery in Charlottesville beginning in the winter of 2021. With the participation and input from Charlottesville businesses and stakeholders, the Office of Economic Development established this written plan with a series of practical initiatives to assist the recovery of the Charlottesville economy. The plan's purpose is to holistically and thoughtfully assist businesses throughout the City of Charlottesville as they recover from the COVID-19 pandemic by identifying key local economic development programs to strengthen and sustain the Charlottesville entrepreneurial ecosystem in the next 12-18 months.

Process

The plan was created with copious public input. Initially, the Office of Economic Development staff contacted over 100 business owners who had received COVID-19-related business grant support. These 15-minute interviews helped shape next steps. An online business survey was distributed, followed by a total of four business input sessions where numerous businesses provided extensive feedback on pandemic experiences, positive attributes of doing business in Charlottesville, ways the Office of Economic Development has been helpful in the past, and specific programs and action items that would help businesses recover from COVID-19. Further details on these business input opportunities are provided below.

Online Business Survey

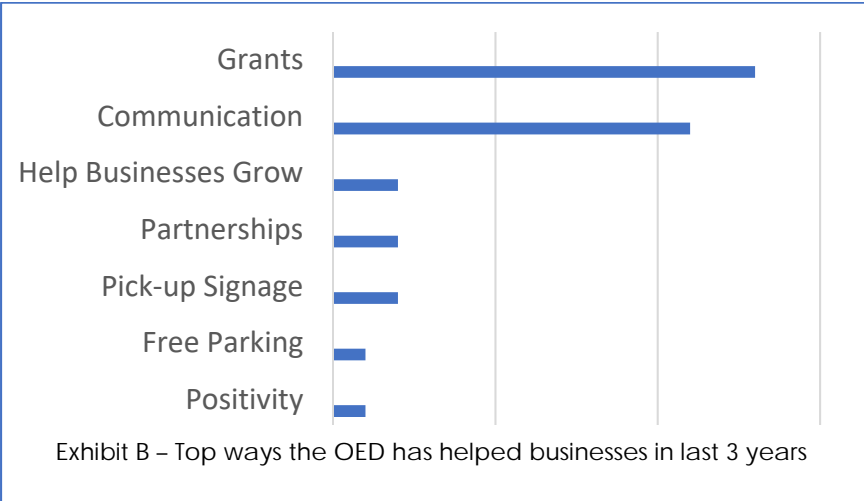
A city-wide online business survey was distributed in early February and 102 survey responses were collected. Key takeaways from the surveys included the following:

- Forty-four percent of respondents indicated that they are confident in their ability to remain in business,
- Eighty percent said their largest concern going forward is customer traffic, and
- When asked how the Office of Economic Development can best help going forward, the most common answers centered around advocating for financial support, promotion and marketing businesses to the local community, and helping businesses navigate government support programs.

Complete survey results are included as Appendix A.

Public Input Sessions (Held Virtually, Via Zoom)

Two initial input sessions were held on March 17 and 18, 2021 with approximately 45 businesses participating. After discussing the reasons Charlottesville is the best place for their business (see exhibit A) and the top ways the Office of Economic Development has helped their businesses over the past three years (see exhibit B), participants suggested a variety of general ideas to best help businesses recover from the pandemic.



Numerous suggestions surfaced and were grouped into four main categories: Financial Assistance, Training and Resource Access, Infrastructure Needs, and Marketing and Advertising. In a follow-up input session on April 1, 2021, approximately 25 stakeholders divided into breakout groups and focused their conversations on these four areas and described specific programs and detailed initiatives that could help businesses recover in the next 12-18 months. After a draft plan was composed, the draft plan was released to businesses for their review. The final plan was presented to Charlottesville City Council and officially published on June 21, 2021.

ACTION PLAN

Following the business input session on April 1, 2021, all of the program concepts suggested by businesses were reviewed, studied, and synthesized into the following action plan, grouped into the four categories that surfaced in the first set of business input sessions: Financial Assistance, Training and Resource Access, Infrastructure Needs, and Marketing and Advertising. A final filter was then applied which determined if the Office of Economic Development could, in fact, have impact on the action item and is it reasonable to expect progress within the 12–18-month timeframe of this plan. The final fifteen enumerated action items (1.1 – 4.3) were deemed to meet that criteria and are recommended as the basis for the Recovery Roadmap plan. Additional related items are also included in this report following the action plan items and are labeled “Other Concerns and Suggestions” for future consideration.

1. Financial Assistance

As the circumstances surrounding the COVID-19 pandemic ease, it will take months, and in some cases years, for businesses to recover. In addition, starting a business will be harder in a post-COVID-19 environment than prior to the pandemic. As suggested in the survey results as well as during the public input sessions, access to financial assistance is a top need. The following financial assistance programs will help existing businesses recover from the pandemic and will give an extra boost to new start-up businesses.

Program criteria will seek to identify and assist those businesses most negatively impacted by the pandemic and prioritize businesses owned by socially disadvantaged persons (socially disadvantaged persons include: Black/African-American, American Indian, Asian, Pacific Islander, or Hispanic/Latinx).

1.1 Execute two rounds of the Building Resilience Among Charlottesville Entrepreneurs (BRACE) grant, focused on business model pivots and resilience capacity, to assist existing City businesses with full recovery.

1.2 Provide technical assistance grants for services critical to business recovery (e.g., marketing/advertising, marketing collateral, social media, photography, videography, websites, strategic planning, etc.)

1.3 Execute two rounds of the GO Start-Up program to help new businesses successfully launch in the next 12 months.

1.4 Execute the Advancing Charlottesville Entrepreneurs (ACE) grant to encourage growth of small businesses in Charlottesville.

Additional Information/Best Practices:

In addition to the action items listed above, it should be noted that several business associations exist or could exist in Charlottesville to support business clusters located in the same geographic area. Through these associations, businesses are connected, and share common interests and concerns. In instances where business associations do not

exist but are ripe for creation, nurturing and assisting the development of such associations would be beneficial. Best practices in other Virginia localities could be explored, such as in Staunton, Roanoke, Richmond, and Harrisonburg. It is likely that such associations could benefit from financial assistance in order to complete specific projects. More specific information on the relationship between two cities and their respective downtowns is provided briefly, below.

The Staunton Downtown Development Association is a non-profit, volunteer-based organization with dedicated staff and has been operating since 1995. It has a contract with the City of Staunton for a small percentage of its funding and benefits from an additional tax assessment on commercial properties of \$0.15 per \$100 of assessed value in addition to raising other funds. See more at www.stauntondowntown.org.

Harrisonburg Downtown Renaissance is also a non-profit, volunteer-based organization with dedicated staff and has been operating since 2003. While it receives some funding from the City of Harrisonburg, most funds are raised by the organization. While there is not a performance contract tied to the city's funding, certain expectations between the two entities are understood. There is not a special tax assessment in downtown Harrisonburg. See more at www.harrisonburgdowntown.org.

2. Training & Resource Access

Now that reopening has begun, businesses need assistance hiring qualified workers and this was conveyed as one of the highest priorities during the business input sessions. The Office of Economic Development's GO HIRE program as well as the Downtown Job Center have proven to be successful in connecting employers and workers. In addition, to survive the unprecedented business environment induced by the COVID-19 pandemic, businesses have had to pivot their business models, become more efficient, and, in many cases, learn new skills. The initiatives below aim to help employers hire the workforce they need and access training resources to accelerate their future prosperity. The Office of Economic Development receives very positive reviews from businesses; however, in some cases, businesses are not completely aware of the various services and grant programs the Office of Economic Development provides. Businesses admit that emails often go unread and desire a more "personal touch" to heighten their awareness of the services available. Initiative 2.5 below seeks to strengthen the Office of Economic Development's outreach to businesses.

2.1 Execute a targeted GO HIRE initiative that helps City employers reach pre-COVID-19 employment levels.

2.2 Offer a free Business Training Series with recovery topics on a quarterly basis.

2.3 Connect employers to qualified job candidates through services at the Downtown Job Center. (Example services: employer spotlights, bi-weekly communication to job seekers, targeted recruitment events, among others.)

2.4 Explore creating a specific hospitality-focused training program that prepares and connects employees with job opportunities in this sector.

2.5 Enhance communication and stakeholder management techniques for business outreach regarding training opportunities and resources available to them through means such as bi-monthly newsletter, quarterly meetings on relevant optics, and online forums.

Another effort that could build upon the success of 2.5 above is a biannual mailing of an economic development rack card to new businesses with information highlights, contact information, and resource access points, which would increase the visibility of the Office of Economic Development. Once designed, this informational postcard-type mailing could also be used at business fairs and partner offices. While the Office of Economic Development already distributes a newsletter with helpful information, some businesses are not aware of the Office of Economic Development or that they should sign up to receive the newsletter. Here is an example of such a mailing/rack card: <https://augustavabusiness.com/wp-content/uploads/2021/05/Augusta-Economic-Development-Services-1.pdf>.

Additional Resources/Best Practices:

Hospitality-based careers will continue to be an essential part of the Charlottesville economy and beyond. Below are workforce training offerings that could be helpful in designing a hospitality training program as mentioned in action item 2.4.

Because hospitality and tourism are such large industries in the Hampton Roads area of Virginia, Tidewater Community College offers specific hospitality-focused training programs, including: hospitality customer service, travel and tourism agent career prep, event planner career preparation, and customer service skills. See more at <https://workforce.tcc.edu/available-training/hospitality-training/>.

The American Hotel & Lodging Educational Institute (AHLEI) offers a variety of hospitality training programs including: Guest Service Gold, Line-Level Skills Training, and Classroom-Based Training and Certification. As noted on the AHLEI website, "AHLEI certification materials meet the requirements of stackable and portable certifications for Workforce Innovation & Opportunity Act (WIOA) grant purposes. AHLEI offers training that culminates in industry-recognized, portable certifications endorsed by the American Hotel & Lodging Association (AHLA)." AHLEI offers an implementation guide to help determine which programs are best-suited for your organization. See more at www.ahlei.org/workforce.

3. Infrastructure Needs

The COVID-19 pandemic has heightened the public's interest in spending more time outside as a way to best maintain distance from others and spend time in clean, fresh air where the risk of sharing germs is minimized. Enhancing outdoor infrastructure as outlined in the following items will enable customers to interact outside in a clean, safe, and helpful environment.

3.1 Explore the creation of Designated Outdoor Refreshments Areas (DORAs) in concert with internal and external stakeholders as a tool to help revive business areas.

3.2 Advocate for a dedicated team of city resources to conduct a biannual “Clean Up Day” for the public right of way along key business corridors. The Office of Economic Development would work with Public Service and Parks & Recreation Departments to identify and create short term work plans to enhance the beautification and cleanliness of the City’s main corridor.

3.3 Update and refresh the commercial corridor maps to make it easier to find locations and provide customers with QR codes to provide additional assistance.

It should be noted that while construction of any major structure would fall outside of the scope of this plan, businesses strongly emphasized the importance of adequate parking for the downtown area and voiced concern that once pre-pandemic levels of activity return that existing facilities may not be sufficient. Stakeholders also suggested a need for public restrooms and a visitors’ center.

Additional Information/Best Practices:

Ohio has allowed Designated Outdoor Refreshment Areas (DORAs) since 2015 and much can be learned from these existing designations. In Canton, Ohio, Downtown Louisville’s DORA went into effect in September 2020 and offers visitors the opportunity to purchase a DORA beverage one cup at a time from one of their five participating establishments and carry the beverage anywhere within the properly-designated and -signed area. See more at www.visitcanton.com/blog/designated-outdoor-refreshment-area-dora-is-officially-here-in-louisville.

Similarly, Worthington, Ohio has had a DORA since 2017, but that DORA functions a bit differently in that beverages can only be taken immediately outside of dining establishments, for example, on a patio or sidewalk. During permitted special events, this DORA extends into a larger area which covers several blocks. See more at www.experienceworthington.com/dora.

4. Marketing and Advertising

Businesses have had to prioritize spending and “keeping the lights on” has literally taken precedence over marketing and advertising. As noted in the business survey and public input sessions, regaining customer traffic was the number one concern of businesses and, therefore, marketing and advertising was the most-discussed item during the public input sessions and particularly during the business break-out sessions held on April 1, 2021. Thanks to Charlottesville’s early and continued health and safety measures, Charlottesville should be considered one of the safest places to visit; thus, with proper marketing, customers should eagerly return to Charlottesville shopping and dining destinations. The following key initiatives build on the cooperative spirit of the area and help maximize marketing and advertising efforts and emphasize local spending.

4.1 Create a marketing leverage grant program to extend the reach of already-planned marketing dollars and assist with messaging on reopening.

4.2 Create a Co-op program that allows access to reduced-cost advertising and production assistance.

4.3 Execute a Buy Local campaign to encourage understanding and awareness of supporting local businesses.

Additional Information/Best Practices:

Building on the 2020 Holiday Buy Local campaign, a long-term brand for a Charlottesville Buy Local program and initial marketing components such as a website and social media channels will help connect local businesses with consumers. Over time, the program could be built out and include an interactive passport program, gear (shirts, hats, etc), and business stories, which could develop into a sub-brand, such as the “Faces of Charlottesville” or the “People of Charlottesville.” The People of Charlottesville campaign would showcase personal stories, serve as existing business testimonials, help existing businesses connect with each other, help new businesses start, and build local community pride while connecting businesses with customers. Examples of an established buy-local program and a campaign featuring stories about business leaders are provided below.

One of the most well-developed Buy Local programs in Virginia is in Loudoun County. Developed by Loudoun Economic Development and supported by Visit Loudoun, and the Loudoun Chamber, Take Loudoun Home’s website has an interactive map, links to self-guided tours in spring and fall, a product directory, a special Loudoun, VA made – Loudoun, VA grown logo to help consumers identify local goods, virtual tours, stories about the people behind the products, an online shop, and a blog with timely and seasonal features. See more at <https://loudounfarms.org/take-loudoun-home/>.

As suggested above, some localities have embraced programs that promote the people behind the businesses and their respective products and services. In Augusta County, Virginia, this program is called the People of Augusta and these inspirational stories serve as testimonials about doing business and living in Augusta County. This initiative won a Community Economic Development Award from the Virginia Economic Developers Association in 2020. See more at www.augustabusiness.com/augusta-living/people-of-augusta.

OTHER CONCERNS AND SUGGESTIONS

Some suggestions did not pass the final filter for inclusion among action items when it was determined that the Office of Economic Development would be unlikely to make an impact on that item in the 12-18 timeframe of this plan. Many of these concerns are provided below for future consideration.

Grant-Writing

As illuminated by the COVID-19 pandemic, small business owners often have limitations in writing grant applications, whether it be the lack of time, experience, or access to and/or awareness of resource assistance. Several business owners expressed interest in technical assistance resources, such as grant writing.

Peer Collaboration

Several businesses stated a growing desire to learn best practices from their peers, through online platforms such as Facebook groups or shared interest groups (virtual or in-person.)

Shared Resources

On several occasions, businesses discussed interest in resource sharing or developing knowledge banks with information from lawyers, accountants, and other professionals. This idea stemmed, in part, from the idea of cost-sharing, and, in part, from the simple ability to locate and retain such services that appear to be in high demand at this time.

Signage

While wayfinding signage exists in Charlottesville, many businesses noted the need for improved and renewed signage throughout the City of Charlottesville to better connect and promote business clusters and destinations.

Public Relations

Many businesses expressed interest in more positive messaging and news articles about Charlottesville.

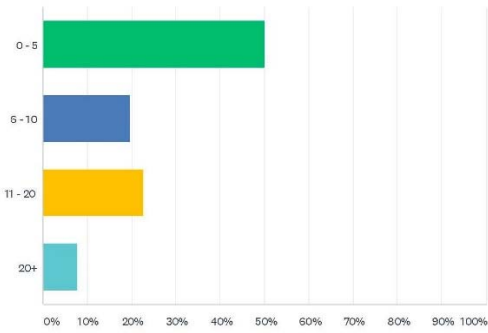
CONCLUSION

The COVID-19 pandemic forced businesses to pause literally, in some cases, with operations, and more intentionally reflect on how they conduct business, the resources needed to sustain business, and the people they need – customers, mentors, cheerleaders, and others. With this refreshed knowledge base, businesses will be stronger in a post-pandemic economy, but with the goal of not simply surviving, but thriving, the Office of Economic Development and the programs it implements play an essential role in COVID-19 recovery. This plan serves as a Recovery Roadmap – A Plan for Business Recovery in Charlottesville and a springboard into a positive and prosperous future.

Appendix A – Survey Results (Excluding demographic data)

Q5 Current Number of Employees

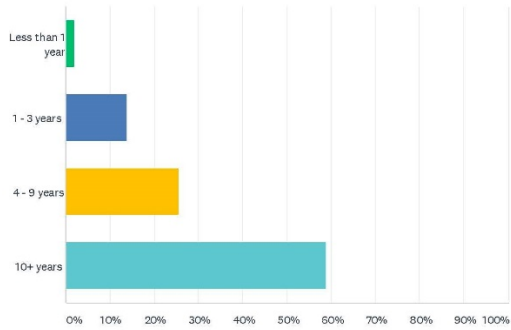
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ANSWER CHOICES	RESPONSES	
0 - 5	50.00%	51
6 - 10	19.61%	20
11 - 20	22.55%	23
20+	7.84%	8
TOTAL		102

Q6 How long has your business been in operation?

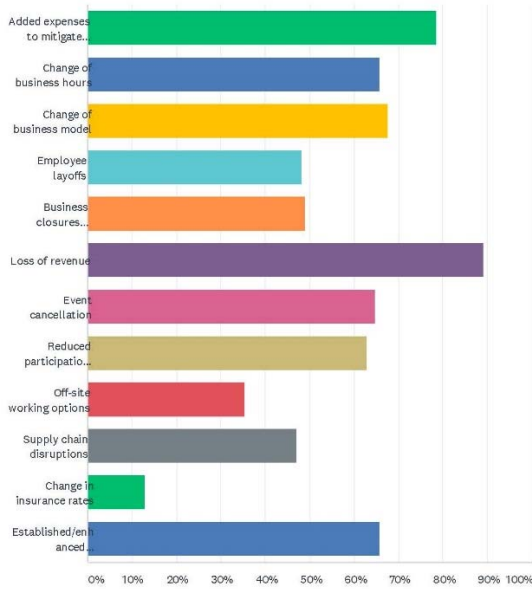
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ANSWER CHOICES	RESPONSES	
Less than 1 year	1.96%	2
1 - 3 years	13.73%	14
4 - 9 years	25.49%	26
10+ years	58.82%	60
TOTAL		102

Q7 How has COVID-19 affected your business? (Please choose all that apply)

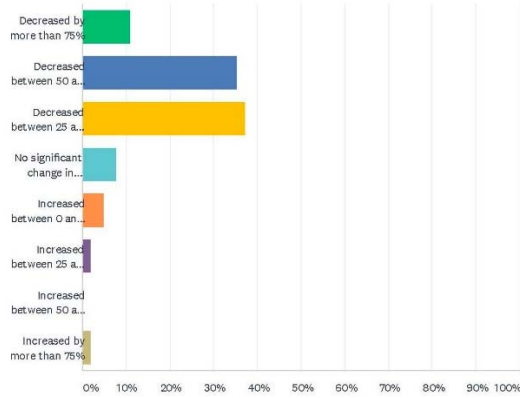
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ANSWER CHOICES	RESPONSES
Added expenses to mitigate public safety risks (i.e., cleaning supplies, gloves, masks, etc.)	78.43% 80
Change of business hours	65.69% 67
Change of business model	67.65% 69
Employee layoffs	48.04% 49
Business closures (voluntary or mandated)	49.02% 50
Loss of revenue	89.22% 91
Event cancellation	64.71% 66
Reduced participation at gatherings and events	62.75% 64
Off-site working options	35.29% 36
Supply chain disruptions	47.06% 48
Change in insurance rates	12.75% 13
Established/enhanced alternative mode of business operations to sell and deliver products	65.69% 67
Total Respondents: 102	

Q8 How has your business revenue changed during CY 2020, in comparison with previous years?

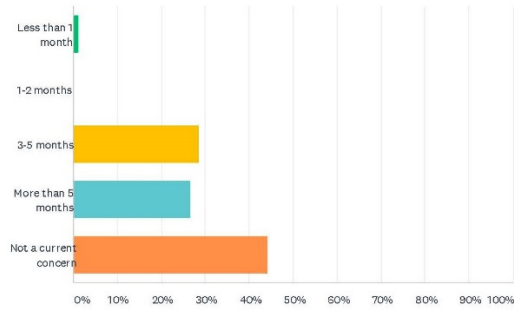
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ANSWER CHOICES	RESPONSES
Decreased by more than 75%	10.78% 11
Decreased between 50 and 75%	35.29% 36
Decreased between 25 and 50%	37.25% 38
No significant change in revenue	7.84% 8
Increased between 0 and 25%	4.90% 5
Increased between 25 and 50%	1.96% 2
Increased between 50 and 75%	0.00% 0
Increased by more than 75%	1.96% 2
TOTAL	102

Q9 If your business disruption continues at the current rate, how soon would your business be at risk of closing permanently?

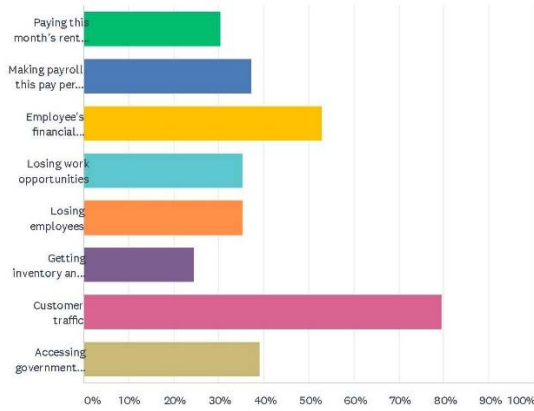
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ANSWER CHOICES	RESPONSES
Less than 1 month	0.98% 1
1-2 months	0.00% 0
3-5 months	28.43% 29
More than 5 months	26.47% 27
Not a current concern	44.12% 45
TOTAL	102

Q10 At this time, what are you most concerned about? (Please choose all that apply)

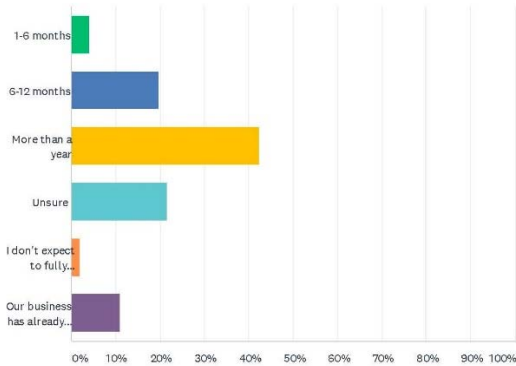
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ANSWER CHOICES	RESPONSES
Paying this month's rent or mortgage	30.39% 31
Making payroll this pay period and beyond	37.25% 38
Employee's financial welfare	52.94% 54
Losing work opportunities	35.29% 36
Losing employees	35.29% 36
Getting inventory and supplies	24.51% 25
Customer traffic	79.41% 81
Accessing government support related to COVID-19	39.22% 40
Total Respondents: 102	

Q11 How long do you think it will take your business to recover to where it was pre-COVID-19?

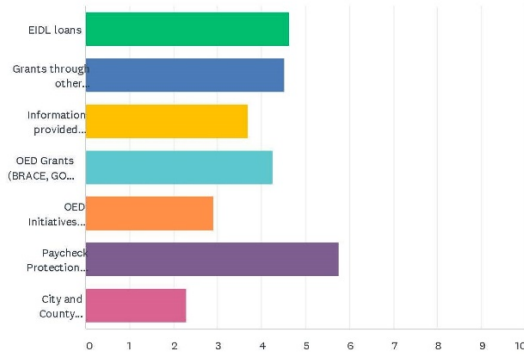
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ANSWER CHOICES	RESPONSES
1-6 months	3.92% 4
6-12 months	19.61% 20
More than a year	42.16% 43
Unsure	21.57% 22
I don't expect to fully recover	1.96% 2
Our business has already recovered	10.78% 11
TOTAL	102

Q12 Please rank the resources and programs that have been the most helpful during the last 9 months.

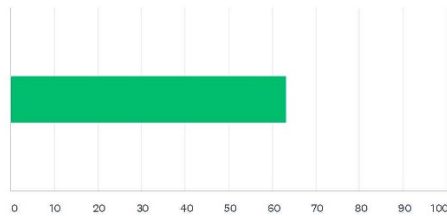
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	1	2	3	4	5	6	7	TOTAL	SCORE
EIDL loans	17.65% 18	29.41% 30	15.69% 16	7.84% 8	8.82% 9	4.90% 5	15.69% 16	102	4.62
Grants through other organizations (VA 30 Day Fund, Rebuild VA, etc.)	9.80% 10	22.55% 23	26.47% 27	14.71% 15	9.80% 10	10.78% 11	5.88% 6	102	4.52
Information provided through OED, SBDC, etc.	3.92% 4	3.92% 4	18.63% 19	28.43% 29	26.47% 27	11.76% 12	6.86% 7	102	3.68
OED Grants (BRACE, GO Hire, SBRG)	1.96% 2	27.45% 28	20.59% 21	16.67% 17	16.67% 17	8.82% 9	7.84% 8	102	4.24
OED Initiatives ('Curbside Pick Up' signs, reduced café and parking space rental fees, hand washing stations, PPE distribution, etc.)	0.00% 0	5.88% 6	5.88% 6	22.55% 23	18.63% 19	32.35% 33	14.71% 15	102	2.90
Paycheck Protection Program	64.71% 66	9.80% 10	4.90% 5	2.94% 3	0.98% 1	8.82% 9	7.84% 8	102	5.76
City and County partnership for 'Buy Local' campaign	1.96% 2	0.98% 1	7.84% 8	6.86% 7	18.63% 19	22.55% 23	41.19% 42	102	2.28

Q13 Please rate the effectiveness/helpfulness of OED during the last 9 months.

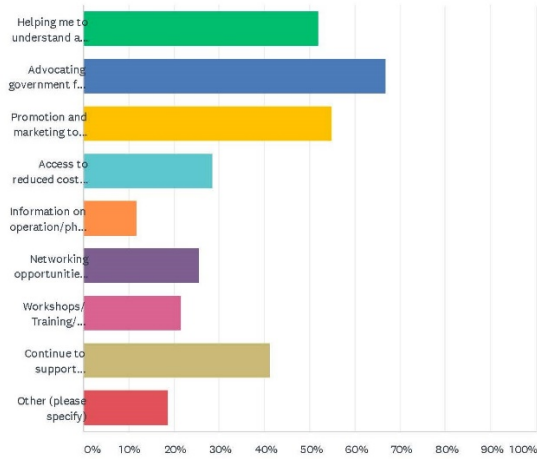
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ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	63	6,449	102
Total Respondents: 102			

Q14 How can OED best support you during COVID-19 recovery? (Please choose all that apply)

Answered: 102 Skipped: 0



ANSWER CHOICES	RESPONSES
Helping me to understand and navigate government support programs	51.96% 53
Advocating government for more financial support programs	66.67% 68
Promotion and marketing to the local community	54.90% 56
Access to reduced cost PPE	28.43% 29
Information on operation/physical distancing best practices	11.76% 12
Networking opportunities with other businesses to share ideas	25.49% 26
Workshops/ Training/ Education (SBDC, CIC, etc.)	21.57% 22
Continue to support business organizations (Chamber, DBAC, etc.)	41.18% 42
Other (please specify)	18.63% 19
Total Respondents: 102	