



Champaign County
CHAMBER
OF COMMERCE®

Small Business Development ARPA Funding Proposal

Champaign County Board
April 26, 2022



Introduction

The Champaign County Chamber of Commerce is an award winning business association that facilitates business growth and improves the quality of life in the region.

We lead in economic, community, talent and member development and we are the 2014 and 2021 Illinois Chamber of Year.





What We Do

The Champaign County Chamber of Commerce is one of top eight largest chambers in the state. We provide programming, services, workforce training, advocacy and marketing opportunities for the business community. We assist start ups and second-stage companies with business counseling and development. Since 2019, we have helped almost 100 entrepreneurs with their companies. Of that number, 50 owners were women and 52 were minority entrepreneurs.



Increase the number of Champaign County Retailers engaging in e-Commerce

Create an e-Commerce platform (online portal) to expand sales and give small retailers the ability to reach more customers than in a traditional in-store shop. This platform will make retailers more competitive and give a global presence. Specifically, it can provide an opportunity for underfunded minority and women-owned retailers to create an online presence, sell their goods and services, without substantial costs to create the infrastructure.



The Ask:

\$60K website development / hosting

\$24K two years of digital advertising/promotion

\$30K allocation for staff time (over two years)

TOTAL: \$114K

Making it Sustainable:

After two years, implement an affordable subscription model to be able to sell on the site. Ability to pay would be on a sliding scale based off of sale receipts or other appropriate measures.

Establish a low-interest micro loan program for companies that historically have challenges accessing capital.

While many loan programs exist, the purpose of a locally run countywide micro loan program will be to help disadvantaged households and entrepreneurs gain access to affordable financial services that help finance income-generating activities and the accumulation of assets through savings. The program will be true micro loans not to exceed \$15K per loan.

This fund would be only for local applicants. Local decisions would be made by local people who have a vested interest in a growing business community. By creating a local fund that is locally managed, we have more flexibility in helping entrepreneurs achieve their dreams.



Real Examples:

Health aid store: Needed to build out and buy inventory / Obtained by credit cards

Retail store: Needed to build out and buy inventory / Obtained by credit cards

Trucking: Needed to buy new truck / Obtained by unknown

Restaurant: Needed to buildout and equipment / Obtained by liquidating the 40K

Excavation: Needed to buy large equipment / Obtained by finding a leasing company and is renting equipment, drew from personal savings for other equipment

Salon: Needed to buildout and equipment / Did not obtain, contractor in someone else's salon

Daycare: Needed to buildout and equipment / Obtained by securing donations

The Ask:

\$325K One time contribution to the micro loan pool

\$50K Professional fees to be held for technical assistance such as legal or accounting

\$66K Staff time allocation for assistance and outreach (spread over three years)

\$84K Marketing and materials (spread over three years)

TOTAL ASK: \$525K

Making it Sustainable:

We will commit to raising \$150K over three years to make it a public/private partnership. A committee of local business and financial experts would oversee the loan fund. We would develop an online educational component on building credit and wealth to be completed before receiving the funds. The application process would be easy. Interest rates would be low (2 to 2.5 percent), no fees for applications and reasonable terms. We would enhance the experience with a local network of experts to assist the applicants and set them on the path for success.



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MicroLoans from Local Chambers of Commerce?

Posted on November 2, 2014 by Adela Rogers

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A division of the Indianapolis Chamber is applying to become a U.S. Small Business Administration-affiliated microlender, a move aimed at boosting its available capital and expanding its territory in a wide-open frontier of finance.

The 124-year-old chamber already offers microloans through its Business Ownership Initiative, putting it in rare company among its peers across the country and giving it a leading position as a one-stop shop for small businesses. But that's not enough. BOI is looking to beef up its role as a microlender as demand for these mostly low-five-figure loans continues to grow.

The BOI Microloan Program has a roughly \$2 million fund to make these loans, but nearly half of that already has been deployed. And because of its diverse history, much of the program's funds are restricted to Marion County, even specific neighborhoods within the county.

Becoming an SBA intermediary would pave the way for BOI to receive an initial infusion of about \$750,000 from the SBA and would allow the program to expand to eight surrounding counties. The program over time could receive as much as \$5 million from the SBA—money that BOI would have to repay.

Microloans are loans of less than \$50,000 that some businesses struggle to obtain from traditional financial institutions. Such low amounts often aren't worth the bank's or credit union's while, and sometimes collateral or credit scores pose a problem for small-business owners.

about \$150,000 in capital, officials said, but got grants from the city of Indianapolis and JP Morgan Chase's charitable arm to grow the fund.

Ian Scott of the Association of Chambers of Commerce Executives said several chambers across the country are involved in connecting small businesses with financing, but Indy Chamber's latest venture puts it in rare company.

"This is an innovative program that is certainly on the cutting edge of what chambers are doing to support small- and medium-sized businesses," Scott said.

As an intermediary, BOI would not be able to use SBA money for operations, officials said, and all interest income on SBA funds is returned to the SBA. Julie Grice, who oversees BOI as the chamber's vice president of entrepreneur services, said the \$1.2 million annual operating budget is supported by grants, service fees and interest income from its other microloan funds.

The loans made by BOI so far have been as small as a few thousand dollars and have allowed businesses like Kountry Kitchen at 19th Street and College Avenue to make unexpected repairs.

The smaller the loan, the more personal the collateral, Grice said. One loan has been secured by three guitars, she said. Another involved a lawnmower.

The region has a few other non-SBA microlenders, including Indianapolis-based Lynx Capital Corp., which focuses on minority businesses, and Grameen America, a Bangladesh-based lender that opened an Indianapolis office in 2012. The Boone County Economic Development Corp. and the town of Zionsville also have microlending initiatives.

Flagship is the Big Kahuna with respect to SBA microloans in the state, but that might change if BOI joins the fray. Adam Hoeksema, Flagship's loan program manager, said he doesn't see BOI's entry as a bad thing, and the two organizations already send referrals to each other.

Micro Loan Programs



Caroline & Paul Barrett, Partners and Owners of Our Daily Eats, utilized the Chamber's micro loan program to expand its distribution and grow sales

Looking for a small loan to jump start a new or developing business? Is your business located in Albany, Rensselaer, Schenectady, or Saratoga County?

The Capital Region Chamber administers several micro loan programs that can provide up to \$25,000 for startups, and up to \$50,000 for existing businesses with a proven track record. Loans are typically used to fund fixed assets, startup costs, real estate, or for working capital. Each business and application is assessed on a case-by-case basis. There is a special emphasis on lending to minority and woman owned companies.

***Note:** The Chamber recommends that most startup loan applicants participate in our [Entrepreneur Boot Camp](https://capitalregionchamber.com/about/entrepreneur-boot-camp/) (<https://capitalregionchamber.com/about/entrepreneur-boot-camp/>). The program is a great training tool in preparing to launch and fine tuning your business and financial plans. If you are interested in participating or want to learn more, fill out the [inquiry form](https://capitalregionchamber.com/business-resources/business-assistance/) (<https://capitalregionchamber.com/business-resources/business-assistance/>) to be connected with Laura Mann, Vice President, Business Resources.

[Micro Loan Success Stories](http://capitalregionchamber.com/?page_id=1548879&preview=true)

[_http://capitalregionchamber.com/?page_id=1548879&preview=true\)](http://capitalregionchamber.com/?page_id=1548879&preview=true)

- Both term loans and lines of credit from \$1,000 – \$25,000 for new businesses; applications up to \$50,000 will be considered for businesses with a demonstrated financial track record and at least 2 years in business
- Terms up to five years
- The Interest Rate is the current WSJ Prime Rate plus 2%
- The Chamber charges a non-refundable \$100 application fee for each request processed
- Loans cannot be used to pay delinquent taxes or refinance any existing debt including credit cards
- All applications for startup businesses must be accompanied by a full business plan with financial projections

A Closer Look at the Funds

The Chamber administers the following Micro Loan Funds:

- Capital Business Assistance Fund, focused on providing financing to companies which may not be eligible for traditional funding and are located in Albany, Rensselaer, Saratoga, or Schenectady County
- Capitalize Albany Fund, focused on businesses located in or moving into the City of Albany with the potential to create employment opportunities
- Housing and Urban Development Fund, offered to companies owned by low to moderate income individuals and located in Albany County

For more information on the Chamber's micro loan programs, email funding@capitalregionchamber.com (<mailto:funding@capitalregionchamber.com>) or call 518.431.1423.

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Leadership Investors are committed businesses and organizations that take a leadership role in our work to accelerate business growth and prosperity in our community.

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(<https://www.nationalgridus.com/>)



March 9, 2017

North Central, Assabet chambers to offer microloans



COURTESY

Sarah Cressy, President & CEO of the Assabet Valley Chamber of Commerce, and Roy Nascimento, President & CEO of the North Central Massachusetts Development Corporation.

A new partnership between the North Central Massachusetts Development Corporation and the Assabet Valley Chamber of Commerce will offer microloans to new businesses in the Assabet Valley area.

The Assabet Valley Chamber of Commerce, which is based in Hudson, includes more than 30 communities, with most businesses located in Berlin, Bolton, Hudson, Maynard and Stow. ARTICLE LEFT ✕

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The North Central Massachusetts Development Corporation also recently expanded south to include Worcester and surrounding communities, and gave its first small-business loan in the area, for \$15,000, to Worcester's Crust Artisan Bakeshop last week.

The collaboration with the Assabet Valley chamber, which was announced Tuesday, will allow businesses in the area to apply for loans of up to \$150,000 if they don't meet traditional lending standards. The Assabet Valley Chamber of Commerce will provide the North Central Massachusetts Development Corporation with marketing support in their communities and a presence in their Hudson office for their loan officers to counsel potential clients.

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WPI working on humanoid nursing robots for medical use

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