

TO: Ande Banks, City Manager
FROM: Brian Shull, Economic Development Director
DATE: August 30, 2024
RE: Pilot Program – Harrisonburg Entrepreneurship Development Initiative

Summary: Harrisonburg Economic Development (HED) would like to implement a Pilot program to bolster the resources available to help City-based small businesses grow and expand.

Background: HED offers LAUNCH twice per year to enable local entrepreneurs to further develop their business ideas and to test the financial viability of those ideas. HED also has a strong partnership with the Shenandoah Valley Small Business Development Center to help local entrepreneurs prepare written business plans and formalize their strategies. While these resources help entrepreneurs get off on the right foot, each new business has its own unique challenges and could often benefit from one-on-one consultations with an advisor or subject matter expert (SME). This pilot program seeks to retain the services of advisors with diverse skill sets and experiences that can share this wisdom to strengthen our local participating businesses.

Key Issues: HED will need to issue an RFP to find vendors that fit this vision and are in a position to contract with the City of Harrisonburg. The mentoring sessions are envisioned to be held virtually, so proximity to the Shenandoah Valley is not required.

Environmental Impact: N/A

Fiscal Impact: Harrisonburg's FY24-25 budget includes \$100,000 allocated for small business assistance. This allocation is requested to cover technical assistance and business advising, as well as small grants for business owners who successfully complete the training programs.

Prior Actions: City Council discussed the benefits of such a program during FY24-25 budget negotiations and requested Economic Development to craft a pilot program to help local businesses.

Alternatives:

- (a) Direct City Manager and Economic development to implement this Pilot program;
- (b) Recommend changes to the proposal; or
- (c) Take no action at this time.

Community Engagement: If approved, program eligibility criteria will be broadly communicated by the City and its business development partners, including HDR, Chamber of Commerce, and others.

Recommendation: Harrisonburg Economic Development recommends that City Council authorize City Manager and Economic Development staff to proceed with implementation of this small business assistance pilot program.

Attachments:

PowerPoint presentation

RE:

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Review:

The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.

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