



January 27, 2026 City Council Meeting

Title

Consideration of Memorandum of Understanding between National League of Cities and Harrisonburg—Brian Shull, Economic Development Department

Summary

Harrisonburg has been selected by the National League of Cities (NLC) to move forward with grant funding to the Implementation Phase of the *Southern Cities Economic Initiative (SCEI)*. Harrisonburg is one of 14 cities selected for this next two-year phase of SCEI. The goal of this partnership is to elevate and implement local strategies that boost economic mobility and resilience for City residents. This phase will run from January 2026 through December 2027.

Recommendation

Option 1. Authorize City Manager Banks to sign the NLC SCEI Memorandum of Understanding (MOU) as presented and accept the \$52,500 NLC Implementation grant.

Fiscal Impact

NLC will disburse \$26,250 to City of Harrisonburg soon after both parties have signed the MOU. The remaining balance of \$26,250 will be disbursed upon NLC approval of an interim report to be submitted by Harrisonburg prior to October 31, 2026.

Harrisonburg Economic Development Department plans to match these grant funds dollar-for-dollar with operating funds dedicated to the Harrisonburg Economic Development Initiative (HEDI) workplan.

Context & Analysis

In January 2025, City Council funded a pilot program for Economic Development titled HEDI that enabled the City to assist 29 businesses with 1-on-1 business coaching on skill areas self-identified by the business owners.

Upon completion, each business received a \$2,500 grant to implement their new strategies and action plans. This HEDI program was wildly successful and is therefore scheduled for a repeat offering in this budget year. Round 2 kicks off in January for 20 City businesses.

If the MOU is approved by Council, we plan to use NLC grant funding to bolster our marketing efforts to assist Latino businesses through the HEDI program.

Options

1. Authorize City Manager Banks to sign the MOU as presented.
2. Choose not to accept the NLC SCEI grant award and not sign the MOU.

Attachment

1. Draft NLC MOU