

Legislation Text

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File #: 15-21517, Version: 1

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## Corridors of Opportunity Business Opportunity Hubs

### Action:

- A. Approve additional funding to implement recommendations associated with the Employment Study for the City's Corridors of Opportunity, comprised of \$500,000 in project savings and \$1,000,000 in interest earned on funds from the American Rescue Plan Act Fund,**
- B. Authorize the City Manager, or his designee, to negotiate and execute contracts with the following nonprofit organizations to provide workforce development and small business support through the Corridors of Opportunity Business Opportunity Hub Program:**
- Latin American Chamber of Commerce of Charlotte (Albemarle) (\$1,500,000)
  - Hispanic Contractors Association of the Carolinas (North Graham/ North Tryon) (\$730,000)
  - Freedom Communities (Freedom-Wilkinson) (\$599,506)
  - LISC Charlotte (Beatties Ford) (\$499,500)
  - She Built This City (Sugar Creek) (\$302,267)
  - The NEO Foundation (West Boulevard) (\$300,000), and
- C. Authorize the City Manager, or his designee, to amend the contracts consistent with the purpose for which the contracts were approved,**
- D. Authorize the City Manager to negotiate and execute a contract with Schermbeck Consulting LLC dba Schermco for cohort project management for a term of three years, and**
- E. Adopt a budget ordinance appropriating \$1,000,000 in interest income from the American Rescue Plan Act Fund to the General Capital Projects Fund.**

### **Staff Resource(s):**

Tracy Dodson, City Manager's Office  
Monica Holmes, Planning, Design & Development

### **Explanation**

- The Corridors of Opportunity Business Opportunity Hub Program contracts local nonprofits to establish a physical office and/or training spaces to increase access to and utilization of the city's existing network of workforce development, career readiness, small business technical assistance, entrepreneurship support, and training resources for residents and businesses located in the six Corridors of Opportunity.
- The organizations will open and operate office and/or training space that will serve as physical hubs.
- The Opportunity Hub Program is part of the HIRE Charlotte framework and operators will provide access to the digital platform of HIRE Charlotte.
- The goal of the program is to expand access to the existing network of workforce development and small business support services to corridor residents, job seekers, small businesses and

- entrepreneurs located in the six Corridors of Opportunity.
- Schermbeck Consulting LLC dba Schermco will provide day-to-day project management services through the project lifetime.
- Schermco will also establish the cohort model among all hub operators. The cohort model will provide:
  - Ongoing support and resources for the operators,
  - Regular and routine communications between the hub operators,
  - Connections to workforce and small business providers across Charlotte, and
  - Uniform contract performance monitoring and impact metrics.
- Schermco’s estimated annual expenses are \$157,167. The total estimated contract is estimated at \$521,300, which includes previously completed cohort application project management.
- More information regarding the recommendation for the program can also specifically be found in the Albemarle and Sugar Creek Playbook.
- The program fulfills three of the recommendations from the Employment Study for the city’s Corridors of Opportunity Study by:
  - Expanding the capacity of existing high-performing nonprofits that serve Opportunity workers and integrate into the corridors or help enhance their operational presence,
  - Expanding entrepreneurship opportunities for aspiring business owners as a means for increasing wealth and diversifying household income, and
  - Supporting programs that help corridor residents overcome barriers to education, employment, and career advancement.
- On June 26, 2023, the city issued a Request for Proposals (RFP); 21 proposals were received.
- The nonprofit partners selected best meet the city’s needs in terms of qualifications, experience, cost, and responsiveness to RFP requirements.
- An internal panel, with external/nonprofit representatives’ recommendations, evaluated proposals through a third-party project manager that worked closely with city employees to evaluate proposals based on project goals.
- The allocation is estimated to sustain the program until the end of 2026.
- Coronavirus State and Local Fiscal Recovery Funds must be obligated by December 31, 2024, and spent by December 31, 2026. City Council may determine any future program funding through the city’s annual budget process.
- \$500,000 is available from project savings of completed Workforce and Economic Development projects in the Coronavirus State and Local Fiscal Recovery Fund.
- \$1,000,000 is available from collected interest on the Coronavirus State and Local Fiscal Recovery Funds. U.S Treasury guidance allows the city to keep all interest income on these funds and the interest income is not restricted by any eligible use or reporting requirements.
- These actions will not affect the remaining balance of \$2,982,500 for Workforce and Economic Development projects in the Coronavirus State and Local Fiscal Recovery Fund.

### **Background**

- On March 11, 2021, in response to the COVID-19 public health emergency, President Biden signed the American Rescue Plan Act of 2021 (ARPA), which included the Coronavirus State and Local Fiscal Recovery Fund. Charlotte was one of almost 1,000 cities across the nation that received these funds.
- On February 14, 2022, Council authorized the use of up to \$3,000,000 of ARPA funds to implement recommendations associated with the Employment Study for the City’s Corridors of Opportunity.

### **Charlotte Business INclusion**

These contracts are exempt under the CBI Program.

### **Fiscal Note**

Funding: American Rescue Plan Act (ARPA) Funds

**Attachment(s)**

Map  
Project Overview  
Budget Ordinance