



WILMINGTON STRONG FUND



Phase I & II Impact Report
June 2021



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About



The decline of Wilmington's local economy due to COVID-19 has impacted neighborhoods in unprecedented ways. Public health measures to stop the spread of the COVID-19 virus have had the unintended consequence of reducing business operations and mandating temporary business closures. In May 2020, Cornerstone West CDC and Wilmington Alliance formed The Wilmington Strong Fund to support small businesses during the COVID-19 pandemic. During the first phase of the grant, the fund provided \$1000 grants to 98 small businesses to cover expenses such as rent payments, mortgage payments, utility and supplier bills. During Phase II, the Fund disbursed an additional 52 grants to small businesses, as well as piloted free marketing services to 15 awardees in partnership with 4Youth Productions.

As leaders in local economic development, Cornerstone West CDC and Wilmington Alliance observed that state and federal government assistance for small businesses were only loans, requiring repayment and interest rates. Therefore, there was a lack of grant funding available quickly to small businesses, without interest or repayment. The businesses whose applications were accepted by the state and federal government face the uncertainty of qualifying for forgiveness or will be required to provide debt service. Federal programs such as the PPP require a relationship with a lending institution, adding an additional barrier to businesses located in low-to-moderate-income communities of color.



Leadership

Cornerstone West CDC and Wilmington Alliance saw that if action was not taken, our small business community would not survive. In March 2020, Cornerstone West CDC piloted a COVID-19 emergency fund for West Side small businesses with the support of Capital One. The West Side COVID-19 Emergency Fund disbursed \$10,500 to 21 small businesses. Awardees were 62% minority-owned businesses, 48% women-owned businesses, and on average have been in operation for 19 years. This microgrant program started by Cornerstone West CDC expanded to form the Wilmington Strong Fund in April 2020. The Fund's primary goal during Phase I was to support small business owners as they navigate COVID-19 closures & restrictions, and seek access to additional sources of funding to sustain their operations.



**78% OF
AWARDEES
REPORTED
INCREASED
CONFIDENCE
IN KEEPING
THEIR BUSINESS
OPEN.**

The Fund began with the leadership from over ten private-public partnerships with expertise in community economic development. With a \$100,000 matching grant commitment from Barclays Bank, the Fund expanded to serve small businesses throughout the City of Wilmington with the goal of disbursing \$200,000 by December 2020. During Phase I the Fund successfully disbursed \$1000 grants to 98 small businesses. With the addition of the West Side Emergency Relief Fund, Cornerstone West CDC collectively disbursed \$108,500 in small business grants to a total of 119 businesses in 2020. Phase II was implemented in December 2020 to April 2021, with the support of Comenity Capital Bank. Currently, the Fund has distributed in total \$151,000 in emergency grants to Wilmington small businesses.

Process



Applicants are assessed using a rubric grading system, giving priority to business owners of color, located along corridors, with low to moderate revenue. All applicants have been evaluated by the Fund's Review Team, composed of community economic development partners from across the City. Data provided in this report has been gathered through multiple evaluation methods such as application responses, post-award survey, and recovery survey. Applications were made available in English & Spanish.

The Review Team received the first round of applications on June 8th, approximately two weeks after the Stay At Home order was placed by the Governor's' Office. The Review Team determined the award amount of \$1000 because it allowed the fund to help as many businesses as possible, and it was a large enough award to cover a sizable portion of a bill or outstanding debt. Additionally, the application process was designed intentionally to be as user friendly for the business owners as possible, requiring minimal documentation.



The Fund worked diligently to ensure businesses received grants in a timely and easy manner, without any repayment due. The Wilmington Strong Fund is unlike other COVID-19 small business relief programs in Delaware; the fund has a 75% acceptance rate, with the majority of awardees being minorities.

Next Steps

At the start of the Fund, the Review Team determined the most important indicators of success were (1) funds would be allocated to low to moderate income commercial corridors, and (2) majority of grants would be awarded to minority-owned & women-owned small businesses. The Wilmington Strong Fund has distributed \$151,000 in emergency grants to Wilmington small businesses. But there is still more work to be done as our community shifts towards recovery. Business owners reported in order to recover from the impacts of

COVID-19, on average they require \$10,260 in funding and need assistance in two major areas; (1) Storefront Improvements and (2) Updated Equipment & Interior Repairs. During Phase III, Wilmington Strong Fund will expand to create a transformative economic development program to support neighborhood small businesses through a citywide Commercial Corridor Program.

1 Storefront Improvements

2 Marketing & Advertising

3 Equipment & Interior Repairs



OUR BUSINESS OWNERS REPORTED ON AVERAGE THEY REQUIRE \$10,256.81 IN RECOVERY FUNDING.

Based on the numbers presented in this report, The Wilmington Strong Fund has become crucial in supporting Wilmington businesses of color, in low to moderate income commercial corridors, and reducing commercial vacancies. True Access Capital and Cornerstone West CDC are currently working together to replicate their 2016 program via the West Side Corridor Revitalization Fund, which provides up to 10K in grant funding for revitalization projects located near the 4th Street corridor. Following these best practices, the Wilmington Strong Fund during Phase III will implement the following programmatic efforts.

- **Emergency Grants** – continue to disburse \$1000 grants to first time applicants.
- **Free Marketing Services**– In partnership with WilmingtonMADE, a shop local campaign powered by Wilmington Alliance, provide high quality marketing photography and other advertising resources to all awardees.
- **Storefront Improvements** – Provide up to \$5,000 to awardees from Phase I & II for facade improvements.
- **Equipment & Interior Repairs** – Provide up to \$5,000 to awardees from Phase I & II for interior repairs and equipment upgrades.
- **Education** - Awardees will receive priority status in an executive education program for established small business owners, in partnership with Interise & DE Black Chamber of Commerce

In conclusion, Cornerstone West CDC and Wilmington Alliance will continue to support small businesses via the Wilmington Strong Fund as our community works towards recovery, and ensures our neighborhood commercial corridors grow and thrive.



Impact

DEMOGRAPHICS

- ▶ **68%**
MINORITY OWNED
- ▶ **53%**
WOMEN OWNED
- ▶ **10%**
VETERAN OWNED
- ▶ **3%**
DISABLED OWNED

INDUSTRY TYPES

-  **28%**
FOOD & BEVERAGE
-  **20%**
PROFESSIONAL SERVICES
-  **17%**
PERSONAL SERVICES
-  **14%**
RETAIL
-  **9%**
ENTERTAINMENT & CULTURE
-  **6%** CONSTRUCTION
-  **5%** CHILDCARE
-  **1%** OTHER

USE OF FUNDS



- 41%**
RENT/
MORTGAGE
- 29%**
INVENTORY &
SUPPLIER BILLS
- 22%**
UTILITY BILLS

Partners

Review Team

- Laura Adarve, Latin American Community Center
- Bobbi Britton, Collaborate Northeast
- Patricia Cannon, Delaware Division of Small Business
- Vandell Hampton, True Access Capital
- Rev. Terrence Keeling, Eastside Rising Career Development Center
- Renata Kowalczyk, Wilmington Alliance
- Sarah Lester, West Side Grows Together
- Dionna Sargent, Cinnaire
- DaWayne Sims, Mayor's Office of Economic Development
- Henry Smith, Wilmington Community Advisory Council
- Tamara Varella, WIN Factory

Sponsors

- Barclays Bank
- Capital One
- Comenity Capital Bank
- Frank's Wine
- The Mayor's Office of Economic Development
- PNC Foundation
- Spaceboy Clothing
- State of Delaware
- Wells Fargo
- Wilmington Alliance
- Wilmington City Council