



Legislation Text

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TITLE:

Discussion of Potential Options to Provide Town Funding Contributions to Non-Profit Capital Campaigns

PURPOSE: The purpose of this agenda item is to discuss potential options for the Town to fund contributions to non-profit capital campaign requests.

DEPARTMENT: Town Manager's Office

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INFORMATION: Over the past several months, the Town has been approached by leadership from the Inter-Faith Council for Social Service (IFC) and Club Nova asking the Town to consider making financial contributions to their respective capital campaigns. Traditionally, the Town of Carrboro has not funded capital campaigns but has provided operating funds for non-profits through Human Services grants. The amount provided to non-profits has increased from approximately \$150,000 in 2012 to about \$300,000 currently.

Club Nova has requested \$50,000 to help support transition costs as they build their new clubhouse facility on Main Street. They have applied through Human Services for \$25,000 in FY19-20 and plan to apply for \$25,000 in FY20-21, but most likely their request will not be funded. The IFC has requested a waiver of building permit fees for the construction of their FoodFirst operations facility, also on Main Street. The waiver request is for \$18,000.

The Town has proceeded with caution in deliberating these requests over concerns of the precedent that this might create future expectations from other non-profits. However, in an effort to support these organizations, Town staff has identified \$100,000 in a closed special revenue fund, the Business Loan Fund (BLF). This fund was created to provide "micro-loans" of \$5,000-\$10,000 for local businesses to make minor capital improvements. The source of its initial funding was the Town's General Fund. However, the BLF was underutilized and the fund was closed.

(It is important to note that the Town still manages the Revolving Loan Fund which has been in existence for over 30 years. This fund has approximately \$550,000 available for local business loans.)

If the Board considers using funds from the closed BLF to support non-profit capital requests, these funds would only be made available until they are expended.

FISCAL & STAFF IMPACT: Funding of non-profit capital campaign requests will be capped at \$100,000, the amount remaining in the closed Business Loan Fund. Once the \$100,000 is exhausted, the fund

will not be replenished. There is no staff impact.

RECOMMENDATION: Staff recommends the Board of Aldermen consider potential options to provide funding for contributions to non-profit capital campaigns. If the Board wishes to utilize funds from the closed Business Loan Fund to support non-profit capital campaign requests, a motion is suggested.