



TREASURE COAST REGIONAL PLANNING COUNCIL  
INDIAN RIVER - ST. LUCIE - MARTIN - PALM BEACH

June 19, 2020

Jason Brown, County Administrator  
Indian River County  
1801 27<sup>th</sup> Street, Building A  
Vero Beach, FL 32960

RE: Revolving Loan Fund Grant Application to EDA – Request for Matching Funds

Dear Mr. Brown:

Treasure Coast Regional Planning Council is the applicant for a competitive EDA grant under the “FY 2020 EDA Public Works and Economic Adjustment Assistance Programs including CARES Act Funding” funding opportunity for creation of a Revolving Loan Fund (RLF) to assist small and medium size businesses in recovery from the economic damage caused by the Coronavirus Pandemic.

The grant request proposes the creation of a \$1,000,000 loan fund, with an additional \$40,000 for administrative expenses, to be operated for the benefit of Martin, St. Lucie, and Indian River counties in cooperation with the South Florida Regional Planning Council’s existing RLF program. A more detailed description of the concept is attached.

Under the application rules, a local (non-federal) match of 20% of the project budget of \$1,040,000 must be provided, therefore a total match of \$208,000 is needed. Apportioning this match between Martin, St. Lucie, and Indian River counties based on the respective county populations means that Indian River County’s requested commitment of matching funds is \$52,000.

We look forward to the Board of County Commissioners’ approval of this request in order to bring this important program to Indian River County. If you have any questions, please contact me at 772-221-4060 or [tlanahan@tcrpc.org](mailto:tlanahan@tcrpc.org).

Sincerely yours,



Thomas J. Lanahan  
Executive Director

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**TREASURE COAST REGIONAL PLANNING COUNCIL  
REVOLVING LOAN FUND SERVICE AREA AND FUNDING EXPANSION  
JUNE 19, 2020 REDUCED SIZE CONCEPT - REVISED**

**Purpose and Background**

The retention and growth of small- and medium- size businesses can be constrained by a lack of access to capital. This situation has been exacerbated by the economic damage caused by the Coronavirus Pandemic and the activity restrictions and business closures necessary to restrain the spread of the virus. Revolving Loan Funds provide a means to put capital in the hands of small businesses that might not otherwise be able to obtain loans. As loans are repaid, the funds are loaned out again to new borrowers allowing the program to continue and expand its reach into the community. The South Florida Regional Planning Council (SFRPC) currently operates a Revolving Loan Fund (RLF) through the U.S. Department of Commerce, Economic Development Administration (EDA), which provides low interest loans ranging from \$25,000 to \$500,000 to small- and medium- size businesses. Since 2002, the SFRPC RLF program has serviced more than 410 loans, totaling more than \$37 million, and helping fund projects totaling over \$112 million. As a result of these investments, more than 8,000 jobs have been created or saved. These projects were funded with RLF money because conventional funding was not available. The original lending area was Monroe, Miami-Dade, and Broward counties in the SFRPC region but was expanded in 2018 to include Palm Beach County in the Treasure Coast region. At the time, there was no new capital available to invest into the RLF so the service area expansion was limited to just part of the Treasure Coast region due to the limited loan funds on hand. Through the CARES Act of 2020, additional funding was provided to existing RLFs for new loans to address the impacts of the Coronavirus Pandemic.

Also as part of the CARES Act, the EDA is making new grant funds available on a competitive basis to, among other things, establish or expand Revolving Loan Funds to help address economic damage from the Coronavirus Pandemic.

**Proposed Project**

Council does not currently operate an EDA RLF and it will be faster and more efficient to bring these services to the rest of the Treasure Coast region (Martin, St. Lucie, and Indian River counties) by partnering with the existing RLF operated by the SFRPC, especially considering that Palm Beach County is already within the SFRPC RLF service area. Council, therefore, would like to request funding from EDA to create a new RLF administered by the SFRPC RLF covering the northern three counties in the TCRPC region.

Considering that the existing 4 county lending area was provided with \$5.38 million in additional loan funds by the EDA based on doubling the amount in the existing loan fund, there is \$8.07 million in total RLF funding. The basis of that award was the amount of the existing loan pool developed when the lending area was only 3 counties (Monroe, Miami-Dade, and Broward) and the population related to that \$8.07 million is approximately 4,797,115 people. This equates to \$1.68 per capita. Considering that the population of the 3 counties Treasure Coast region without an RLF is 620,753 people, at \$1.68 per capita, this equates to \$1,042,865 or \$1.04 million for clarity. Assuming 4% to manage the program, this would make \$1 million available for loans.

If our application to the EDA is successful, the \$1.04 million requested will be allocated to a CARES Act RLF for loans within Martin, St. Lucie, and Indian River counties in the TCRPC region, using parameters similar to the existing SFRPC RLF with some underwriting flexibility to address Coronavirus Pandemic impacts. As a partnership with the existing SFRPC RLF program, it is expected that the existing SFRPC staff which administers their RLF will help administer the new RLF. TCRPC staff will assist in promoting the RLF and identifying potential applicants along with our partners in the economic development organizations in each county. SFRPC staff will make themselves available in the region as necessary to meet with potential applicants and otherwise administer the loans.

### **Funding**

The U.S. Economic Development Administration has made new funding available to communities for potential projects that prevent, prepare for, and respond to coronavirus, including for necessary expenses for responding to economic injury as a result of coronavirus. This funding can be used to help communities catalyze public-private partnerships that will support economic recovery. The EDA CARES Act funding requires a 20% match (compared to the usual EDA 50% match), therefore to bring this new funding to the region, the newly served areas would need to provide 20% of the loan funds matched by 80% in EDA funds. These amounts would be \$208,000 in local (non-federal) match funds and \$832,000 in EDA (federal) funds. Using population to apportion this money, Martin and Indian River counties would each need to contribute 25% (i.e. \$52,000) and St. Lucie County would need to contribute 50% (i.e. \$104,000) on a one-time basis after which the loan program would continue to operate without further funding being necessary.

In accord with EDA regulations, the matching funds shall not be restricted in any way and, therefore, the total loan funds must be made available across the 3-county lending area. Thus, we will not be able to apportion the amount of loans made relative to the amount of match contribution provided by each of the counties.

### **Comprehensive Economic Development Strategy (CEDS) Plan Consistency**

#### **Innovation & Economic Development**

Objective: Promote innovation and competitiveness, preparing the region for growth and success in the worldwide economy.

#### **Business Climate & Competitiveness**

Objective: Create a business climate supportive of existing industries and welcoming of new ones.