

# Growing Diverse Small Businesses and Jobs in Buncombe County

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*FY2021 Strategic Partnership Grants*

## ***Mountain BizWorks***

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Patrick Fitzsimmons  
153 S Lexington Ave  
Asheville, NC 28801

O: 8282532834

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153 S Lexington Ave  
Asheville, NC 28801

[matt@mountainbizworks.org](mailto:matt@mountainbizworks.org)  
O: 8282532834 ext 15

# Application Form

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## ***INSTRUCTIONS***

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As part of the FY2021 Strategic Partnership Grants program, Buncombe County requests proposals for community-based projects working toward outcomes in alignment with Strategic Plan focus areas.

Please refer to the Grant Guidelines published on the Strategic Partnership Grants website at [buncombecounty.org/grants](http://buncombecounty.org/grants) for complete information about the grant program, including: Purpose; Funding; Eligibility; Timeline; Grant writing workshop; Review process; Awards; and more.

**Applications are due by 5:00 on February 14, 2020.**

## ***BASIC INFORMATION***

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**BASIC INFORMATION – Before completing the application, please tell us a little about the request.**

### **Project Name\***

Growing Diverse Small Businesses and Jobs in Buncombe County

### **Strategy\***

Recognizing that some projects will use more than one strategy, select the strategy that most closely applies to this project:

- Environmental Stewardship - High quality air, water, farmland and renewable energy for future generations
- Educated & Capable Community - A county where all people thrive and demonstrate resilience throughout their lives
- Vibrant Economy - A robust and sustainable economy that builds on homegrown industries/talent and provides economic mobility for all
- Resident Well-Being - A county where residents are safe, healthy, and engaged in their community

Vibrant Economy

### **Funding Request\***

How much funding is this project requesting for FY2021?

\$85,000.00

## Grant Guidelines\*

Have you read and understand the information presented in the FY2021 Grant Guidelines Strategic Partnership Grants?

Click here for the Grant Guidelines.

If no, please contact County staff to request assistance: Rachael Nygaard, (828) 250-6536 or rachael.nygaard@buncombecounty.org.

Yes

## Nonprofit Status\*

Upload proof of nonprofit status, such as IRS Determination Letter or documentation from the North Carolina Secretary of State. If this documentation is not available, briefly state the reason.

MBW 501C3 Letter.pdf

## Board of Directors\*

Upload a current list of your organization's Board of Directors. If your organization does not have a board of directors, briefly state the reason.

Board Members Roster (Feb 2020).pdf

# APPLICATION

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**APPLICATION QUESTIONS – Responses to these questions will be scored by the grant committee. Each question is worth 10% of the final score.**

## Organization\*

Tell us about your organization. What is your mission? Highlight two or three key facts and accomplishments that best define your organization.

Mountain BizWorks is a Community Development Financial Institution (CDFI) with a mission to build a vibrant and inclusive entrepreneurial community in Western North Carolina by helping small businesses start, grow, and thrive. Since 1989, the organization has directly supported the creation and retention of 18,260 jobs in Western North Carolina. The organization is focused on continually refining its proven platform of expanding economic opportunity and economic mobility for underserved individuals and communities. This can be seen as 86% of Mountain BizWorks clients in 2019 were low income, women, and or people of color. Finally, Mountain BizWorks is ardent in taking action towards a more diverse and equitable local economy - over the past 3 years, our lending to entrepreneurs of color has expanded 250%.

## Need for the Project\*

What is the main issue this project is established to address? What data or qualitative factors/stories are available to show that need?

In recent years, Buncombe County has experienced impressive economic growth; however, the benefits of this growth have not been shared as broadly as possible across all our communities. Specifically, there are significant disparities in business ownership across racial demographic lines. For example, while African Americans make up around 12% of our population, only 5% of local businesses are black-owned (Census SBO). Further, only 1% of businesses with employees are African-American owned (and only 2% Latino-owned), meaning most businesses owned by diverse individuals are sole-proprietorships. The disparities in average annual revenue are similarly stark with an average of \$101,500 for businesses owned by entrepreneurs of color and \$428,000 for their white-owned counterparts (State of Black Asheville Report).

In 2018, Mountain BizWorks adopted a strategic priority to expand the rates and success of small business ownership within our communities of color. We've been able to increase capital deployed by 250% and have seen first-hand the positive impact of entrepreneurs like Nian Avery of Avery's Memorial Chapel who was able to realize his dream of business ownership and now has over ten employees.

While encouraged by these early results, we've also witnessed how difficult the transition from solo-entrepreneur to employer-firm can be, and have identified a pressing need for increased technical assistance and support for our start-up entrepreneurs of color to realize their growth potential. We have a growing list of clients at this level, such as Anthony Thomas of UpStaff and Matt Bacoate of Safe Plus More, that with the right support could substantially grow their revenues and create jobs and pathways to opportunity for their families and their community. The \$85,000 requested Buncombe County support will enable Mountain BizWorks to help directly address this local business achievement gap.

## Project\*

Explain the project and how it will work. Include the overall purpose and any models or evidence-based practices that will be included. What specific activities and milestones are included in the project plan?

The requested funds will support Mountain BizWorks' newly established Opportunity Entrepreneur in Residence (EIR) program. The program's focus is to increase the rate of success for entrepreneurs of color (EOC) by developing appropriate capital readiness programs and assisting EOCs to grow their staff. The program was inspired by other national CDFI's, via peer learning networks like Wells Fargo's Diverse Community Capital program, and will be led by the Entrepreneur in Residence (EIR).

The OER program will build on existing partnerships; such as Opportunity Asheville and the WNC New Economy Coalition. Furthermore, the program will be structured with a portfolio approach, supporting one or more cohorts of early-stage businesses with strong growth potential owned by EOC. The growth cohorts will provide intensive technical assistance (TA) to at least 10 EOC annually, and convene monthly in facilitated, peer-to-peer mastermind groups; bringing in guests on critical topics identified by the cohort. Each cohort member will have an individualized TA plan and be paired with relevant business specialists. For example, many clients need support around cash flow management – the program will provide bookkeepers to assist in developing a chart of accounts, financial dashboards, and the skills needed for the EOC to integrate the new systems.

The EIR will leverage existing proven MBW programs, like Alpine and ScaleUp, for the overall portfolio of EOC serving at least 100 entrepreneurs in our network, and when needed develop new training programs. Initially, the EIR will develop a procurement course, which we have seen need for. When appropriate, the EIR will assist companies preparing for the Mountain Community Capital Fund, and, will support them post-funding. The expected milestones from this project are: onboarding the first 5 EOC to the growth cohort by

9/30/20 and the second 5 by 1/1/21, host monthly cohort and 1:1 sessions, and develop a new procurement offering.

## People Served\*

How many people will be served by this project? Describe the people served, including demographics such as geography, income, race & ethnicity, age, etc.

The Entrepreneur in Residence (EIR) will lead the charge on Mountain BizWorks specialized initiatives for entrepreneurs of color. This will include a new Growth Cohort for Entrepreneurs of Color with a minimum of 10 founders annually. The EIR will also support a broader portfolio of entrepreneurs of color, assisting another 30 through this larger proactive portfolio approach. Finally, another 100 aspiring entrepreneurs of color will receive assistance through training programs, such as Alpine, ScaleUp, or one-on-one coaching. All participants served by this program will be people of color, living in Buncombe County, and 70% of those going through this program will be low income.

## Results\*

What results do you hope to achieve with this project? Be specific about how much impact the project will have in line with Commissioner focus areas.

This project, with County support, will create significant impacts directly in line with the Commissioners' focus areas. Namely, these funds will help support the development of an educated and capable community, a vibrant economy, and boost the resident's well-being.

As the OER program is keenly focused on educating EOC in growing and further developing their businesses, they, in turn, will be able to create more resilient lives from themselves and their employees. This program will directly result in a more vibrant local economy, where significant investment is put towards local talent with the expressed function of creating socio-economic mobility for Buncombe County's most vulnerable communities. By building wealth and steady income for EOC and their employees, who are often in low-income communities, we are building better environmental factors for residents to be safe, healthy, and engaged in their community. The specific results expected from this project will be 26 businesses started, 37 businesses expanded, 40.5 jobs created, 54 jobs retained, 11 new small business loans provided totaling \$345,000 of investment, and several new training programs created. Specifically for the growth cohort, the goal is to get those companies' annual revenue to greater than \$1m within 3 to 5 years, and then to be greater than \$5m within a 5-7 year timeframe. After the first year of the cohort, we hope to have 50% of the cohort to have annual revenues greater than \$500k and 33% with annual revenues over \$1m.

## Evaluation\*

How will you know you have succeeded? Explain the project evaluation process, including specific measures that will be tracked.

Mountain BizWorks has robust systems tracking all training participants and small business lending borrowers, which will assist in ensuring that we have succeeded in meeting all of the necessary metrics associated with the project. Additionally, for members in the growth cohort we will require participants to provide relevant data quarterly, such as, number of jobs created or retained, as well as quarterly profit and lost statements to ensure that by the end of the yearlong grant we will see the percentages of businesses owned by entrepreneurs of color with over \$500k, or over \$1m in annual revenue.

## Collaboration\*

List any formal and/or supportive partners. Describe their roles in the project. How will they make it stronger?

In order to meet these metrics, it will be crucial for Mountain BizWorks to coordinate with supportive partners. We will primarily collaborate with our coaching network of over 55 area successful business owners, the Western North Carolina New Economy Coalition, Opportunity Asheville, and Spark Tank. Additionally, when necessary we will partner with industry, and sector-specific professionals to ensure that all clients in the portfolio receive all of the professional services necessary to reach the growth metrics stated.

## Budget\*

Download a copy of the budget form [HERE](#). Complete the form, and upload it using the button below.

Explain how grant funds will be used, specifically what type of expenses will be covered by County funds. Describe other sources of revenue, including type of funding, source, restrictions and status.

FY21\_SPGrant\_Budget\_Form.xlsx

The County funds will all be utilized for direct program expenses to support this project's functionality. The primary uses of funds will include, delivering the individualized TA services to the EOC growth cohort participants. These services will be delivered by our staff as well as our network of business coaches and specialists. County will also support some of the other program expenses including program outreach, supplies, and travel. The requested funds will be matched by \$250,000 in additional program funds, all of which have been committed. The sources of these funds include regional foundations, Community Foundation of Western North Carolina, and Z. Smith Reynolds Foundation, and a national bank, Fifth Third. The foundations have provided grant support, whereas, the bank has provided patient loan capital. All funds are committed and the activity of this program falls under the usage guidelines outlined by each funder.

## Other County Funding\*

List all other Buncombe County funding that is provided to your organization. For each item, list the project being funded, amount of funding, source (grant, departmental contract, etc.) and whether funding is to be renewed for FY2021.

Although Mountain BizWorks has received Buncombe County funding in the past, the organization currently does not receive any funding from the County.

## Sustainability\*

How will the project continue to succeed after the funding of the grant? Explain your plan for making this an ongoing effort.

Mountain BizWorks has attracted funds from the Community Foundation of Western North Carolina's Asheville Merchants Fund in addition to the Z. Smith Reynolds Foundations, to assist in the diversification of support for our programming specifically for entrepreneurs of color. Additionally, Mountain BizWorks has been able to secure patient, low-interest and long term, loan capital from Fifth Third Bank to provide the loan capital necessary to meet the objectives of this grant. While we strive for these services to create revenue we believe that there will always be some fundraising necessary to meet this need in the community.

## **OPTIONAL INFORMATION**

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**OPTIONAL INFORMATION – This information will not impact grant scoring but will be helpful to the committee.**

### **Partial Funding**

If the project were to be offered a grant for partial funding, what factors would need to be considered?

We have designed the budget so that we could deliver the services at the level we believe is needed to help our early-stage entrepreneur of color to have the support needed to become more meaningful employers in the community. As this is a new pilot program we want to make sure it has the needed resources to garner success and be able to fully evaluate its effectiveness. That said we would welcome Buncombe County partnership and support at any level.

### **Resource Support**

Beyond this grant request, how can Buncombe County support your organization with this project and in strengthening your work?

We are very grateful that Buncombe County has been a pilot investor in the Mountain Community Capital Fund, and this fund is a part of the suite of needed resources to ensure the success of these entrepreneurs who will benefit from this programming. Vice versa, this program will also help prepare more clients to be successful before and after receiving MCCF funding.

### **Other**

Is there anything else that you want the committee to know?

We sincerely appreciate Buncombe County's consideration of this request. In case it is helpful here is a link to a client success story of the nature that we would hope to perpetuate through this support.  
<https://drive.google.com/file/d/1I3bjdHkbUZDX2od0mN5wGJXUUB3bR0eB/view?usp=sharing>

## File Attachment Summary

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### ***Applicant File Uploads***

- MBW 501C3 Letter.pdf
- Board Members Roster (Feb 2020).pdf
- FY21\_SPGrant\_Budget\_Form.xlsx



**Internal Revenue Service**  
P.O. Box 2508  
Cincinnati, OH 45201

**Department of the Treasury**

**Date:** JAN 30 2013

Mountain BizCapital Inc.  
153 S. Lexington Ave.  
Asheville, NC 28801

**Employer Identification Number:**  
14-1864873

**Person to Contact - ID Number:**  
Sherri Royce - 0704448

**Contact Telephone Number:**  
877-829-5500 Toll-Free

**Form 990 Required:**  
Yes

Dear Sir or Madam:

In your letter dated December 6, 2012, you requested classification as a public charity described in sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code.

In our letter dated August 2003, we determined that you were exempt under section 501(c)(3) of the Code. We further determined that you weren't a private foundation and you were classified as a public charity described in section 509(a)(3) of the Code.

Based on the information you provided, we determined you meet the requirements for classification as a public charity described in sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code.

Accordingly, we have updated your public charity status in our records as you requested.

Since your exempt status wasn't under consideration, you continue to be classified as an organization exempt from federal income tax under section 501(c)(3) of the Code.

Grantors and contributors may generally rely on this determination of your foundation status unless the Internal Revenue Service publishes notice that you are no longer recognized as tax exempt or classified as a public charity in the Internal Revenue Bulletin. However, if a grantor or contributor takes any action, or fails to take any action, which causes you to lose your exempt status or causes you to be reclassified as a private foundation, that party cannot rely on this determination. Furthermore, a contributor or grantor who knows that the Internal Revenue Service has notified you of any change in your exempt status or foundation status cannot rely on this determination.

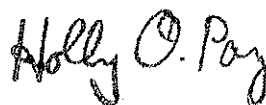
Please see enclosed Publication 4221-PC, *Compliance Guide for 501(c)(3) Public Charities*, for helpful information about your responsibilities as an exempt organization.

Because this letter could help resolve any questions about your exempt status and/or foundation status, you should keep it with your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Mountain BizCapital Inc.  
14-1864873

Sincerely,

A handwritten signature in black ink that reads "Holly O. Paz". The signature is written in a cursive style with a large, stylized "H" and "P".

Holly O. Paz  
Director, Exempt Organizations  
Rulings and Agreements

Enclosure:  
Publication 4221-PC

**MOUNTAIN BIZCAPITAL INC. DBA MOUNTAIN BIZWORKS  
BOARD OF DIRECTORS**

Updated: February 2020

Board Member/ Officer	Board Term*	Officer Term*	Professional Affiliation	Primary Address	Email & Telephone	Gender	Race
Zane Adams	2020-2023		Co-CEO Buchi Kombucha	700 Sapling Mountain Rd. Marshall, NC 28653	828-989-1817 zanepath@gmail.com	M	African American
Erica Anderson	2019-2022		Director, Economic & Community Development Land of Sky Regional Council	339 New Leicester Hwy, Suite 140 Asheville, NC 28806	828-251-6622 erica@landofsky.org	F	Caucasian
Esteve Coll-Larossa	2018-2021		Self Help Credit Union, Branch Manager	814 N. Cherokee Ave. Black Mtn, NC 28711	828-785-2354 estevcoll1@gmail.com	M	Latino
Rebecca Crandall	2019-2022	Secretary 2019-2020	Attorney McGuire, Wood & Bisette	2189 Riceville Rd. Asheville, NC 28805	828-252-2438 rcrandall@mwblawyers.com	F	Caucasian
Ray Green	2017-2020		Owner Paradigm Learning	173 Pinkerton Corner Fairview, NC 28730	813-493-7419 rayg@paradigmlearning.com	M	Caucasian
Gary Heisey	2017-2020	Chair 2019-2020	Director, Small Business Center Blue Ridge Community College	180 West Campus Drive Flat Rock, NC 28731	828-694-1766 g_heisey@blueridge.edu	M	Caucasian
Tim Herdklotz	2018-2021		President & Co-Owner Booneshine Brewing Co.	221 Orchard St. Boone, NC 28607	828-773-4851 Tim.herdklotz@gmail.com	M	Caucasian
Leah Mayberry	2018-2021	Treasurer 2019-2020	Director of Finance Johnson Price Sprinkle PA	79 Woodfin Place, Ste 300 Asheville, NC 28801	919-601-0506 LeahM@jpspa.com	F	Caucasian
Carlos A. Montoya	2017-2020		Owner CAM Services	370 N Louisiana Ave Asheville, NC 28806	828-216-1452 cam-services@hotmail.com	M	Latino
Michael (Mike) Mooney	2017-2020	Vice Chair 2019-2020	Bank of America (retired)	11 East Avon Parkway Asheville, NC 28804	803-206-6816 (c) memooney5@gmail.com	M	Caucasian
Sophia Paulos	2018-2021		Economic Development Director Graham County, NC	12 N. Main St. Robbinsville, NC 28771	828-735-9912 Sophia.Paulos@grahamcounty.or	F	Caucasian
Tim Schaller	2019-2022		Owner The Wedge	46 Spears Ave. Asheville, NC 28801	828-279-6393 timschaller60@gmail.com	M	Caucasian
Fred Waldkoetter	2017-2020		Retired Finance and Lending professional	65 W Kensington Road Asheville, NC 28804	828-216-5662 fwaldkoetter@charter.net	M	Caucasian
Terry Young	2020-2023		Owner Sweet Thangs Bakery	404 7th Ave E Hendersonville, NC 28792	864-380-1631 sweetthangshendo@gmail.com	M	African American

\* Board directors serve for three years. Board officers serve for one year.

## Strategic Partnership Grants Proposed FY2021 Project Budget (July 1, 2020 - June 30, 2021)

<b>Organization Name:</b>	<b>Mountain BizWorks</b>
<b>Project Name:</b>	<b>Growing Diverse Small Businesses and Jobs in Buncombe County</b>
<b>Grant Amount Requested:</b>	<b>\$85,000</b>

FY2021 Proposed Project Revenue	Amount	Committed or Pending?
Proposed Buncombe County Strategic Partnerships Grant	\$ 85,000	Pending
Community Foundation Western North Carolina Asheville Merchants Fund	\$ 25,000	Committed
Z. Smith Reynolds Foundaiton	\$ 25,000	Committed
Fith Third Bank	\$ 200,000	Committed
List other sources:		
List other sources:		
List other sources:		
List other sources:		
<b>Total</b>	<b>\$ 335,000</b>	

FY2021 Proposed Project Expenses	Proposed Grant	Other Funds	Total	Notes
Personnel	\$ 22,525	\$ 32,500	\$ 55,025	
Training	\$ 2,125	\$ 500	\$ 2,625	
Travel	\$ 2,125	\$ 1,000	\$ 3,125	
Supplies / Materials	\$ 1,275	\$ 1,000	\$ 2,275	
Meetings (Food, Interpreting, Child Care, etc.)	\$ 1,275	\$ -	\$ 1,275	
Equipment / Furniture	\$ -	\$ -	\$ -	
Printing / Marketing	\$ 1,275	\$ -	\$ 1,275	
Licensing / Memberships / Dues / Subscriptions	\$ -	\$ -	\$ -	
Client Support	\$ 46,750	\$ 15,000	\$ 61,750	
Contracts	\$ 7,650		\$ 7,650	
Professional Services (Legal, Accounting, etc.)	\$ -		\$ -	
Insurance and Bonds	\$ -		\$ -	
Building Maintenance (Rent, Utilities, Repairs, etc.)	\$ -		\$ -	
Loan Capital	\$ -	\$ 200,000	\$ 200,000	
List other costs:			\$ -	
List other costs:			\$ -	
List other costs:			\$ -	
<b>Total</b>			<b>\$ 335,000</b>	

Overall Organization Budget	Amount	Notes
FY2019 Actual Year-End Revenue	2,264,252	
FY2019 Actual Year-End Expenses	1,911,899	
FY2020 Adopted Budget Amount	\$ 2,671,266	
FY2021 Proposed Budget Amount	\$ 2,965,105	