



Equity Venture Capital Fund

December 12, 2022



- Developed in response to barriers to a lack of capital that significantly impedes the creation of sustainable minority-owned businesses.
- Designed to overcome the hurdles of traditional lending models.
- Targeting established small minority-owned companies, the Fund's goal is to grow 10 firms, by 10 or more employees each, within five years.
- Administered by the 501c3 Community Development Foundation (CDF)
- Participating companies will benefit from business counseling provided by local partners including:
 - the Center for Economic Empowerment & Development (NCCEED),
 - Fayetteville Technical Community College (FTCC),
 - the Fayetteville State University Regional Entrepreneur & Business Hub (FSU),
 - the North Carolina Small Business Technical Development Center (NCSBTDC), and
 - volunteers from locally owned private sector companies.

- Community Development Foundation is a non-profit 501c3
- Founded in 2009 for the express purpose of improving the economic prosperity of our citizens through job creation and business expansion.
- Comprised of business professionals, the Board of Directors is diverse in terms of ethnicity, gender, and business type.
- In addition to supporting the general economic development of the community, the CDF is facilitating more than \$5 million of local projects including the HR Talent Portal Project (serving transitioning soldiers, military spouses and veterans) and the new City-County supported Black Voices History Project.

- Be established within the state of North Carolina and operating.
- A business/expansion plan (assistance will be provided to create one).
- First priority will be given to businesses owned by residents in low to moderate income census tracts.
- Second priority will be given to businesses operating within, and employing residents of, the aforementioned census tracts.
- The fund will initially focus on recruiting businesses that provide goods or services in demand by institutional partners
- Companies shall be required to create a certain number of full times jobs, paying above the average wage for Cumberland County

- The funds will be administered by an “Investment Committee” of six to ten members. (City Economic Development and Legal Staff will be included)
- All debt will be secured with an applicable legal instrument (deed of trust, promissory note, agreement, and/or contract)
- The CDF will separately account for all income, expenses and disbursements related to Fund.
- The City shall receive a “project summary” for each investment approved.
- The CDF shall complete an annual audit to be provided to the City for each year during which the Fund is active.



- Staff recommends that City Council conduct the Economic Development Public Hearing.
- Upon closing the Public Hearing, staff recommends that City Council move to authorize the City Manager to execute a contract with the CDF to support the Economic Equity Venture Capital Fund in the amount of \$1.25M



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