

Town of Windsor

Memorandum

October 13, 2020

TO: The Honorable Mayor and Town Council
FROM: William G. Saunders, IV, Town Manager
SUBJECT: Cares Act Gift Card Program Proposal

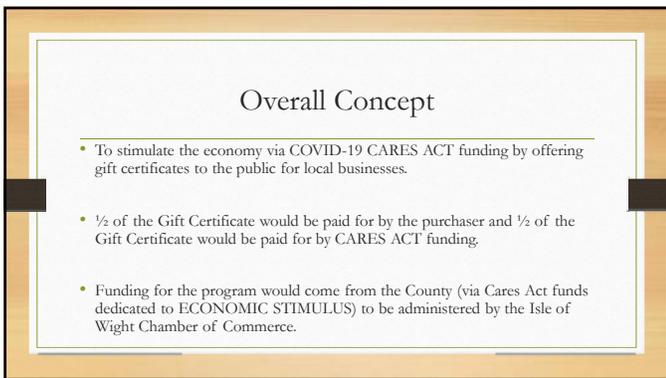
The Isle of Wight County Department of Economic Development has proposed a gift card matching program as a stimulus for local businesses. A program such as this has worked well in Mecklenburg County.

In this proposal, Isle of Wight County, the Town of Smithfield, and the Town of Windsor would use \$100,000 of Cares Act funds to provide a 50/50 match with gift cards purchased by customers for local businesses. This would amount to approximately 1% of each localities Cares Act funding.

The program would be administered by the Isle of Wight, Smithfield, and Windsor Chamber of Commerce.

Please find a slide show on the program enclosed.







Who Does the Program Benefit?

Local Businesses

- Provides immediate economic stimulus to COVID-19 affected businesses.
- Encourages local population to SHOP LOCAL!

Local Citizens

- Allows local citizens (also affected by COVID-19) to double their investment in local businesses with far greater buying power.
- Enables local citizens to be a part of the COVID relief efforts.

AND.....

The County also benefits from:

- Highly visible and positive utilization of CARES ACT funding
- Increased sales taxes
- Increased stability and sustainability of local businesses
- Great PR and good will

How Does the Program Work?

- County has determined \$100,000 (+ \$5,000 for processing fees) of CARES ACT funding dedicated to the Gift Card Program and grants that money to the IOW Chamber of Commerce.
- Chamber of Commerce accepts the appropriation and establishes an account to manage the funds. (completely separate account under the Chamber-not commingled with any other Chamber funds.)
- Chamber works with County Tourism and Economic Development to market the program to local businesses and to the public.

Then...

- Members of the local business community sign up for the program
- The program "sales" date occurs. Public is immediately able to download Gift Certificate and spend it at the business(es) of their choice.
- Individual Pay Pal records are downloaded and shared with each local business (serial numbers for each GC, amount of individual GC's, total \$) .
- Checks are cut and distributed to participating businesses within a 2 week window of time.

The nitty gritty.

- Sales Date selected and promoted in order to have gift certificates able to be used by Black Friday....Perhaps a "Black Tuesday" Style of event 2 week prior to Black Friday?
- The Mecklenburg program recommended each citizen (IP Address) to purchase up to fifteen (15) \$40 Gift Certificates (face value) for a total Face Value spend of \$600 (\$300 per IP address). They shared this as a "best practice". If the total amount is not utilized, the Chamber (with our input) would open it back up and/or increase the amount that purchasers are allowed to spend.

PLUS.....

- IOW Chamber of Commerce would include a time on the "sales day" for citizens to purchase the gift certificates in person instead of on-line for citizens challenged by internet access.
- The Mecklenburg program utilized limited purchase hours (a one-day 5-hour sales window) for the Gift Certificate sale. G.C.'s are immediately downloaded and either printed by purchasers.

Plus...

- County Leadership has met with Mecklenburg Chambers and Tourism to learn more about the program and solicit best practices.
- Tourism & E.D. has met with the Director of the Isle of Wight Chamber of Commerce to begin the logistics work for the program.
- Chamber would generate a full report to share with the County detailing how all funds have been spent.

Pay Pal would generate a full report with:

- Each Gift Certificates individual code number
- Name of business purchased from
- Amount of each Gift Certificate
- Contact information for the purchaser
- Total amount of sales per business
- Total amount of sales for the program
- Total number of individuals (IP addresses) who purchased Gift Certificates

NEXT STEPS if approved:

- County (with Town approval) appropriates \$105,000 of CARES ACT funding to distribute to the IOW Chamber of Commerce.(\$100,000 + \$5,000 POS fees) at October BOS meeting.
- County Tourism, E.D. and the Chamber market and promote the program to County businesses and the public.
- IOW Chamber registers businesses to participate and a sales date is determined. TARGET DATE: November (02)
- IOW Chamber of Commerce hosts and administrates the program.
