

# PROPEL Small Business Loan Fund Update



City Manager's Office

June 21, 2022



# Background



- January 19, 2021, the City Council allocated \$88,000 from Hyatt Regency sale proceeds to be used for a revolving loan fund in District 1.
- May 24, 2021, PROPEL District 1 Loan Fund launched and one business was awarded funds.
- December 21, 2021, the City was given a donation of \$100,000 from Intrust Bank and \$220,000 in CDBG funds to enhance the PROPEL program.



# Background



- With over \$400,000 in potential loan funding, PROPEL was rebranded from only serving District 1 to a city-wide program called PROPEL Small Business Loan Fund.
- The new program launched on January 18, 2022, and closed on March 18, 2022, resulting in 40 applications.
- Of the 40 applications, seven were selected for loan funding.
  - Boadus Couriers (District 1) Delivers medications to nursing homes
  - Accent Bridal of Wichita (District 1) Bridal sales and tuxedo rentals
  - P&P Seed & Bait Co. (District 1) Retail garden store
  - Peewee+Sweet's Bakehouse (District 2) Sourdough & pastries bakery
  - Paris Nails (District 2) Nail salon
  - 316MealPrep (District 5) Delivers homemade meals to homes
  - Virtual Goals Assistant Agency (District 6) Event planning, social media management, etc.
  - Reel Photography, LLC (District 1) Photography studio



# Analysis



- During review of applications the Loan Review Team identified the opportunity to better serve small businesses by providing the program on an on-going basis.
- Contributing factors were too much time for the application period to be open as well as too much time from review to award of the loan due to the volume received.



# Analysis



- Applications will be accepted on a monthly basis with a deadline of the 30<sup>th</sup>.
- Previous month applications will be reviewed mid-month by the Loan Review Team and awarded shortly after review.



# Financial Considerations



- There is no impact to the General Fund as a result of this action.
- This is a revolving loan program so as businesses make payments, they replenish the fund to award more loans.



## Recommendation



- Authorize the PROPEL Small Business Loan Fund to be offered year-round with monthly application deadlines.

