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2020 - 2021 REGIONAL RESILIENCY PROGRAM RECAP

WHAT:
Covid-19 relief grants to
businesses with 9 or fewer
employees.

WHY:
Majority of small businesses
of this size did not receive
stimulus, particularly in 2020

Amount Donated/Awarded
to RRP:
\$1,000,000

Total Dollars of Grants
Distributed to Businesses:
\$1,000,000

Number of Organizations/Individuals
Donating/Awarding Funds:
25

Total Number of Businesses
Assisted with RRP Grants:
302

Percent Awardees
Women-Owned Businesses:
70%

Percent Awardees
Veteran-Owned Businesses:
9%

Average Number of
Employees/Awardees:
3

Maximum Grant:
\$5,000



The Transitions Women's Wellness Center in Manistee, Michigan

GENEROSITY WINS! By AMY LANE

When the Consumers Energy Foundation last year gave \$200,000 to seed a new grant program helping small businesses survive the COVID-19 pandemic, the foundation knew there would be needs.

What it didn't know, was how large the Regional Resiliency Program would become.

Some 14 pandemic-challenged months since Venture North Funding & Development launched the RRP, the program has reached more than \$1 million in contributions from donors large and small – philanthropy that's collectively aided over 300 small businesses.

"It has been amazing what it has turned into," said Carolyn Bloodworth, secretary/treasurer of the Consumers Energy Foundation.

Propelled by Consumers' initial donation in May 2020, the RRP has raised funds from energy companies, community foundations, financial institutions, economic development organizations and others, all to provide grants of up



Inside The Transitions Women's Wellness Center in Manistee

to \$5,000 to the smallest of businesses -- those with nine or fewer employees.

The money's gone many places: Cash flow to move past shutdowns and lost sales; business shifts in new directions; higher wages to retain employees; inventory, supplies and equipment; and essentials like rent and utilities. The RRP has helped businesses operate, and helped businesses live.

Just ask certified nurse midwife Jennifer Cameron. Her Transitions Women's Wellness Center is the only facility in Manistee County at which to give birth and the pandemic brought more women to the center's doors, opting for care there instead of hospitals elsewhere.

But birth payments can take months to come in and Cameron faced higher operating expenses and less revenue after having to cut non-essential women's healthcare services that would normally bring in \$1,200 to \$1,500 a month to the Manistee business.

On top of that, she began providing home birth services to meet new demand. And that meant purchasing all she needed to be mobile, including oxygen, emergency medications, resuscitation equipment, extra sets of instruments, and tubs for water births.

It all added up to financial need and Cameron applied to the RRP, receiving an initial \$5,000 grant that helped cover costs like utilities, lease, her assistant and sanitizing supplies. A second \$2,500 grant in June went toward mobile birth supplies that initially tapped personal savings.

Cameron said the money has "been lifesaving. I don't think that I would still have my doors open right now, if it wasn't for the grant money. It doesn't seem like \$7,500 is that much, but it really is."

"I'm just so thankful that this program existed...and so thankful to all the entities that have put money toward Venture North and helped businesses like me be here, that are providing needed services."

REGIONAL RESILIENCY PROGRAM RECAP, cont'd.

Number of Local Teams Reviewing
Applications & Making Grant
Recommendations: **10**

Percentage of RRP Grant Recipients
Still in Business: **>95%**

RRP Rating by Awardees:
9.6 out of 10

Participating Areas:

**Antrim County, Benzie County, Charlevoix
County, Emmet County, Grand Traverse
County, Kalkaska County, Leelanau County,
Leelanau Township, Manistee County,
Missaukee County, Wexford County**

Uses of Funds:

**payroll, safety supplies, rent, utilities,
employee wages and retention, inventory,
debt, on-line sales systems, product
rationalization and new product
development, advertising, and more.**

In Manistee County and much of Venture North's 10-county region, local partners have put money and minds toward the RRP, boosting its ability to help businesses in their back yards.

The Manistee Industrial Development Corp., a nonprofit focused on job creation and retention, pledged \$50,000 last fall that launched participation in the RRP. The Manistee County Community Foundation added \$20,000 and West Shore Bank contributed \$10,000, creating an \$80,000 pot that awarded grants to 14 businesses.

In June's second \$57,000 round, the IDC provided \$30,000, Venture North supplied \$19,000, the community foundation contributed \$5,000 and \$2,500 came from West Shore Bank, with the rest private donation. Grants went to 13 businesses and assisting both rounds was a local team formed by the IDC to review applications and provide recommendations to Venture North – a six-member group of IDC board members with strong business backgrounds and deep knowledge of the community, said Steve Brower, IDC secretary/treasurer and retired vice president and commercial loan officer for West Shore Bank.

He said the IDC “is always looking for opportunities” to help county businesses start and support them in their challenges and partnering with Venture North on the RRP was a good fit that could lead to future collaborations.

At the Manistee community foundation, President and CEO Laura Heintzelman said its \$25,000 donation was a significant investment for the foundation and was more than a quarter of the dollars that its community response fund provided to support area nonprofits, schools and governments serving county residents impacted by the pandemic.

Heintzelman said the RRP has been important in a county where nearly half the residents “are struggling to afford basic living needs. When we were looking at this program, it was about how can we provide much-needed relief to keep our small business open, people employed, economy afloat,” she said.

The benefits of supporting small businesses trickle down, Heintzelman said. “We know that by keeping our businesses strong, we’re helping to keep our households and families strong.”

Venture North President Laura Galbraith said the support given by all to the RRP demonstrates “how these organizations really care deeply about their communities,

and they don’t want to see these small businesses close their doors, because they realize it’s the heartbeat of their communities.”

At the tip of the Leelanau Peninsula, one of the oldest community foundations in Michigan has put \$77,500 toward the RRP and the survival of small businesses in its local borders.

The Leelanau Township Community Foundation was the first community foundation to participate in the RRP and is the largest such contributor, funding an initial \$25,000 round, donating \$27,500 in a second round and committing \$25,000 in a third round that was joined by \$10,000 from Venture North. Grants went to 13 businesses in the first two rounds and 11 businesses in the third round.



Grocer’s Daughter Chocolate: Another Proud RRP Recipient

Organizations Donating/Awarding Funds to the Regional Resiliency Project:

- Bellaire Chamber of Commerce Foundation
- Benzie County Economic Development Corporation
- Brookby Family Foundation
- Cadillac Area Community Foundation
- Cadillac Visitors and Tourism Bureau
- Consumers Energy Foundation
- Cherryland Electric Cooperative
- DTE Foundation
- Fifth-Third Bank
- Frey Family Foundation
- Grand Traverse Regional Community Foundation
- Huntington Bank
- ITC Corporation
- Leelanau Township Community Foundation
- Manistee Co. Community Foundation
- Manistee Industrial Development Corporation
- Missaukee County Community Foundation
- Petoskey-Harbor Springs Area Community Foundation
- PNC Bank
- Private Individuals (names withheld)
- Traverse City Downtown Development Authority
- TCF Bank
- Venture North – Select Members – Board of Directors
- West Shore Bank

As a charitable nonprofit, the Leelanau Foundation and others like it can’t directly contribute to for-profit entities like businesses. But Venture North consultant Tim Ervin broached the opportunity of helping businesses via Venture North, a nonprofit and federally certified Community Development Financial Institution that offers financing to support small business growth and jobs, promoting economic and community development. “And that certainly fit the bill in our community,” said Foundation executive director Joan Moore.

“It’s a small community, we interact and depend on these businesses daily. We were thrilled to be able to find a way to help them, particularly in light of the pandemic,” Moore said. “Our board was very excited about this opportunity. We jumped right on board.”

Moore said the RRP offered a unique opportunity “to help in a real time of need and emergency.” And as a Venture North partner, the Foundation could have an impact it couldn’t achieve on its own.

The RRP “allowed us to affect a greater amount of the population, and the community, that we wouldn’t have been

able to reach otherwise," Moore said. Foundation board members comprise the local team that has reviewed applications and recommended awards.

The five-county Grand Traverse Regional Community Foundation has contributed \$30,000 to the RRP over its course. And this year brought other new RRP local partners in Antrim, Benzie, Grand Traverse, Kalkaska, Missaukee and Wexford counties, with participation in the latter two counties coordinated through the Cadillac Area Community Foundation, or CACF.

The Cadillac Area Community Foundation, the Missaukee Area Community Foundation and the Cadillac Area Visitors Bureau joined Venture North this spring to fund an RRP round for Wexford and Missaukee counties. The \$50,000 pot included \$40,000 from Venture North, \$5,000 from the Cadillac Area Community Foundation, and \$2,500 each from the Missaukee foundation and the visitors bureau, said Doreen Lanc, the Cadillac Area Community Foundation's executive director.

"I saw that many of the other foundations had been connecting with Venture North to support the critical needs of their communities. I felt this was an opportunity to support our community, and the CACF trustees were on board," Lanc said. "To attract and relocate families and businesses, a vibrant community is essential. Economic development, it is one of our priorities."

Lanc said "businesses were distressed in both communities for various reasons; paying bills and keeping their employees working as their primary concern. Tuxedo rentals, flower shops and venues suffered significant losses when events were canceled, and restaurants operating at 50 percent had to be creative to keep their doors open."

Try starting a new business, only to face pandemic shutdown two months later. That's what happened to Missy Bowman, who with husband Kevin owns Eclipse Tanning & Boutique in Cadillac. Opening in January 2020 and then closing in

March, she found her three employees and herself out of a job and into uncertainty, as bills piled up and the tanning salon produced no money. "We just took it day by day, it was a really tough thing to do, it was very scary," Bowman said.

Looking for a part-time job to compensate for lost income, at a time when few businesses were open, she joined FedEx as a package handler, arriving to work at 2 a.m.

Since being able to reopen at the end of May last year, Bowman has seen customers hesitant to return and higher expense related to sanitizing protocols. She applied this spring to the RRP and in June received a \$5,000 grant that she said will help with cash flow, including rent, utilities and day-to-day expenses.

"I was very excited, I was very relieved," Bowman said. "It will definitely stabilize us for sure."

Her grant was among 13 awarded in June to Wexford and Missaukee county businesses, with applications reviewed by local representatives. That review model is crucial, Lanc said. "It is essential to have a local committee discussing the grant applications, to assure funds are awarded to businesses that continue to struggle from the COVID pandemic." She added that the application was based on a point system set up by Venture North.

In addition to local foundations, energy companies have made major investment in the RRP. The Consumers Energy Foundation has contributed a total of \$450,000 -- \$350,000 of which has gone toward grants and \$100,000 toward RRP administrative expenses including contractors to operate the grant program and assist businesses. The underwriting of administrative support, which includes \$1,500 from the Grand Traverse Regional Community Foundation, has enabled 100 percent of other donor dollars to go toward grants.

Both the Jackson-based Consumers foundation and the Detroit-based DTE Foundation have contributed millions of dollars across the state to support COVID relief efforts, and as part of that DTE donated \$40,000 to the RRP. DTE Foundation vice president Rodney Cole said it's important for DTE to support businesses across its service territory and in the communities where its employees live, and Venture North was among longstanding DTE partners "that were pivoting and responding to needs in the communities."

While supporting small businesses and jobs statewide are staples of the foundation's philanthropic efforts, Cole said supporting a program like the RRP was unique for the foundation, but so was everything about responding to COVID-19 last year. "As a state and as a country and across the globe, I think we all found ourselves in places we never could have imagined," he said. "Everyone felt it, but small business really felt it; we knew it was our responsibility to help



Inside The Conservatory of Dance in Manistee, Michigan



The Dancing Continues at The Conservatory of Dance in Manistee

drive their collective recovery and we knew Venture North would be a key partner in doing so.”

Cole said the foundation knew Venture North would be able to identify the most pressing needs for businesses in its region and the foundation is “honored” to be a part of the RRP and its impact.

In the northwest Michigan, Cherryland Electric Cooperative has seen its small business customers, or members, struggling from the pandemic. And it contributed \$50,000 last year and \$50,000 again this year, to help.

“We want these businesses to survive, and we wanted to do a small part to help that. So it was an easy decision,” said general manager Tony Anderson.

Cherryland asked that its dollars go toward RRP-eligible businesses that it serves, and Anderson said “hopefully it will have an impact and push these little businesses over the hill” and out of the effects of the pandemic. “Hopefully this is the last boost to get them into whatever our next normal is going to be,” he said.

And as businesses move into post-pandemic reality, Venture North will be surveying them to assess needs and evaluating future assistance. “Hopefully businesses will have a successful last six months of 2021,” Galbraith said. She said Venture North “will always be here for small businesses” through and beyond the recovery, and hopes RRP grant recipients find themselves in a position to expand and contact Venture North about growth capital.

Said consultant Ervin: “There should be a continuum, and will be a continuum, for all those businesses with Venture North, in looking at their capital needs.”

Expansion may be in the cards for grantee Conservatory of Dance in Manistee, after weathering shutdown and last fall’s loss of about half of its 180 students. For co-owners and best friends Shelli Golembiewski and Tarah Fancher -- who grew

up as students at the studio then became teachers and bought the conservatory in 2014 -- the pandemic brought business upheaval.

In-person classes switched to Zoom, with teachers and students sharing dancing in their living rooms, Golembiewski said. With little income, the studio couldn’t pay its teachers or pay rent. “It was a struggle,” she said. The conservatory applied to the RRP and got a \$5,000 grant in December that was “a huge help” to pay operating expenses, Golembiewski said. Amid all that was uncertain, the grant meant more than just money.

“Is there an end to this, is there not an end to this. The unknown, that was very stressful for Shelli and myself,” Fancher said. “Bills keep coming in, coming in, but the money isn’t coming in...but having some cash flow at some point, it gives you hope to keep moving forward.”

Now at about 120 students, the studio has grown from 2021’s start and hopes to open its fall classes at normal numbers and grow from there.

“All of the money that we were granted was just the kind of hope that we needed to push through and stay in business, and we do hope to expand in the future and keep our student number growing. My hope has always been 200,” Golembiewski said. “We also have the possibility of adding another classroom...we now have three classrooms, would like to have a fourth. It is in the dreams for sure, something we want in the future.”

Bloodworth, at Consumers Energy, said small businesses are “the backbone of our state” and the foundation is “incredibly thankful” for what the RRP and “what collectively our contribution and the contributions of the other funders throughout the region have been able to do to help sustain the vitality of the region. That’s just so critically important for all of us.

“I know we helped to keep some doors open, know we were able to keep some people employed...we also were able to provide some hope that wasn’t always there. I think resiliency, the name couldn’t be more perfect.”

Amy Lane is a veteran Michigan business reporter whose background includes work with Crain Communications Inc., Crain’s Detroit Business and serving as Capitol correspondent for nearly 25 years. Now a freelance reporter and journalist, Lane’s work has appeared in many publications including Traverse City Business News.

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