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Pawtucket gears up to offer assistance to small businesses - by mayor Donald Grebien

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Mayor Donald Grebien

The unexpected coronavirus pandemic continues to financially affect Pawtucket's small business community, the backbone of Pawtucket's economy. In response to the COVID-19 pandemic, the City of Pawtucket, through the efforts of the Pawtucket Business Development Corp. (PBDC), responded by quickly creating an emergency loan program for small businesses.

The city has now closed on 23 loans to Pawtucket businesses and is currently working on obtaining more funds for a number of businesses on a "waiting list." The need for businesses in our community is real. This is why we were pleased to see Bristol County Savings Bank offer assistance to the PBDC COVID-19 Emergency Loan Program, donating \$50,000 that allowed us to provide assistance to five of these organizations.

PBDC's emergency loan program provides interim relief to small businesses with 25 or fewer employees, who can demonstrate a 30% loss of revenue caused by the virus crisis. The loan can be used to pay operating expenses for day to day business operations which include but are not limited to payroll and rent.

The emergency loan amount of \$10,000 distributed to a number of businesses came with a low 2% interest rate. Due to the ongoing hardships caused by COVID-19, PBDC's loan is deferred for the first 12 months after the loan was closed. After 12 months, businesses will begin making monthly loan payments.

The city wants to hear from our small businesses. The Commerce Department conducted the Pawtucket Small Business Survey, in order to assess the impacts of the COVID-19 crisis on our local businesses and better assess how the city may assist them. Not surprisingly, it documents the continued need for financial assistance to small businesses. We are now planning to reintroduce our loan program by mid-May, by funding additional loans using an allocation of funds from the city's CDBG COVID stimulus funding.

According to the Planning Department, the survey has received over 100 responses from Pawtucket-based small business. The food & beverage, manufacturing, general retail, and professional services industries were the sectors of the economy that we saw the highest response rates.

Based upon the responses we have received; we see that roughly 37% of businesses are temporarily closed while another 43% are open but with limitations. Due to the closures and limitations, 47% of the responding businesses reported having lost 75% or more of their normal revenue stream. Over half of respondents stated the need to access additional capital to continue to finance their operations.

Now, the recently assembled Pawtucket Business Outreach Team, made up of dedicated individuals from the business and non-profit sectors, will assist the city in developing strategies for addressing the needs of our local businesses during these challenging times.

Pawtucket will continue to stand by its small business community and help them weather these uncertain times.

For questions regarding how the city assists Pawtucket businesses during the COVID-19 emergency please contact us at businessassistance@pawtucketri.com or please call us at 728-0500 ext. 437.

Donald Grebien is the mayor of the city of Pawtucket, R.I.

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