

FEATURED

## Relief Checks Hit Some Local Businesses, But Not All

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At Pinehurst Surgical Center (from left) State Senator Tom McInnis; Congressman Dan Bishop (R-N.C.); Charles Gregg, Pinehurst Surgical Clinic CEO; Dr. David Grantham, Pinehurst Surgical Clinic president and general surgeon. Photo courtesy of Brandi Swarms/First Flight Agency

It's not yet known how much Moore County received of the \$8 billion in small business stimulus funding allocated to North Carolina. But it is clear how much of the \$349 billion allocated for coronavirus relief is left: 0.

On Thursday, the Small Business Administration announced it was no longer accepting applications. And the U.S. Treasury Department announced it had run out of money Congress approved to help small businesses keep workers employed.

So what about those in the first wave who applied a couple weeks ago? Many local businesses and nonprofits are still waiting to hear an outcome, but at least a few have received good news.

Pinehurst Surgical Clinic was the first local loan application First Citizens Bank processed through the Paycheck Protection Program (PPP), said CEO Charles Gregg.

"This is a relief. Our administrative team was working seven days a week to make sure we wouldn't have to lay anyone off," he said.

One of the 'big three' healthcare facilities headquartered in Moore County, along with FirstHealth of the Carolinas and Pinehurst Medical Clinic, PSC is a multi-specialty surgical clinic with 370 full-time staff.

Gregg said the last few weeks required “intestinal fortitude” from their board leadership to cope with the ripple effect of the COVID-19 threat, with many patients delaying non-emergency procedures.

“As clinic volume decreased, we decreased staff hours to survive until we could receive the funding we needed. We had to adjust accordingly,” Gregg said.

He specifically singled out Rocky Rhodes, senior vice president at First Citizens, with helping PSC navigate the complex PPP application process.

“We knew there would be a stimulus and perhaps light at the end of the tunnel. The one thing we needed, more than anything else, was having a banking partner working with us,” Gregg said. “It is a good feeling to have these types of partnerships. Since I’ve come to this town, Rocky has been one of our most valuable assets.”

For now, PSC staff will use the time they are not with patients for training and education.

“This situation has had such a devastating impact on businesses of all kinds, including healthcare,” Gregg said. “Most independent provider groups would go under without this aid and that will drive up healthcare costs because all that would be left would be hospitals.”

### **Nonprofits Helped**

But it wasn’t only big institutions that were able to secure assistance through the PPP. Several of Moore County’s small nonprofits also reported good outcomes.

Clare Ruggles, executive director of Northern Moore Family Resource Center, said the PPP loan will allow her to keep seven full-time and two part-time staff employed. Though mostly working from home, she said the center has continued to engage its preschool students. Staff have also helped deliver meals to families without a way to reach the food distribution point at Elise Middle School.

“We had a major fundraiser scheduled for April 17. We had to postpone it until June, and now that is starting to look like we will need to move it to fall,” Ruggles said. “Without that funding, I was very concerned how we would get from here to then. None of my staff could go easily without a paycheck.”

She worked closely with Matthew Powers, a business development officer at First Bank, to complete and process the NMFRC loan application.

“First Bank was really on top of things. I knew we were sort of plugged in early on,” Ruggles said. “I am very grateful. They did a good job of deciphering on a very short timeframe everything we would need to do to put things in place to give us this opportunity.”

It was early on Good Friday when Powers called to let her know the PPP application was approved.

“The way the law reads, there is a 10-day window after the document is processed to originate the loan,” she added. “With so many things uncertain, we went ahead to finalize the paperwork that same day.”

Ruggles said they’ll continue working closely with their preschool families and planning for the Hope Academy summer programming.

“Last year, 78 percent of Kindergarten students going into Robbins Elementary were considered proficient. The only school that scored higher was Pinehurst,” she said, attributing that achievement to Hope Academy and other preschool programs in that area. “These students do well because of greater access to early childhood education.”

In Southern Pines, the Moore County Literacy Council is also working primarily online, by telephone, and other non-traditional methods to keep up with their clients and volunteers.

The organization provides free basic literacy education and English for Speakers of Other Languages (ESOL) programs, in addition to school-



Preschoolers enrolled in the Hope Academy at Northern Moore Family Resource Center celebrated Dr. Seuss Day on Friday, March 5, 2020. Contributed photo

based literacy outreach programs.



On Thursday, April 16, the MCLC delivered 450 books to Aberdeen Elementary School to be distributed during the pandemic to 3rd graders involved in the MCS Reading Initiative. Funding was made possible by grants from the Southern Pines Rotary and the United Way of Moore County.

Executive Director Stuart Mills said they learned last week that their PPP loan application had been approved, with assistance from Andrew Lyons, senior vice president and city executive at First Bank.

“We don’t sit on money at the Literacy Council. One of our biggest program expenses is people and we’d hate to lose any of them,” he said. “This stimulus program means we can keep our team together.”

“First Bank worked long hours to keep things moving as quickly as they could,” Mills added. “They are a relationship bank and that is what they treated this like, a relationship. We are lucky to have them.”

### Others Struggle On

Not everyone, though, has reported a similar positive outcome. Many small businesses and organizations across the Sandhills hit substantial hurdles with their banks and financial institutions.

On Tuesday, April 14, two of North Carolina’s Congress members — U.S. Reps. Richard Hudson and Patrick McHenry — held a joint telephone ‘town hall’ to address concerns from the small business community.

“This is a healthcare crisis that is creating an economic crisis for families and small businesses without any action on their part. This is something out of their control,” McHenry said, a co-author of the federal assistance bill passed in response to the coronavirus.

Mark Elliott, who owns three local restaurants including Elliotts on Linden, The Sly Fox Pub, and The Roast Office, dialed-in to speak directly to Hudson and McHenry.

He expressed frustration that the PPP allowed any business to seek assistance without prioritizing those struggling with the greatest economic impacts.

“Restaurants need it the most and it seems we are at the back of the queue,” Elliott said. “Most of our employees are out of work and we will be the ones that will end up with the biggest debt.”

McHenry and Hudson both said they were disappointed with his situation, telling Elliott it was his kind of business they had in mind when the SBA package was put together.

“One of my concerns was that we were not targeting assistance well enough,” McHenry said. “I felt like we needed to do a better job of targeting.”

Other callers shared similar concerns with getting the runaround from their banks and feeling like the application process was disorderly and allowed lenders to “cherry pick” which requests were submitted, rather than a first-come, first-served process or, better yet, a need-based evaluation.

McHenry said federal legislators were taking time to ensure the CARES Act monies were being distributed and providing actual assistance, before they were willing to allocate more funds. In addition he recommended another assistance program, Main Street Lending, that is moving into position to assist businesses that did not meet the PPP restrictions or found that program insufficient. It is designed as a low-interest, short-term loan to help businesses “stay solvent in response to the economic shutdown.”



Mark Elliott checks updates from the public #SaveOurServiceIndustry Facebook group he started to raise awareness for restaurant employees who are experiencing adversity due to coronavirus.

Mackenzie Francisco/The Pilot

Elliott has spearheaded a statewide initiative to bolster efforts for the hospitality and service industries, using the hashtag #SaveOurServiceIndustry.

#SaveOurServiceIndustry



In a follow-up phone interview with The Pilot, he said he was pleased with the opportunity to speak to Hudson and McHenry.

“I’ve been fighting like crazy to be heard. I finally had a chance to say my piece,” he said. “The problem is the PPP and all these other things sound like great ideas. But there is so much language in them that you end up with unintended situations.”

Elliott said he filed an application for a PPP loan last week. Initially he said it seemed simple, but each day he finds himself answering more questions from his bank.

“It is a very slow process. From my point of view, I think the banks have earmarked already who is going to get funds.”

He said other restaurant owners in Moore County have shared similar experiences and concerns.

Elliott said the restaurant industry in North Carolina took the “first hit” when Gov. Roy Cooper ordered them to close their dining rooms.



Restaurant owners hung a sign promoting businesses in the Village of Pinehurst on Thursday afternoon. Ted Fitzgerald/The Pilot

“Everybody can get in line for this PPP, whether you are severely impacted or not. That is a real disadvantage to the people it is meant to help,” continued Elliott. “It is also frustrating, from the restaurant perspective, because even if we qualify, we can’t bring all of our employees because there is nothing for them to do.”

But he does have a suggestion that he wants to share with state leaders.

“We are already sensing there will be impediments to restaurants operating as normal when things start reopening. We’d rather know now what we can expect,” Elliott said. “We have empty restaurants and we could be working now to stage them. Give us this time to figure out how to work within the boundaries that we can expect.”

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