



Key-Business Grant Program Guidelines

Approved: November 24, 2020

***An economic development tool to assist Buchanan County
communities in attracting and keeping Key-Businesses***



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The Buchanan County Economic Development Commission (BCEDC) has established the **Key-Business Grant Program** to grow and maintain the economic base of Buchanan County by assisting cities in their efforts to attract and keep businesses in their communities that are vital to the community's economic and social wellbeing. The University of Northern

Iowa's Small Business Development Center (SBDC) has agreed to support this program by providing technical assistance to the applicant and assisting in evaluating requests for funding.



The **Buchanan County Economic Development Commission (BCEDC) Key-Business Grant** is intended to provide supplemental financing in support of attracting or keeping a Key-Business in a Buchanan County Community.

The Program will make Grants for the following purposes:

- *To facilitate the economic and social viability of Buchanan County communities.*
- *To offer financial assistance that assist in attracting or retaining a business that is vital to the economic and social wellbeing of a community.*
- *To diversify the community's economic composition by encouraging unique or essential business startups and expansions in Buchanan County.*

Funded projects must have the objective to make investment into the community's tax base, create and retain permanent jobs or provide a unique service within the communities of Buchanan County, Iowa.

The University of Northern Iowa's Small Business Development Center's (SBDC) role with this program is to provide resources and guidance to the Grant Program applicants. Examples of SBDC assistance include, but are not limited to, developing a business plan, seeking other matching funds, networking, etc.



Program Requirements

The Program will provide a **Key-Business Grant** to attract or keep a business considered vital to the economic wellbeing of a Buchanan County community. The amount of the grant and other terms will be determined for each project individually, based on demonstrated need and the availability of funds.

All applications must satisfy the following minimum requirements to be eligible for assistance:

- The applicant must consult with Buchanan County Economic Development's *Executive Director* prior to submitting a BCEDC Key-Business Grant application. Applicant may be required to visit a representative with the University of Northern Iowa's Small Business Development Center or another local entrepreneurial development organization such as SCORE, US Small Business Administration or Entrepreneurial Development Center.
- The project must be located within a Buchanan County Community that is an active financial investor in the Buchanan County Economic Development Commission (BCEDC). This includes the unincorporated areas of Buchanan County as represented by the Buchanan County Board of Supervisors.
- The City Council or Board of Supervisors of the community in which the business is located, must pass a recommendation of support stating why/how the business is key to the economic and social wellbeing of the community.
- The business/applicant must complete the BCEDC Key-Business application and then submit it to the Board of Directors of the Buchanan County Economic Development Commission (BCEDC).
- The maximum request per grant is \$10,000 with a maximum of 25% of the total project amount. The grant will be reviewed by the Key Business Grant Review Committee which will be made up of representatives from local banks, investment firms, utilities and BCEDC Executive Board.
- There must be evidence of adequate private equity. The equity must be in the form of cash from the owners/investors, must be at least 10% of the total project financing, and must be injected into the project after the application has been approved. Bank financing from a Buchanan County financial institution is encouraged. There must be evidence that Program Money is necessary to make the proposed project feasible. There are several ways in which to prove need for the funding, including but not limited to: a financing gap, credit history, capital availability or locational incentive.
- The applicant may be a private for-profit business enterprise or a non-profit corporation.
- Applications by members of the Buchanan County Economic Development Commission, its Key-Business Grant Review Committee, Staff and their immediate family members shall be ineligible for funding.
- The project must conform to the county and/or city zoning requirements, and other applicable federal, state, and local codes and regulations.
- **Grant award monies will be held by the BCEDC until the funds are actually needed. Once the project has been implemented, is moving forward and the grant dollars are needed, the recipient of the grant must submit a letter to the BCEDC Executive Director asking that funds be released.**

Evaluation Criteria

The following criteria are used to evaluate applications:

- The economic and social impact the project has on the community.
- The overall reliability, feasibility and quality of the application materials.
- The need for Program monies exhibited through balance sheets, income statements, cash flow projections and personal interview with the BCEDC *Executive Director*.
- Applications with the greatest anticipated economic and social impact for the community shall receive greatest priority. Preference for consideration will include the economic and social impact on the community, resultant new economic activity, the quality of jobs potentially created, project schedule and property tax enhancement.
 - If job creation is required for the project, that will be detailed in the agreement.
- Refinancing or restructuring of existing loans typically will not be considered.
- The Key-Business Grant Review Committee may require the proposed project be presented to them by the prospective business owner or her/his representative. Applicant presentation shall be at the discretion of the Key-Business Grant Review Committee.
- The Key-Business Grant Review Committee may require written feasibility studies, business plans, market studies, etc. as appropriate for the business type.
- In accordance with Federal law and U.S. Department of Agriculture policy, the Key-Business Grant Review Committee will not discriminate on the basis of race, color, national origin, sex, religion, age, disability, or marital or family status.
- The Key-Business Grant Review Committee will be responsible for determining the eligibility of a project to be brought before the BCEDC for final consideration. Eligibility of applicants will typically be determined within 30 days of receipt of a complete application. An application will be considered complete when all information necessary for the Key-Business Grant Review Committee to decide has been received.
- Costs associated with processing the application (e.g. credit report fees, UCC and lien search fees, filing security documents, filing legal documents fees, etc.) shall be the responsibility of the applicant. The Key-Business Grant Review Committee may waive or amend this fee structure.

Application Procedure

Printed Application Packets for assistance must be submitted to:

Buchanan County Economic Development

Attention: BCEDC Key-Business Grant

PO Box 109

112 First Street East

Independence, Iowa 50644

BCEDC staff will review the application for completeness and accuracy. After review, the application will either be returned to the applicant with deficiencies noted or forwarded to the BCEDC Key-Business Grant Review Committee.

The Key-Business Grant Review Committee will consist of representatives from Utilities, Buchanan County banks, investment firms, and the BCEDC Executive Board. *The Buchanan County Economic Development Executive Director will serve as a non-voting member of the committee.*

The Key-Business Grant Review Committee will have 30 days from receipt of a full and complete application to review and respond with a decision. That decision:

- Could include a request from the applicant for additional information or clarification of information submitted as part of the application. This could defer action until additional information and/or clarification is received.
- Will include a review of credit history and references provided and not provided by the applicant.
- Will include the submission of the application to the Board of Directors of the Buchanan County Economic Development Commission with a recommendation for approval or denial. Recommendations may be made with or without, conditions and suggested terms of the Grant.
- The BCEDC Board will consider the Key-Business Grant Review Committee's recommendations at its next regularly scheduled meeting. A special meeting could be considered if necessary.
- Could provide an approved application of the Grant, with the terms and conditions recommended by the BCEDC Board of Directors.
- If an application is denied, a written letter will be provided to the applicant outlining reasons of denial.
- After a decision is made by the BCEDC Board of Directors, BCEDC staff will notify the applicant of the decision in writing.

NOTE: The applicant must agree to allow the Key-Business Grant Review Committee to research the company's history, make credit checks, contact the company's financial institution(s) and perform other related activities necessary for reasonable evaluation of the application. In the event inaccuracies, omissions, or errors are found, the Key-Business Grant Review Committee has the discretion to determine what action shall be taken.

Additional Details

If an application is recommended for approval, the applicant must sign a contractual agreement with the Buchanan County Economic Development Commission. This agreement establishes:

- The terms and conditions of the grant as recommended by the Key-Business Grant Review Committee and approved by the Buchanan County Economic Development Commission.

The project described in the approved application becomes the performance goals in the program contract documents. If the applicant fails to complete the project and/or create the potential jobs pledged, the applicant may be determined to be in breach of contract. The percentage completed may have a direct bearing upon any action taken by the Buchanan County Economic Development Commission. The Program may be subject to immediate repayment based upon the percentage of the project and/or creation of jobs not completed and penalties may be imposed.

Recipients may be required to submit at minimum semi-annual performance reports, including financial statements and information related to potential job creation to the Review Committee. All records related to the Key-Business Grant program must be retained for a period of at least three years after the date upon which the final Grant payment is received.

Contacts

For more information, contact:



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