

VILLAGE OF PLAIN

NEW BUSINESS INCENTIVE GRANT PROGRAM

MANUAL OF POLICIES AND PROCEDURES

PROGRAM SUMMARY

Attracting new businesses and retaining existing businesses under new ownership that may otherwise close is essential for economic development, job growth, and tax base growth within the Village of Plain. To encourage this type of essential business and employment growth and retention within the Village, the Village of Plain is offering a New Business Incentive Grant to assist new businesses and new business owners.

OBJECTIVES

The Village intends that the New Business Incentive Grant made available under this Program meet the following objectives:

1. To encourage the creation and retention of permanent jobs, which represent a range of wage scales appropriate to the skills and experience of the area, labor force.
2. To encourage the leveraging of new private investment in the community.
3. To maintain a positive business climate which encourages the retention of existing business and industry and helps to attract desirable new business and industry.

AVAILABLE GRANTS AND RESTRICTIONS

1. A New Business Incentive Grant Award ("Grant Award") is comprised of a Business Grant and an Employment Grant. A Business Grant will be for a maximum of \$8,000. An Employment Grant will be for a maximum of \$12,000. The total combined Grant Award will not exceed \$20,000.
2. All applicants meeting the Program's eligibility requirements below are eligible for the Business Grant. All applicants who provide employment to individuals other than an owner are eligible for the Employment Grant. An applicant that does not have any employees is ineligible for the Employment Grant.
3. In its sole discretion, the Village may award less than the maximum Grant Award for approved seasonal businesses.
4. Grants are awarded to eligible applicants in the order completed applications are received. Grant funds are provided from the Village's Business Incentive Fund. The total funds available for grants are limited and consequently grants may not be available to all applicants.
5. Only one Grant Award under this Program may be awarded to any specific individual or entity, or for any specific business.

APPLICANT ELIGIBILITY REQUIREMENTS AND RESTRICTIONS

Subject to the provisions of this Manual, an applicant is eligible for a New Business Incentive Grant under this Program if the applicant is an individual or entity who has established a new business or purchased an existing business as a new business owner within the corporate limits of the Village of Plain on or after May 1, 2021.

New Business

A new business is a person or entity engaged in a specific service, commercial, or industrial activity at a particular fixed business location within the Village's corporate limits and which did not operate within the Village's corporate limits prior to May 1, 2021. A new business may be for-profit or non-profit.

A new business does not include:

1. A business that is under new ownership.
 - a. *See New Business Owner below.*
2. A business principally engaged in the purchase, sale, or leasing of real property or improvements to real property.
 - a. *Businesses principally engaged in the construction of improvements to real property or service businesses assisting purchasers of property, including but not limited to real estate brokers, are eligible new businesses.*
3. A "home occupation" as defined in Village of Plain Zoning Ordinance § 17.03(19) (2021).

New Business Owner

A new business owner is an individual or entity who purchases an existing business within the corporate limits of the Village of Plain through an arm's length transaction on or after May 1, 2021, and who did not have a prior ownership or financial interest in the purchased business prior to May 1, 2021.

A new business owner does not include:

1. A parent, child, sibling, grandparent, or grandchild of the prior business owner.
2. A corporation, limited liability company, partnership, trust, or other entity, which includes as an owner, shareholder, member, partner, trustee or beneficiary an individual or entity who had a prior ownership or financial interest in the sold business.

DISBURSEMENT OF GRANTS

If an applicant has met the conditions of its Grant Award and this Manual, the Village will disburse awarded grants over three business years at the end of each business year. A business year starts the first day that a business is operational, as determined by the Village in the award of the grant.

Example: A business that is operational as of June 15, 2021, has its first business year conclude June 14, 2022.

Grants will be paid as follows:

1. One-fourth of the total awarded Business Grant and Employment Grant are each available at the end of each business year.

Example: For a \$20,000 total award, a \$2,000 Business Grant and \$3,000 Employment Grant are each available for payment at end of year 1, year 2, and year 3.

2. An applicant is eligible for the full yearly Business Grant award if they have been operational for the full business year, or for approved seasonal businesses, for the period set forth in a grant agreement. An applicant that has not been operational for the full business year for which payment is sought is not eligible for that year's portion of the Business Grant, but may be eligible for any subsequent year's portion of the Business Grant during which they are operational. Any portion of the Business Grant for which the applicant is not eligible will reduce the total Business Grant available. The Village may excuse reasonable temporary closures or closures beyond the applicant's control.
3. An applicant is eligible for the full yearly Employment Grant award if they have provided a total of 6,000 hours of employment that year, regardless of the number of employees.

Example: Applicant provided 6,000 hours of employment to three employees in year 1. Applicant will be eligible to receive the full \$3,000 payment in year 1.

4. If an applicant does not provide a total of 6,000 hours of employment in an award year, the yearly Employment Grant award will be prorated based on the number of hours of employment provided in that year divided by 6,000 hours. Any portion of the Employment grant for which the applicant is not eligible will reduce the total Employment Grant available.

Example: Applicant provided 1,500 hours of employment in year 2. Applicant will be eligible to receive \$2,250 of the \$3,000 award. $(1,500/2,000) \times \$3,000 = \$2,250$. The total Grant Award is reduced by the remaining \$750.

5. At the end of business year 3:
 - a. If the applicant has been eligible to receive the full Business Grant award each of the three business years, the applicant will receive the remaining Business Grant award. An applicant who has not been operational for the full three years will be ineligible to receive the remaining Business Grant award.
 - b. An applicant who provided 6,000 hours of employment each business year will be eligible to receive the remaining Employment Grant. If an applicant has provided less than 6,000 hours of employment each business year, the remaining Employment Grant will be prorated based on the total number of hours of employment provided over the three years (up to 6,000 hours per year) divided by 18,000 hours.

Example: Applicant was operational for all three years and provided 2,000 hours of employment in year 1, 4,000 hours of employment in year 2, and 7,000 hours of employment in year 3. At the end of year 3, applicant will receive the remaining \$2,000 Business Grant award, and will receive \$2,000 of the remaining \$3,000 Employment Grant award $((2,000+4,000+6,000)/18,000) \times \$3,000 = \$2,000$.

GRANT CONDITIONS

Applicants must sign a grant agreement with the Village establishing the terms and conditions of the Grant Award. In addition to the conditions of grant disbursement, the grant agreement will include the following minimum conditions:

1. A new business must be operational within 120 days of approval. A new business owner must close on the purchase of the existing business within 60 days of approval, and be operational within 120 days of approval. An applicant may request an extension in writing for exceptional circumstances. The Planning Commission will notify the applicant in writing of its approval or denial.
2. Any applicant requesting grant funds must be in compliance, and during the term of the Grant Award must remain in compliance, with all provisions of the Village of Plain's Code of Ordinances.
3. For any business requiring any state or federal license or certification, the applicant must hold and maintain such current and valid license(s) and certification(s).
4. Entities must be in and maintain good standing in their state of registration.
5. Grants are non-assignable.

PROCESSING STEPS

- Step 1. Applications must be submitted to the Village Clerk at the Village Hall (for current address, consult the Village's website at <https://www.villageofplain.com>). Applications must include sufficient information to allow the Village to determine that the applicant is eligible for a Grant Award.

Required information includes but is not limited to: three years of financial projections; number of expected employees; expected wage rates; expected annual gross income; a current and valid lease or deed evidencing an interest in the primary business location within the Village; for entities, proof that the entity is in good standing in its state of registration; and for businesses requiring a state or federal license, a copy of a current and valid license.

Step 2. The Village Clerk will forward the application to the Development and Planning Commission for review at its next scheduled meeting. The Clerk will notify the applicant of the date when the Commission will meet to consider the application.

Step 3. The Development and Planning Commission will meet and review the application for compliance with this Manual. **The applicant or applicant's agent must attend the Commission's meeting or consideration of the application will be deferred.** An application deferred due to an applicant's non-excused absence will be deemed submitted as of the missed meeting date. The Commission may defer decision on the application if the application is not complete. An application deferred due to material and non-excused incompleteness will be deemed submitted as of the date of submission of a complete application. **Deferral may cause grant funds not to be available for the applicant.**

At the meeting, the Commission may request and require receipt of additional information from the applicant to determine if the applicant is eligible for a Grant Award and is or will be in compliance with all required grant conditions. The Commission will make recommendations to the Village Board for approval or disapproval. The Clerk will notify the applicant of the date when the Board will meet to consider the application.

Step 4. The Village Board will meet and review the application and the Development and Planning Commission's recommendation. **The applicant or applicant's agent must attend the Board's meeting or the application will be denied.** The Board may defer consideration of an application based upon an excused absence of the applicant. The Board has the sole discretion to approve or deny any application. The Board may set the amount of the grant, impose conditions upon the applicant's receipt of the grant funds, request additional information and defer a decision, or take any other action it deems necessary.

Step 5. Following approval, the Village will prepare and furnish the applicant with a grant agreement.

Step 6. The applicant must sign the grant agreement and return it to the Village Clerk.

Step 7. According to the terms of the grant agreement, the applicant must apply for payment within 30 days of the end of each business year, or payment may be denied. Applications for payment must be submitted to the Village Clerk at Village Hall.

Applications for payment must include sufficient documentation to demonstrate compliance with the grant agreement, including but not limited to: the number of days the business was operational; the number of employees employed during the business year; the number of hours the employees worked; the total wages paid; if an entity, that the entity remains in good standing in its state of registration; and for businesses requiring a state or federal license, a copy of a current and valid license. Applicants must sign a certification as to the accuracy of all information submitted.

Step 8. The Village Clerk will forward the application for payment to the Development and Planning Commission for review at its next scheduled meeting. The Clerk will notify the applicant of the date when the Commission will meet to consider the application for payment.

Step 9. The Development and Planning Commission will meet and review the application for payment for compliance with the grant agreement. **The applicant or applicant's agent must attend the Commission's meeting or consideration of the application for payment will be deferred.** The Commission will grant or deny the application for payment. If the applicant has met its obligations under the grant agreement, as determined in the Commission's sole discretion, and timely filed a complete application for payment then the Commission will direct the Village Clerk to make payment of the amount then due and payable. If the Commission denies the application for payment, the Commission will make its determination in writing.

Step 10. If the Development and Planning Commission denies an application for payment, the applicant may appeal this determination to the Village Board. The applicant must submit a written request for appeal to the Village Clerk within 30 days of the Commission's decision, or the Commission's determination will stand. Upon receipt of a properly filed request for appeal, the Village Clerk will schedule a hearing before the Board within 45 days of receipt of the written request for appeal and notify the applicant of the hearing date. **The applicant or applicant's agent must attend the Board hearing or the Commission's determination will be affirmed.** At the hearing, the applicant may present arguments and additional information. The Board may affirm or modify the Commission's determination. The determination of the Board will be final and binding on the applicant.

INTERPRETATIONS OF THIS MANUAL

The Village Board is charged with the interpretation of this Manual, and may make such interpretations or clarifications as may be requested or needed.

VILLAGE COSTS

There is no application fee for a New Business Incentive Grant. The Village may include within a grant agreement a maximum cap on costs that the Village will incur towards the review and processing of grant applications and applications for payment, and a condition on the award that an applicant must reimburse the Village for costs exceeding the cap.