

Business Grant Program



Introduction

The City of Veneta is proud to offer a Business Grants Program to businesses and nonprofits within Veneta's Urban Growth Boundary. The overall goals of the City's Business Grants Program are to encourage business expansions and startups which create or retain job opportunities in Veneta, and add to a vibrant business climate. Eligible businesses & nonprofits may apply to receive a matching grant from the City in an amount not to exceed \$25,000. The application process is intended to provide the Business Assistance Committee and Veneta City Council with the information necessary to determine which applicants are awarded grants.

How to Submit a Grant Application

- Applicants may begin the process to submit a grant by contacting staff at the City of Veneta for a preliminary interview. Contact staff in-person at Veneta City Hall, by phone at 541-935-2191, or by email at ithode@ci.veneta.or.us
- After a preliminary interview, interested persons may begin to complete the application packet which includes:
 - Grant Application Form
 - Business Plan.
 - Profit & Loss Statements for the Last Three Months.
 - Business Bank Statements.
 - Veneta Business License.
- Grant applications may be submitted in person at Veneta City Hall or **(preferably)** by email at ithode@ci.veneta.or.us
- Grant applicants must also pay an application fee in person at Veneta City Hall.
 - \$50 for applicants with 5 or less full-time equivalent employees
 - \$100 for applicants with more than 5 full-time equivalent employees
 - If an applicant is awarded a grant by the City of Veneta, then the application fee may be applied toward the cost of any required match.
- Upon successful staff review, applicants will be considered by the Business Assistance Committee (BAC). The BAC will review grant applications in detail and make recommendations to Veneta City Council. BAC grant meetings will be closed to the public and details will remain confidential to protect the personal and business information of applicants.

- Positive BAC recommendations will be considered by City Council at the next possible Council Meeting. City Council will award grants at their discretion. Sensitive personal and business information from applicants will be kept confidential at this meeting.

After Being Awarded a Grant

- Successful grant applicants will be required to sign a contract with the City of Veneta that formalizes the terms of the grant award.
- Grant funds will be disbursed as reimbursements. Grant recipients will purchase eligible goods and services and provide proof of purchase to staff at the City of Veneta. Staff will then reimburse the grant recipient for up to 75% or 50% of the costs of goods or services (depending on the grant award and required match).
- Staff will only provide reimbursements for goods and services included in the application. Unexpected or additional costs will not be eligible for reimbursement.
- Successful grant applicants will be eligible for reimbursement within the fiscal year in which granted an award. Reimbursement is not guaranteed for projects that extend past the fiscal year, which runs from June to July. If a project extends past the fiscal year, applicants must be reapproved for funding by the BAC and City Council.

Eligibility & Criteria

Eligible applicants include private for-profit and nonprofit organizations located inside Veneta's Urban Growth Boundary (UGB). Ineligible applicants are entities and organizations other than those described above.

A. Eligible Projects and Activities

Generally, the Business Grants Program (BGP) will be available to support the start up or expansion of businesses within Veneta's (UGB). Activities that may be undertaken include, but are not limited to, the following:

- Acquisition of machinery, equipment, furniture, and fixtures.
- Acquisition and assembly of land for commercial, industrial, and related uses. Speculative activities, such as land banking and construction of speculative buildings, are not eligible. Acquisition of abandoned properties with redevelopment potential, though not for speculation.
- Development of real estate, including redevelopment and rehabilitation of historical buildings for industrial or commercial use.
- Other investments, which will accelerate repurposing of land and facilities for job creating activity, such as assistance to firms to locate or expand in such facilities.

- Improvements to commercial or industrial facilities and streets.
- Working capital needs (No more than 25% of the grant award may be used for working capital).

B. Eligible Costs

Total project costs must be included in the application. The BGP may not fund any additional, incidental, or unexpected project costs associated with a project that are not explicitly described in the application. Eligible costs include, but are not limited to, the following:

- Land costs, such as engineering, legal, grading, testing, site mapping, related costs associated with acquisition, and preparation of land.
- Building costs, such as real estate, engineering, architectural, legal, permit fees, System Development Charges, and related costs associated with acquisition, construction, and rehabilitation of buildings.
- Machinery and equipment costs, including delivery, installation, engineering, architectural, legal, insurance, and related costs associated with acquisition and installation of machinery and equipment.
- Other costs contributing directly to the value of the project fixed assets, such as sales and use taxes, and interest on interim construction financing.
- Adequate contingency reserves.
- Working and startup capital.

C. Ineligible Projects and Activities

These include:

- Projects involving the relocation of any firm from one area in the community to another, unless such move meets the job preservation or creation standards elsewhere described herein.
- Projects for which all funds are judged by the City Council to be otherwise available from private lenders or other public agencies at terms which will permit the accomplishment of the project at a non-prohibitive cost.

D. Ineligible Costs

These include:

- Acquisition of equity in private businesses.
- Subsidy of interest payments on existing loans.
- Refinancing or payoff of loans made by other lenders, except if the BAC's approval is given prior to such loan issuance.

E. Grant Eligibility Criteria

To be considered eligible for the BGP grant, applications must meet the following criteria.

- Location: Projects that have a physical location must be located within Veneta's UGB. The organization/applicant receiving funds must be located within, or relocating to, within Veneta's UGB.
- Employment Ratio: One full-time equivalent job will be created, retained, or supported for each \$25,000 of BGP grants.
 - A full-time equivalent job is defined as employment of at least 30 hours per week, or 130 hours per month.
 - Multiple positions may fulfill this criterion, subject to approval from the BAC and City Council.
- Ability to Match: Grant applicants must demonstrate the ability to meet any required match.
 - Businesses with 5 or fewer full-time equivalent employees are required to match grant funds to cover least 25% of the total cost of a grant funded project. Example: If a project costs \$1000, then grant award may not exceed 75% (\$750) and the applicant must demonstrate the ability to fund 25% (\$250) of the project.
 - Businesses with more than 5 full-time equivalent employees are required to match grant funds to cover at least 50% of the total cost of a grant funded project. Example: If a project costs \$1000, then grant award may not exceed 50% (\$500) and the applicant must demonstrate the ability to fund 50% (\$500) of the project.
- Demonstration of Need: Businesses must demonstrate that they are not able to fund a project through traditional means or that funding a project through traditional means would be cost prohibitive.

Grants eligibility is determined by a projects ability to meet the purpose of the Business Grant Program. Preference will be given to projects that show the following economic benefit to the community:

- Creation or retention of permanent jobs involving skills related to manufacturing and industrial production.
- Linkages with the area's existing economy which would permit a business to absorb displaced or underemployed skilled workers in the area labor force, particularly for the low and moderate income.
- Companies whose markets appear to indicate the opportunity for significant expansion or production, and employment, over the short term.
- Significant opportunities for the development and/or expansion of disadvantaged business enterprises, minority-owned businesses, woman-owned businesses, veteran-owned businesses and emerging small businesses certified under ORS 200.055.

Administrative Elements

A. Business Assistance Committee

The Business Assistance Committee (BAC) reviews all applications in detail and makes recommendations to the City Council to award grants to applicants. The BAC consists of five members, one of which is a City Councilor, and two liaisons from the Economic Development Committee. BAC appointments are made by the Mayor and approved by the Council for terms of two years. Preference is given to the appointment of a commercial lending and/or accounting professionals.

The Business Assistance Committee reviews Business Grant Program applications on a quarterly basis, elects its own Chairperson, has its own by-laws, and receives legal services “as needed”.

B. Staff Operation

The operation of the Business Grants Program (BGP), or parts thereof, may be performed by the staff of the City of Veneta or by any agent or entity with whom an agreement may be entered into for such purposes.

The primary activities of the staff with respect to the Program are as follows:

- Publicize BGP objectives and availability in the Veneta community.
- Screen all applicants, inviting promising candidates to submit detailed applications.
- Ensure the proper execution of documents for successful applicants.
- Monitor ongoing operations of grant recipients.
- Collect proof of purchase from grant recipients and disburse grants funds appropriately.
- Provide regular financial reports for the BGP, including individual account status.