



BUSINESS INNOVATION GRANT

POLICY & PROCEDURE

Objective:

In 2013, the City of Grundy Center established the Business Innovations Grant Program under the provisions of Chapter 15A of the Code of Iowa, in order to make available public funds for the support of economic development initiatives and business development in the community. The Program will include the funding of forgivable economic development loans to private entities for the funding of improvements to local businesses and business facilities.

Committee:

The City Council of the City of Grundy Center established the Committee to be vested with the authority to provide for the management, control and administration of Committee business and meetings. The primary functions of the Committee shall be to (1) collect, review and evaluate applications for loans from the program; (2) make recommendations to the City Council with respect to the approval, denial and degree of loan funding for the program applications received; and (3) make recommendation to the City Council with respect to the structuring, documentation and administration of the program. The Committee consists of the Mayor, two (2) City Council Members, Chamber Main Street Director and City Clerk.

Principles:

The Principles of this program are that the project must be feasible, sustainable, relevant, make the Community a better place, meet all planning and zoning requirements and be started within (6) six months of award and completed within one (1) year of award.

Rules & Guidelines:

- BIG Grants are awarded to improve the appearance of the business or the property, improve the overall safety of the building or to extend the life of the building, or to expand business or jobs in our community.
- BIG Grants may be awarded for improvements to a building's structure (including, but not necessarily limited to, windows, doors, roofing, and facades), HVAC Systems, concrete for sidewalk/driveway.
- BIG Grants may also be awarded for upgrades to plumbing and electrical systems within a building to ensure the plumbing and electrical systems meet all applicable codes, sidewalk repair or replacement and concrete. Other fixtures and business equipment are not eligible.
- BIG Grant application must be signed and approved by the building owner.
- Applicants must be current on all municipal utilities, fees (including all accounts with Grundy Center Municipal Utilities), and city property taxes, etc.
- All applications must be accompanied with at least two bids/estimates/quotes for all work, of which one contractor must reside within Grundy County. Floor plans/renderings and before & after pictures must be included. Applicants must receive an award letter prior to any work being started.
- All awarded projects will have a before and after inspection to ensure completion by a committee member. No projects should be started prior to an award letter being received.
- One property owner may be awarded one grant per twelve (12) month period.
- Maximum grant award is \$20,000 per twelve (12) month period.

- Once a grant is awarded, a three (3) year Mortgage Lien is placed on the property. The property must continue to be used for the primary use at time of award for three (3) years. If not, the awarded amount will be prorated and must be refunded back to the City of Grundy Center by the property owner.
- The City reserves the right to award half of the allocated annual funds in the second half of the fiscal year.
- Applicants are required to present the application to the BIG Grant Committee and a formal presentation to City Council. Grant awards will not occur on night of presentation.
- Applications due April 1st and October 1st. Grants will be reviewed and awarded twice during a calendar year. If due date falls on a weekend, applications are due by end of the prior business day.
- Not following rules or requirements will cause an application to be rejected. No exceptions.

Reimbursement of Award:

- Final invoices and proof of payment must be submitted on contractor letterhead and signed by both parties with the acknowledgement that this is binding in terms of a grant award. Proof of payment/canceled checks required. No cash payments accepted.

Procedure:

1. Application is completed and turned in to City Hall.
2. Application is reviewed by BIG Grant Committee. If recommended to City Council, then the City Council needs to review and approve a resolution and an award letter is sent to applicant. If not recommended to City Council, a denial letter is sent to applicant.
3. City Clerk completes the Forgivable Loan Agreement and Mortgage Lien. Once signed by both the applicant and City, the mortgage lien is recorded with the County Recorder.
4. When work is done and a final inspection completed, copies of final invoices and proof of payment must be submitted to City Clerk for award to be paid from the City of Grundy Center.
5. When three (3) year contract has been executed, the City of Grundy Center will release the Mortgage Lien on the property.

Exhibits Attached:

BIG Grant Application

Forgivable Loan Agreement

Mortgage