

ORANGE COUNTY BUSINESS INVESTMENT GRANT PROGRAM

Guidelines

PURPOSE

The purpose of the Orange County Business Investment Grant Program (Grant Program) is to stimulate successful non-farm Business Investment development and expansion in Orange County (County). Farmers should complete the Orange County Agricultural Grant Application.

By making economic development grant funds available, the County will be growing its entrepreneurial ecosystem, supporting existing Business Investment and early-stage venture growth, in order to increase jobs, opportunities and grow the commercial tax base in Orange County.

Businesses receiving funding through this program will be encouraged to be good corporate citizens and encouraged to employ Orange County residents.

The program will provide two types of grants:

- **Small Grants: Up to \$1,500.00**
- **Large Grants: From \$1,500.01 - \$10,000.00**

GRANT SUBCOMMITTEE

The Grant Subcommittee (Subcommittee) will review all applications and make grant recommendations. The Subcommittee will be comprised of 5 members from the Orange County Economic Development Committee.

The Subcommittee Chair, elected by the Subcommittee, shall generally monitor the duties of the Grant Program administration; make sure grant proposals are properly prepared prior to their presentations at the Subcommittee meetings; and oversee the preparation of commitment letters to approved grantees, with the assistance of County staff if needed. Grant commitment letters will be signed by the Chair and/or by County staff.

The Subcommittee will have the following responsibilities:

- Find creative ways to grant funds to stimulate successful Business Investment development and job creation.
- Review grant applications quarterly and, determine which applications meet eligibility requirements and whether an eligible application will be approved, approved with conditions, or submitted to the applicant for more information.
- Periodically review status of existing grants to determine if funds are being used in the manner in which they were intended, and recommend appropriate corrective action where needed.
- Evaluate grant application requirements and make appropriate adjustments as needed to accomplish the objectives of the program.
- Conduct annual review of grants and their impact on the County's Business Investment environment.
- Provide explanation of why grant was not approved, if requested.

GRANT PROGRAM ADMINISTRATION

The Grant Program will be administered by a Subcommittee consisting of five members from the Orange County Economic Development Committee. The Subcommittee will meet quarterly to make and facilitate grants. A quorum will consist of 3 voting members of the Subcommittee. County staff may be utilized to service grants, including receiving applications, notifying applicants of the Subcommittee's decision, making payment to recipients, and generating administrative reports.

DEADLINES (of each year by 5:00 pm)

- March 31
- June 30
- September 30
- December 31

FUNDING

The County will provide funding for the Grant Program through revenues generated from the Orange County quarter cent sales tax.

COMMITMENT PERIOD

The County will support the Program until funding is exhausted; demand for the Program no longer exists, or until it is no longer financially feasible.

ELIGIBILITY

- Applicant's business must be located in Orange County in areas zoned appropriately for their use.
- Applicant's business must be in operation for at least 6 months prior to the application deadline.
- Applicants and their businesses must not have any past due tax, fee, or fine in Orange County.
- Applicant must wait at least 6 months from previous award before reapplying if they have received funding under the small grant category, or one year if they have received funding under the large grant category.

CONDITIONS OF RECEIVING A GRANT

- Applicant must fill out a grant application.
- Applicant may be asked to appear before the Subcommittee for an interview to detail how grant funds will be used, and answer any questions about their business or application.
- Each venture receiving a grant must provide an accounting of how all funds were used and key milestones reached by the venture within 180 days of the receipt of the grant.
- As a condition of receiving grant funds, Grant recipients may be asked to commit to mentoring with an experienced business coach or mentor at:

➤ **SCORE Chapel Hill (Service Corps of Retired Executives)**

104 S. Estes Drive, Chapel Hill, NC 27516

(919) 240-7765

<https://chapelhill.score.org/>

Chapelhillinfo@scorevolunteer.org

➤ **SBTDC (Small Business & Technology Development Center)**

UNC Chapel Hill, 1700 Martin Luther King Jr Blvd

Suite 115 / CB# 1823, Chapel Hill, NC 27514

(919) 962-0389

<http://www.sbt dc.org/offices/unc/#sthash.UJQjZW0L.dpuf>

➤ **Launch Chapel Hill (by application)**

321 W Rosemary St, Chapel Hill, NC 27516

(919) 240-7765

<http://www.launchchapelhill.com/>

info@launchchapelhill.com

➤ **1789 Venture Lab (by application)**

173½ East Franklin Street, Chapel Hill, NC 27514

<http://1789venturelab.com/>

1789management@gmail.com

➤ A mentor approved by the Subcommittee

ELIGIBLE USES OF GRANT PROCEEDS

- Working capital or operational funds to be used for a specific purpose.
- Purchase of equipment, or machinery.
- Expansion of business services or products.
- Work force expansion.
- Tenant up-fit or leasehold improvements.

GRANT PROCEEDS SHALL NOT BE USED FOR THE FOLLOWING

- Paying off or down existing bank debt or investor loans
- Purchase of equipment or improvement of real estate, which are used or to be used for personal use
- Political activities
- Owner salary
- Speculative ventures (Examples: drilling for gas or oil, commodity futures).
- Lending or investment
- Real property held for sale or investment
- Pyramid sales - distribution plan businesses
- Foreign controlled businesses
- Private membership clubs

COMPLIANCE WITH APPLICABLE REGULATIONS

In all cases, grants made from this program must be consistent and in accordance with the following:

- All state and local regulations governing the applicant's business.
- Terms and conditions established by the Subcommittee for each particular applicant.
- Policies established by the Board of County Commissioners dealing with the Grant Program.
- Ventures that implement planning and economic development policies which create a balanced, dynamic local economy that promotes diversity, sustainable growth, and enhanced revenue while embracing community values will also be given priority.

AMOUNT OF GRANTS

Small Grant - Minimum Up to \$1,500.00

Grant applications for \$1,500.00 or less will have a separate and simplified application.

Large Grant – Maximum Up to \$10,000.00

Grant applications for \$1,500.01 or more will require additional financial information and documentation of how grant proceeds will be used. Should market conditions change, or in the event of an applicant with extraordinary conditions, a grant amount exceeding the maximum may be considered by the Subcommittee. All grants are subject to availability of funds.

GRANT APPLICATION GUIDELINES

Small Grant Application Requirements (\$1,500.00 or less; 2 - 3 pages)	Large Grant Application Requirements (\$1,500.01 - \$10,000.00; 8 - 15 pages)
<p><u>Business Information:</u></p> <ol style="list-style-type: none"> 1. Business Name/DBA 2. Street Address/Mailing Address 3. Date Established 4. Number of Employees 5. Business phone number 6. E-mail address 7. Tax ID/ Employment Identification Number <p><u>Business Financial Information:</u></p> <ol style="list-style-type: none"> 8. Annual Sales for the past 3 years (if applicable) 9. Business Financial Statements (Balance Statement, Profit & Loss, etc. for 3 years, if applicable) 10. Current Business Checking Account Balance 11. Balance In Other Accounts 12. Existing Business Debts 13. 250-500 Word Description Of Business (When & where it was started, market, target customer, future plans, etc.) <p><u>Business Financial Information:</u></p> <ol style="list-style-type: none"> 14. Amount of Grant Requested & Detailed Use of How Funds will be used. 	<p><u>Business Information:</u></p> <ol style="list-style-type: none"> 1. Business Name/DBA 2. Street Address/Mailing Address 3. Date Established 4. Number of Employees 5. Business phone number 6. E-mail address 7. Tax ID/ Employment Identification Number 8. Primary bank 9. Accounting firm 10. Attorney <p><u>Business Financial Information:</u></p> <ol style="list-style-type: none"> 11. Annual Sales for the past 3 years (if applicable) 12. Business Financial Statements (Balance Statement, Profit & Loss, etc. for 3 years, if applicable) 13. Current Business Checking Account Balance 14. Balance(s) In Other Accounts 15. Existing Business Debts <p><u>Description of Business Operations:</u></p> <ol style="list-style-type: none"> 16. Detailed Written Business Plan (5-10 pages) or PowerPoint Pitch Deck <p><u>Grant Use Details</u></p> <ol style="list-style-type: none"> 17. Amount of Grant Requested & Detailed Use of How Funds Will Be Used (2-3 pages)

SUGGESTED SMALL GRANT GUIDELINES

Use of Funds - Priority will be given to ventures demonstrating a clear need for grant funds to grow their business, hire additional staff, grow the commercial tax base, and/or create a significant social and economic impact in the County.

SUGGESTED LARGE GRANT GUIDELINES

High Potential Founders - Although all applicants will be considered, business owners who exhibit the following characteristics will be given priority:

- a. Have a thorough understanding of their market
- b. Have assembled a talented team
- c. Have a passion for building their venture in Orange County

High Potential Ventures - Priority will be given to “growth” ventures capable of expanding rapidly, renting office space in Orange County, and hiring Orange County employees.

Use of Funds - Priority will be given to applicants demonstrating a clear need for grant funds to grow their business, hire additional staff, grow the commercial tax base, or create a significant social impact in the County.

PROCEDURES

1. Applicants will be referred to the Orange County Economic Development (Department) website where they will complete and submit their application. Applications (with required documents) should be submitted via:
 - email: edcmail@orangecountync.gov
 - mail/deliver: Orange County Economic Development
131 W. Margaret Lane, Suite 205
Hillsborough, NC 27278
1. If asked to appear before the Subcommittee, applicants will be provided interview dates and times no later than two weeks prior to the Subcommittee's next meeting date.
2. County staff will provide completed applications to the Subcommittee for their review no later than three weeks prior to its next scheduled meeting.
3. At its scheduled quarterly meeting, the Subcommittee will discuss the strengths and weaknesses of complete grant application(s) and decide whether or not to take action on the request, based on the information provided.
4. The Subcommittee shall take action that may include funding the request at the full amount, partially funding the request, deferring the request to the next grant cycle while requesting additional information, or denying the request. They will submit determinations in writing to County staff.
5. The applicant will be informed in writing by County staff of the Subcommittee's decision to deny, grant, grant with condition, or seek more information. If the Subcommittee denies a grant request, it shall provide an explanation to the applicant.
6. Should the Subcommittee deny an application; the Subcommittee will not consider any applications from that applicant for at least six months. Should an applicant think that their application has been improperly denied, then the applicant may notify, in writing, the Subcommittee. The notice to the Subcommittee shall state why the applicant thinks the grant should be approved. The application shall then be given further consideration by the Subcommittee and its decision is final.
7. At its discretion, the Subcommittee may impose any additional terms to a grant request. The Subcommittee may require an itemized budget detailing the proposed use of grant funds.
8. Applicants agree to utilize grant funds for their intended use. Each venture receiving a grant must provide an accounting of how all funds were used, or will be used, and key milestones reached by the venture within 180 days of the receipt of the grant.
9. As a condition of receiving grant funds, grant recipients may be asked to commit to a mentoring period as detailed above (CONDITIONS OF RECEIVING A GRANT).
10. If an applicant fails to complete items #8 and #9 in a timely manner, the County has the right to require all grant funds back from the applicant, and may initiate legal proceedings against the applicant.
11. The Subcommittee shall provide annual reports to the Economic Development Department and the BOCC of the number of grants requested, approved and denied, and a 2-3 page written analysis of the program's success metrics to date.
12. Documents, including but not limited to financial statements, business plans, customer and supplier lists, description of inventory or assets, contractual obligations and existing liabilities, submitted during the application process shall be treated as confidential information.