

Appendix B: Economic Development Assistance Program Guidelines

I. Graduated Rental Assistance

- a. The primary goal of the Graduated Rental Assistance Program is to reduce the burden of rental expenses on new business and to help offset the initial startup costs of the business.
- b. The business must be a for-profit venture. Non-profit and governmental organizations are not eligible for the program.
- c. Grant funds cannot be used to fund rent for any portion of the property use for residential purposes. In such cases, the total rental may be adjusted proportionally to reflect usage of the property.
- d. At no point will MVEDC pay 100% of the rental expenses for any recipient of this program.
- e. The rental assistance is designed to gradually reduce over a period of time and the owner will assume responsibility of the full rental costs at the end of the program.
- f. All disbursements through this program will be made in the form of a reimbursement following the submission of a copy of the check paid to the property owner and/or a recipient from the property owner.
- g. Gradually, the program will span a 12-month time frame with MVEDC reimbursing 75% of the total rent to be paid for four months of the agreement, 50% of the total rent cost to be paid for the second 4 months of the agreement, and 25% of the total rent cost to be paid for the 4 third months of the agreement.
- h. The City Council and the MVEDC Board may approve a modification to the standard rate and duration of the program on a case-by-case basis.
- i. Recipients may receive only one Graduated Rental Assistance Agreement in any 12-month period, and it may be used to assist with only one property during that period.
- j. Total rental amount should not exceed \$2,000 per month and must be comparable to similar rental rates for similar properties in the area of the business property. This will result in a maximum payment of rental assistance in the amount of \$12,000 to the applicant. In cases where the rent may be higher than comparable properties, a different rental rate may be used for the program calculations and agreement. In such case, the MVEDC Director will provide the applicant and the MVEDC Board with evidence used to calculate the comparable rate.
- k. All disbursements through this program will be subject to performance requirements set forth in incentive agreement, including but not limited to a period of time for which the business must remain in operation following the completed disbursement of funds.
- l. MVEDC assumes no liability for the satisfaction of the lease agreement between the property owner and the tenant. This agreement is between the tenant and the MVEDC and will be strictly a reimbursement of the costs required to satisfy the terms of the tenant's lease agreement with the property owner.

II. Existing Business Building Improvement Assistance

- a. The purpose of the Existing Business Structure Assistance Program is to enhance the economic sustainability of the City of Mount Vernon by assisting for-profit business building owners and lessees in business building renovation processes, thereby encouraging increased ad valorem and/or sales tax.
- b. Examples of eligible improvements under this Section include, but are not limited to, mechanical equipment, electrical equipment or upgrades, plumbing equipment or upgrades, grease traps, roofing improvements or modifications, drainage structures and/or cosmetic improvements such as finish-out modifications.
- c. The structure on which the improvements to be made must be at least five years old.
- d. Owners of multiple buildings or structures may submit only one application per fiscal year and may not have existing agreements on multiple properties at any one time.
- e. MVEDC may approve the full amount requested, a portion of the amount requested, or no amount at all.
- f. All grants provided under the program are reimbursements for cash expenditures by the applicant and require the applicant provide a match of at least twice the amount awarded (2:1 match required)
- g. Not-for-profit and governmental organizations are not eligible to receive this funding.
- h. The MVEDC Board has discretion to consider the number of full-time employees of the business when evaluating whether to award the full requested assistance amount, a partial assistance amount, or no amount at all.
- i. All tax obligations must be current.
- j. Property owners must submit Appendix A: Property Owner's Certification if the applicant is a tenant at the property.
- k. The business owner will be required to obtain all necessary city and/or state permits, zoning, inspections, etc....prior to submitting an application for funding.
- l. The structure must be located within the Mount Vernon City limits.
- m. Applicants must have a valid Certificate of Occupancy from the City of Mount Vernon prior to receiving program funding.
- n. All disbursements through this program will be subject to performance requirements set forth in an incentive agreement, including but no limited to a period of time for which the business must remain in operation following the completed disbursement of funding.
- o. For projects that require an expenditure of more than \$5,000, the City Council must adopt an authorizing Resolution the project after giving the Resolution at least two separate readings.

III. Existing Business Equipment Assistance

- a. The purpose of the Existing Business Equipment Assistance Program is to enhance the economic sustainability of the City of Mount Vernon by assisting for-profit business building owners and lessees in acquiring, maintaining or upgrading critical equipment used in normal business operations, thereby encouraging increased ad valorem and/or sales tax.
- b. Examples of eligible equipment under this Section include, but are not limited to, required specialized equipment necessary for the normal operations of business such as: heavy equipment (forklifts, vehicle scales, etc.), medical imaging equipment, health care equipment, etc. Normal business equipment such as phone system, copy machines, fax machines, etc. shall not be eligible.
- c. Equipment must be purchased by the Applicant or business entity; leased equipment does not qualify.
- d. Applicant may only qualify for one grant per fiscal year and may not have existing agreements on multiple properties at any one time.
- e. MVEDC may approve the full amount requested, a portion of the amount requested, or no amount at all.
- f. All grants provided under the program are reimbursements for cash expenditures by the applicant and require the applicant provide a match of at least twice the amount awarded (2:1 match required)
- g. Not-for-profit and governmental organizations are not eligible to receive this funding.
- h. The MVEDC Board has discretion to consider the number of full-time employees of the business when evaluating whether to award the full requested assistance amount, a partial assistance amount, or no amount at all.
- i. All tax obligations must be current.
- j. Property owners must submit Appendix A: Property Owner's Certification if the applicant is a tenant at the property.
- k. The business owner will be required to obtain all necessary city and/or state permits, zoning, inspections, etc....prior to submitting an application for funding.
- l. The business entity must be located within the Mount Vernon City limits.
- m. Applicants must have a valid Certificate of Occupancy from the City of Mount Vernon prior to receiving program funding.
- n. All disbursements through this program will be subject to performance requirements set forth in an incentive agreement, including but not limited to a period of time for which the business must remain in operation following the completed disbursement of funding.
- o. For projects that require an expenditure of more than \$5,000, the City Council must adopt an authorizing Resolution the project after giving the Resolution at least two separate readings.

IV. Job Creation Incentives

- a. Program funding will be available to new and/or expanding businesses meeting the following criteria:
- b. Business must be located in Mount Vernon or Franklin County.
- c. Business must be a for-profit business.
- d. Owners and shareholders do not count as “new hires.”
- e. Jobs must be full-time jobs, 2 hours per week, 52 weeks a year. No part-time employees or combination of part-time employees will be considered.
- f. MVEDC must approve all applications before the business engages new hires.
- g. Business owners or shareholders cannot be employed by the MVEDC or City of Mount Vernon.
- h. Business name on application must be identical to the next listed on all documents required to engage in business, including business receipts.
- i. MVEDC may grant an amount up to \$1,000 per job, with a bonus \$200 for every employee that resides within the city limits and earns in excess of \$10.00 per hour. Number of jobs incentivized would be no more than 20 full-time employees, unless otherwise determined by the MVEDC.
- j. This is a reimbursement only program. Business applicant will be reimbursed ‘per job’ after new hire has completed 12-months employment. Texas Workforce Commission Quarterly reports required as documentation.
- k. New employee hire must result in a net increase in full time employees from the time of application at the end of the 12-month period. Documentation will be required from the business incentive recipient showing number of employees vs. number of employees at the 12-month ‘benchmark’.