



San Juan County Business Support Grant Proposal

INTRODUCTION

San Juan County's Grant Program has been a valuable resource for supporting local businesses. The funds for this program come from the Rural Communities Opportunity Grant (RCOG) Part A. This year, the proposed amount to support this program is **\$140,000**. To better serve the county's diverse business needs, the proposal for this program is to update the program to include:

1. **A new tiered funding approach**
2. **Adjust Grant Budget Breakdown:**
3. **Update Grant Application, Scoring System, and Reporting Structure**

NEW TIERED FUNDING APPROACH

Introducing a tiered funding system will better align grant opportunities with the size, stage of development, and economic impact potential of local businesses. By categorizing grants into three tiers, the program will allocate resources more strategically, ensuring a higher return on investment (ROI) for the county.

The tiered approach also addresses a persistent challenge facing Main Street businesses that require funding for renovations or project assistance. However, not all companies or cities are ready for comprehensive Main Street revitalization efforts. This new structure provides flexibility to businesses prepared for expansion, renovation, or shovel-ready projects. This may also inspire other business owners or property owners to be more active in maintaining or using their buildings for business growth.

By offering this tiered system, the program allows for greater flexibility in funding allocation, ensuring that businesses and cities prepared for growth receive the necessary support while assisting those in the early stages of readiness.

GRANT BUDGET BREAKDOWN

The San Juan County Business Support Grant proposed a budget request for the program, which has a total budget of **\$140,000**. To better serve the diverse needs of local businesses, the program will distribute funds across three distinct tiers. This tiered system ensures that companies of varying sizes and stages of development can access the financial support they need to grow and thrive.

Tier 1: Large Business Growth Grants

- **Total Budget Allocation:** \$60,000
- **Estimated Number of Grants:** 1 - 2 businesses
- **Grant Amount per Business:** Up to \$60,000
- **Explanation:** Tier 1 is for large businesses or projects with substantial growth potential. It focuses on projects with a high return on investment (ROI) for the county, such as significant expansions, job creation, or major facility upgrades. Only a few grants will be awarded in this tier, representing a substantial investment in the county's economic development.

Tier 2: Business Expansion or Main Street Business Grants

- **Total Budget Allocation:** \$50,000
- **Estimated Number of Grants:** 1 - 3 businesses
- **Grant Amount per Business:** Up to \$25,000
- **Explanation:** Tier 2 supports small to mid-sized businesses looking to expand or improve their operations. These grants will help companies that need moderate funding for improvements, expansions, or projects that support community revitalization, such as Main Street businesses.

Tier 3: Seed Money, Equipment, Project, and Small Business Grants

- **Total Budget Allocation:** \$30,000
- **Estimated Number of Grants:** 50 - 100 businesses
- **Grant Amount per Business:** \$200 - \$3,000
- **Explanation:** Tier 3 is focused on startups and small businesses, providing seed money for new ventures or operational costs for small businesses. This tier will have the highest number of recipients, making it an essential tool for encouraging entrepreneurship and supporting early-stage companies in the county.

UPDATED GRANT APPLICATION, SCORING, AND REPORTING

Grant Application Requirements

For all tiers, the updated application process will include the following:

- **Basic Business Information:** Contact details, business name, and history.
- **Quotes for Projects:** Required for any renovations, new buildings, or equipment purchases.
- **General Contractor Requirement:** For renovations or new builds, businesses must use a licensed general contractor and comply with all permits and legal requirements.

Scoring and Criteria by Tier

The updated San Juan County Grant Program utilizes a tiered scoring system to ensure Each tier includes specific scoring criteria, ensuring grants are allocated based on business performance, project readiness, and community impact.

Tier 1: Large Business Growth Grants

Scoring Criteria:

- **Business Longevity (20 points):** Higher scores for businesses with longer operating histories, demonstrating stability and experience.
- **Profit and Loss Statement (20 points):** Applicants must provide a comprehensive P&L statement, with higher scores for demonstrating sound financial management and profitability.
- **Shovel-Ready Projects (30 points):** Projects must be shovel-ready, with quotes and clear budgets. Detailed plans, including contractor bids and timelines, will score higher.
- **Job Creation Potential (20 points):** Higher scores for projects that demonstrate the potential for significant job creation.
- **Matching Funds Requirement (5 points):** A 10% match of the requested grant amount is required, which can include cash, land, or buildings. Applicants showing a strong commitment through matching funds will score higher.
- **Business Technical Assistance (5 points):** Applicants who meet with a business technical assistance provider (SBDC, WBC, ashTEC, SJC Economic Development Office) can earn additional points.

Total Available Points: 100

Tier 2: Business Expansion or Main Street Grants

Scoring Criteria:

- **Business Longevity (15 points):** Higher scores for businesses with a longer history of operation, reflecting their stability.
- **Profit and Loss Statement (15 points):** Points awarded for businesses that can demonstrate sound financial management practices through their P&L statement.
- **Shovel-Ready Projects (35 points):** Projects ready to begin upon grant approval, with clear quotes, budgets, and timelines, will score higher.
- **Job Retention Potential (20 points):** Businesses that can show how the grant will help retain existing jobs will score higher.
- **Matching Funds Requirement (10 points):** A 5% match of the requested grant amount is required. Matching funds can include cash, land, or buildings.
- **Business Technical Assistance (5 points):** Applicants who meet with a business technical assistance provider (SBDC, WBC, ashTEC, SJC Economic Development Office) can earn additional points.

Total Available Points: 100

Tier 3: Seed Money Grants

Scoring Criteria:

- **Startup Costs and Operating Budget (30 points):** Applicants must provide a clear outline of startup costs or an initial operating budget. Thorough plans and a strong understanding of financial needs will score higher.
- **Financials (20 points):** Points awarded for applicants who can provide one of the following financial documents: startup budget, project budget, or P&L reports.
- **Return on Investment (30 points):** Applicants must explain how the grant will generate a return on investment (ROI), even if it's job creation for themselves. Clear paths to profitability will score higher.
- **No Matching Funds Requirement:** No match is required for Tier 3 applicants, lowering financial barriers for new businesses.

- **Business Technical Assistance (5 points):** Applicants who meet with a business technical assistance provider (SBDC, WBC, ashTEC, SJC Economic Development Office) can earn additional points.

Total Available Points: 100

Award Process

1. Application Review and Scoring:

- Applications will be reviewed by the San Juan County Economic Development Board. Each application will be scored according to the specific criteria for the respective tier.
- Businesses that meet the minimum score threshold will be considered for funding.

2. Grant Award Notification:

- Successful applicants will receive an official **Award Letter**, which will detail the terms of the grant, reporting requirements, and how funds will be disbursed. The letter will outline the project's timeline, the percentage of funds awarded, and the reporting expectations.
- A detailed timeline of when businesses will receive their checks will be included in the Award Letter, ensuring they know when and how the funds will be transferred.
- Each awardee will be required to sign an MOU.

Distribution of Funding

One potential area for discussion is the structure of grant payments:

- **Reimbursement Grants:** For Tier 1, consider offering 80% of the grant upfront, with the remaining 20% distributed upon submission of receipts and project completion. This ensures accountability but may challenge businesses in a rural area where cash flow is limited.
- **Upfront Grants for Smaller Tiers:** For Tier 2 and Tier 3, consider offering the full amount upfront to avoid putting undue financial strain on businesses that may not have the resources to front the costs.

Reporting Process

1. Reporting Requirements:

- Grant recipients will be required to submit **progress reports** throughout the year. These reports may include:
 - A breakdown of expenses incurred.
 - Progress updates on the project (e.g., milestones met, challenges encountered).
 - Receipts for expenditures.
 - Reports will be submitted to the **San Juan County Economic Development Office**, which will review the reports for completeness and compliance.
2. **CED Board Updates:**
- Each progress report will be provided to the **County Economic Development (CED) Board** for review during their regular meetings. This provides transparency and accountability as the board monitors project progress.
3. **Final Report:**
- A **final report** must be submitted before the last CED Board meeting of the year and prior to submitting the final report to the **State of Utah**. This report should include:
 - A complete financial breakdown (all receipts and invoices).
 - Final outcomes of the project (job creation/retention, renovations completed, equipment purchases, etc.).
 - Any amendments or changes made during the project's duration.
4. **Amendments and Changes:**
- If the project comes in under budget or the business needs to change the use of the grant funds, they may submit an amendment request to the Economic Development Office. Approval of amendments must align with the original grant scope, and changes must be reported in progress reports and approved by the **County Economic Development (CED) Board**.
5. **Reporting Form or Template:**
- An outline or **reporting form** will be provided in the Award Letter. This form will detail exactly what information is required in each report, making it easier for grant recipients to comply with the reporting requirements. The form will include sections for financial details, project updates, and other key information.

Potential Challenges to Address

- **Does this grant include nonprofits? Would it be better to keep them on the lower tier?**
- **General Contractor Costs and Availability:** In our rural area, it can be expensive and difficult to find available contractors within the 12-month project window. Should we require General Contractors? Would it be better to have them submit permits as part of the reporting process?

- **Obtaining Quotes in Time:** Another challenge is that businesses often struggle to get quotes in time to complete their applications.
- **Reimbursement vs. Upfront Payments:** While reimbursement can increase accountability, many rural businesses don't have the financial resources to front the costs. We should discuss whether reimbursement should only apply to larger businesses (Tier 1) while offering upfront payments for smaller grants in Tiers 2 and 3.