

## **City of Rutland, Vermont**

### **Business Incentive Assistance Program Policy – Emergency Loan Provision**

**Draft 5-9-2024**

#### **I. Statement of Purpose**

The City of Rutland wishes to encourage industrial and commercial growth which will inspire a strong economy and create employment opportunities for all citizens. To accomplish this goal, a Business Incentive Assistance Program (BIAP) has been established and funded. In consideration of the negative impacts of Federally Declared Disasters on Rutland City businesses, this BIAP program has added an Emergency Loan Provision approved on (DATE).

It is the objective of the City of Rutland to support existing small businesses which have been significantly impacted by the Federally Declared Disaster to the point where their future operations may be in jeopardy.

#### **II. Eligibility**

Determination of eligibility and level of assistance will be based on the recommendation of the Rutland Redevelopment Authority (RRA) Board and subject to the approval of the Board of Aldermen (BOA). RRA and BOA reserve the right to prioritize among applicants based on the demonstration of need, services provided to the community, strength of application, likelihood of recovery, or other criteria as determined at the exclusive discretion of the RRA and BOA. Awards under the BIAP-Emergency Loan Provision shall be wholly within the discretion of the RRA and BOA.

Businesses shall be eligible to apply under this BIAP-Emergency Loan Provision if they are an existing City business and currently employ at least two (2) full-time employees but no more than fifty (50) full-time employees. For this program a full-time employee means an employee, other than the owner of the business, who is currently employed on average of at least 30 hours per week or 130 hours a month.

#### **III. BIAP Opportunities and Terms**

Business assistance opportunities available through the BIAP-Emergency Loan Provision will include the option of either:

- a. Loan of \$5,000 administered by the City via the RRA. Loan terms to be 0% interest, with all payments deferred for 12 months and a final payment of the initial principal due 12 months from the date of award; or
- b. Loan of \$10,000 administered by the City via the RRA. Loans terms to be ?% per annum interest, with all payments deferred for 24 months and a final payment of the initial principal plus interest due 24 months from the date of the award.

Upon BOA approval a formal BIAP agreement will be executed between the City and applicant to clarify in writing the terms of the agreement, and what the City and applicant's future obligations and responsibilities will be.

#### **IV. Criteria**

Subject to applicable minimum eligibility requirements set forth in Section II, applications shall be prioritized, and approved or denied, on the basis of whether and to the extent which the applicant can demonstrate one or more of the following criteria:

- a. That recently imposed business protocols related to the Federal, State and/or local Federally Declared Disaster response have created the current business hardship.
- b. That the current economic climate caused by the Federally Declared Disaster has created the current business hardship.
- c. That a business faces a significant need for an immediate emergency loan.
- d. That this emergency loan will alone, or coupled with other financial sources, sustain the business through the current Federally Declared Disaster protocols.
- e. That at the time of application, applicant's business is in good standing with the City of Rutland in relation to taxes, fees and permits.

#### **V. Non-compliance/Termination**

The BIAP-Emergency Loan Provision agreement shall be in writing and shall include all terms necessary to assure the City of the benefits that are the basis for providing incentive/assistance opportunities to the qualifying business.

Should the applicant fail to comply with the terms and conditions of the agreement, the City may choose to terminate the agreement and may require immediate repayment of any outstanding amounts provided to the defaulting business under this program, as well as, any associated fees and costs.

#### **VI. Application Process**

To be eligible for the financial assistance set forth herein, applicant shall complete and submit to the RRA a BIAP-Emergency Loan Provision application on a form provided by the RRA. As part of the application, the applicant shall demonstrate how the proposal meets and/or is consistent with one or more of the Criteria established in Section IV.

The RRA may request a current bank statement or other supplemental information as it may deem relevant or necessary to consider and act upon the application, and at the time of application the Applicant has a good faith, reasonable expectation and intention to repay the loan in accordance with its terms.

in the event that the RRA recommends financial assistance under this program, the RRA will present such recommendation to the BOA for its approval.

Applicant will be notified of all meetings and encouraged to participate in all proceedings before the RRA and BOA.