

SOUTHERN OHIO AGRICULTURAL AND COMMUNITY DEVELOPMENT FOUNDATION

ECONOMIC DEVELOPMENT GRANT APPLICATION HANDBOOK 2014-2015

**Southern Ohio Agricultural & Community Development
Foundation**

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INTRODUCTION

The Southern Ohio Agricultural and Community Development Foundation (SOACDF) is an organization created by the 123rd Ohio General Assembly and charged by the Ohio Legislature with providing agricultural and economic assistance to southern Ohio's tobacco counties. Pursuant to its legislative mandate, the SOACDF Board is created in R.C. 183.12 and enabled through R.C. 183.11 to R.C. 183.17, inclusive.

Pursuant to R.C. 183.15, the purpose of the SOACDF is as follows: (1) to replace the production of tobacco in southern Ohio with the production of other agricultural products; and (2) to mitigate the adverse economic impact of reduced tobacco production in the region by preparing, implementing, and keeping a current plan to develop means for tobacco growers to grow other agricultural products voluntarily.

The plan may include any of the following:

- (A) Increasing the variety, quantity, and value of agricultural products other than tobacco that are produced in those parts of this state where tobacco has traditionally been grown;
- (B) Preserving agricultural land and soils in those parts of this state where tobacco has traditionally been grown;
- (C) **Making strategic investments in communities that will be affected by the reduction in the demand for tobacco; and**
- (D) Providing education and training assistance to tobacco growers to help them make the transition out of tobacco production.

This handbook addresses the SOACDF Economic Development Grant Program application requirements. **However, the SOACDF Board of Trustees reserves the right to modify these requirements and time frames when circumstances warrant.**

FUNDING ALLOCATIONS

A total of **\$600,000** has been allocated by the SOACDF Board of Trustees for Economic Development projects for fiscal year 2015. Each of the nine major tobacco producing counties - Brown, Adams, Gallia, Highland, Clermont, Lawrence, Scioto, Pike and Jackson - will be eligible to apply for an equitable share of **\$500,000** based upon the historic percentage of tobacco farms in each county. Allocations for the nine counties are as follows:

Name of County	% of Tobacco Farms	\$500K Budget for FY '15
Brown County	24	\$120,000
Adams County	24	\$120,000
Gallia County	15	\$75,000
Highland County	12	\$60,000
Clermont County	10	\$50,000
Lawrence County	6	\$30,000
Scioto County	5	\$25,000
Pike County	2	\$10,000
Jackson County	2	\$10,000

\$100,000 of the total budget will be reserved and combined with any unused funds from the county budgets for a regional competition starting in February 2015.

ELIGIBILITY

For counties of Brown, Adams, Gallia, Highland, Clermont, Lawrence, Scioto, Pike and Jackson. Political sub-divisions; public non-profits including Port Authorities and Community Improvement Corporations; and private sector businesses/industries with job creation/retention as a component of the project may apply. Colleges and universities are eligible to apply for projects that are private sector driven. **All applicants must submit applications to their SOACDF County Review Committee.**

TIMELINE

County Review Committees must forward all locally approved projects to the regional review committee no later than **January 1, 2015**. Applicants should contact their respective county committee for the submission deadline to be considered in the current fiscal year.

Funding allocations for the nine major counties are available from **August 1, 2014 through January 1, 2015**. After the January Board of Trustees meeting counties will be notified of any unused funds which will be combined **with the \$100,000 reserve** and made available for a regional competition. Applications for this regional competition must be submitted to the SOACDF office not before February 1, 2015 and no later than April 1, 2015 for the Regional Review Committee which will forward recommendations on approved applications to the SOACDF Board of Trustees for final consideration.

APPLICATION AND REVIEW PROCESS

For counties of Brown, Adams, Gallia, Highland, Clermont, Lawrence, Scioto, Pike and Jackson.

Each of the nine major tobacco producing counties will form a County Review Committee made up of one (1) county commissioner; one (1) economic development representative; one (1) representative from agri-business or agri-industry; one (1) representative from the financial sector; and one (1) Community Development representative. The SOACDF Board of Trustees will have final approval on candidates selected to serve on the county committee. At any time, the makeup of the county review committee changes, the chair of the local committee shall submit to the Foundation such changes as approved by its Board of Commissioners for its consideration and final approval. **It is the intent that the local county review committee conducts its business in accordance with all ethical standards as outlined by the Ohio Ethics Commission with emphasis on avoidance of any potential conflicts of interest.** This committee will be charged with the duties of reviewing each application and prioritizing projects based upon scoring criteria established by the SOACDF. County committees should keep minutes of all meetings. Pursuant to a directive issued in 2008 by the Governor regarding Sensitive Personal Information maintained by the State, no applications should be kept at the local level, whether approved or denied. Subsequently, all copies used for review by the Local and Regional Committees will be turned into the Foundation for proper maintenance or disposal. **Six copies of all approved applications should be forwarded to the Regional Review Committee with a cover letter stating the approved project(s) and the recommended level of funding along with a copy of the completed score sheet. Projects will not be forwarded to Regional Review Committee without receipt of both documents.** It is the county committee's responsibility to communicate to all applicants actions taken by the local committee relative to the status of each individual application.

Regional Review Committee

The Regional Review committee will be made up of one (1) business/financial sector representative; one (1) representative from a Local Development District; one (1) Community Development Specialist; and one (1) Board member from the Southern Ohio Agricultural & Community Development Foundation. The

Executive Director of the SOACDF will serve as an ex-officio member. Each member of the Regional Review Committee will have one vote. The chair of the Regional Review Committee will communicate results of all projects reviewed by this body to the county committee chair and appropriate individual.

The Regional Review Committee will meet in the months of August, October, November, January and April provided projects are submitted for review.

The Regional Review Committee will forward recommendations on approved applications to the SOACDF Board of Trustees for final consideration.

IMPORTANT GRANT INFORMATION

1. No individual and/or private sector entity is eligible to apply for Economic Development funding until all conditions of any existing grant agreements have been met to the satisfaction of the Foundation and for two fiscal years after the grant was awarded.
2. Private Sector applicants may only receive the Economic Development Grant twice.
3. **Projects will not be considered until at least 50% of total funds are committed.**
4. SOACDF funds are to be used to leverage other private, local, state and federal monies. In kind contributions will **not** be considered for match purposes.
5. SOACDF will provide grants for up to a maximum of 35% of a total project cost for projects based upon job creation or retention for residents in the traditional tobacco producing counties of Southern Ohio not to exceed county allocation or availability of remaining funds.
6. A maximum of up to **\$10K** will be awarded for each year round full time job created, defined as a minimum of 32 hours per week. No credit will be given for part time (less than 32 hours per week), seasonal, or indirect job creation.
7. A maximum of up to \$10K for each full time job truly retained, i.e. job elimination would otherwise occur. It is the applicant's responsibility to prove true job retention.
8. SOACDF funds may be used for:
 - a) Capital improvements, fixed assets or land acquisition where the end purpose is for manufacturing, distribution, warehousing or health care.
 - Leasehold improvements may be considered if they are deemed to be integral to job creation and/or retention.
 - **Used equipment must have prior approval from the Foundation to be eligible for cost share.**
 - b) Certain technology, Research & Development, and/or innovative project types that foster job creation or retention and are not deemed too speculative in nature.
 - c) Capital improvements in public or non-profit owned marketable industrial/commercial properties that foster job creation or retention.
9. The following list includes, but is not limited to, projects that are **ineligible** to receive funding:

<ul style="list-style-type: none">• Retail use point of sale, except for agribusiness• Car/truck washes, Laundromats• Lodging, housing, motels, or hotels• Restaurants, bars, carry-outs• Vehicles requiring a license• Sporting or one-time events, sports businesses• Day care facilities• Personal care businesses, for example: Hair/Nail salons, barbershops, tattoo parlors, tanning beds, health spas, etc.	<ul style="list-style-type: none">• Marketing, advertising, or promotion• Printing, copy centers• Office furnishings and equipment• Projects deemed to be speculative in nature• Campgrounds, recreational facilities• Personal computer/internet services• Video equipment• Fencing• Phone systems• Inventory items including hand tools• Parking lots/garages• Security Systems
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10. SOACDF funds may **not** be used for leased items, the exception being lease to own/purchase versus traditional leases that do not result in ownership, operating expenses, working capital, or debt reduction.
11. SOACDF funds may **not** be used to reimburse for costs incurred in projects prior to grant approval and execution.
12. Applicants must provide documentation of current employment numbers in order to measure new job creation.
13. Grantee shall comply with Ohio's prevailing wage law set forth in Revised Code Chapter 4115, if applicable.
14. Projects approved for funding by the SOACDF Board of Trustees will require the execution of a grant agreement and receipt of documentation for other funding source commitments before grant award monies will be issued by the Foundation. **Approved grantees must sign and return the grant agreements within 60 days of receipt or grant award will be nullified.** Economic Development Grant Agreements will be 24 months in duration.
15. Funds will be dispersed as follows for approved private sector projects: **50% of the funds awarded will be dispersed after the grant agreements are executed and all contingencies have been met. The 50% of remaining approved funds will be paid after the project is initially complete. The project will be considered initially complete after the physical part of the project is complete, required net number of jobs have been created and retained for a minimum of 6 months, project completion and monitoring request form has been received by the Foundation and a site monitoring demonstrates compliance.** Applicant must retain the physical part of the project for 2 full years from date of execution of the grant agreement and will be monitored for final compliance.
16. **Applicant must maintain jobs for a minimum of 6 months. Jobs must be created no later than the 18 month monitoring for project to be considered compliant.**
17. The SOACDF Board of Trustees has the final authority to approve or deny any and all grant applications and to make all final grant awards. The Foundation will not disperse funds that exceed 35% of the total project actual cost. The Foundation reserves the right to recover the original 50% investment if the applicant is found non-compliant.
18. **All approved purchases receiving cost share must permanently reside in the State of Ohio.**

APPLICATION REQUIREMENTS FOR PRIVATE SECTOR PROJECTS

Complete the application form found on page 8 of this handbook along with a business plan that includes the following:

I. Table of Contents

II. Executive Summary

This should be the last section of the plan written and should highlight key elements of the entire plan. Limit summary to one page.

III. Company Description

Describe who you are and what you plan to accomplish. If you are an existing company, please include a brief history including the number of current employees, average salary/wages, and benefits. For benefits, please specify health, retirement, and % employer match.

IV. Project Impact

Include number of jobs created or retained and expected benefits to be derived from project. For projects making capital improvements to a marketable development site, include marketing plan as part of the appendix.

V. Products

Provide physical description of product and address what constitutes its use and appeal. Also, explain what degree of market readiness has been achieved along with major milestones. Explain how the company will produce and market-ready the product.

VI. Marketing Plan

Demonstrate an understanding of the relevant market segments and an ability to sell and deliver the product effectively. Document current or potential customers.

VII. Management and Organization

Include key employees, directors, active investors, and consultants, along with résumés, that can successfully implement the business plan.

VIII. Capitalization and Structure

Identify the legal form for the organization and describe financing already in place as well as uses of capital, including prospective financing requirements.

IX. Financial Plans

Include a comprehensive set of financial projections that realistically reflects the company's anticipated performance. **The information should include actual financial statements (most recent 2 years) and a set of assumptions with projections for 1 year, balance sheet, working capital, and cash flow projections.**

X. Budget

An itemized budget is required identifying specific project requests for cost-share from the Foundation as well as an overall project budget. Attach appropriate quotes, estimates, etc. Sources and uses of funds should equate.

XI. Project Timeline – i.e. Gant Chart

Provide detailed information on when project is to begin and expected date of completion. Include other pertinent timing information that will support your project relative to implementation. In addition applicants must provide a chart indicating the timing of all pertinent project components.

XIII. Appendices

Include other relevant information as appendices. These may include detailed competitive analysis, supplemental financial projections, permitting approvals, letters of intent from customers, etc.

APPLICATION REQUIREMENTS FOR PUBLIC SECTOR PROJECTS

Complete the Application form found on page 8 of this handbook along with a project narrative that includes the following:

I. Project Description

Provide a detailed description of the purpose of project, scope of work, rationale, and timeline for project completion.

II. Project's Location and Service Area

Describe location of project and area that project will serve. Include a project location map as part of the appendix.

III. Project Impact

Include number of jobs created or retained and expected benefits to be derived from project. For projects making capital improvements to a marketable development site, include marketing plan as part of the appendix. Describe how the project meets priorities of local or regional community or economic development plans.

IV. Probability of Success

Include evidence of a high level of local, state and private matching funds; a high degree of commitment of local elected officials and a brief description of the community's ability to

carry-out the project. Include resolutions (if applicable), letters of support (no more than three), letters of financial commitment, etc. in appendix.

V. Budget

An itemized budget is required identifying specific project requests for cost-share from the Foundation as well as an overall project budget. Attach appropriate quotes, estimates, etc. Sources and uses of funds should equate.

VI. Project Timeline – i.e. Gant Chart

Provide detailed information on when project is to begin and expected date of completion. Include other pertinent timing information that will support your project relative to implementation. In addition applicants must provide a chart indicating the timing of all pertinent project components.

VIII. Appendices

Include other relevant information as appendices. These may include certified cost estimates, letters of financial commitment, engineering plans, etc.

- **Issuance of this handbook and announcement of the Economic Development program in no way constitutes a commitment by the Foundation to fund any or all proposals received.**
- **All correspondence, proposals, and attached materials will be considered a public record as defined under Ohio law and should not include any proprietary, trade secret, or confidential information.**
- **Any use of Foundation funds for any illegal expense or improper purpose will be prosecuted to the fullest extent of the law and may subject the recipient to civil and/or criminal prosecution.**

**SOUTHERN OHIO AGRICULTURAL AND COMMUNITY DEVELOPMENT FOUNDATION
ECONOMIC DEVELOPMENT GRANT APPLICATION
2014 – 2015**

Applicant's Name: _____ Project Title: _____

Applicant's Mailing Address: _____

Applicant's *FID or *SSN: _____ Email _____

Contact Name and Phone Number: _____

Project Location (Full Address): _____

	Dollar Amount	Percent of Total Project Cost
Amount Requested from SOACDF		
Dollar Amount of Local Funds Committed to Project		
Other Federal Funds Committed to Project (Source):		
Other State Funds Committed to Project (Source):		
Other Funds Committed to Project (Please specify source and amounts)		
Total Project Cost		100%

Number of Existing Jobs _____

Number of Full Time Jobs to Be Created/Retained _____

Average Salary/Wage Per Hour for New Hires \$ _____ Benefits _____ Yes _____ No

Any use of Foundation funds for any illegal expense or improper purpose will be prosecuted to the fullest extent of the law and may subject the recipient to civil and/or criminal prosecution.

APPLICANT CERTIFICATION STATEMENT

I understand that by signing this application I certify that all statements and representations are true and correct. I understand that I may be held civilly and/or criminally liable under federal or state law for knowingly making false or fraudulent statements. I grant the Southern Ohio Agricultural and Community Development Foundation, or its agent, authority to verify records, public, and private, for the purpose of evaluating this request for financial assistance, and to physically inspect any funded project. Information provided to and obtained by the Foundation may be subject to public disclosure during deliberations of the Foundation at public meetings, in minutes of public meetings or under the Ohio Public Records Act.

Signature: _____ Date: _____

Print Name: _____

*A social security number or federal employer identification number is required because an IRS Form 1099 will be issued to each grant recipient.

Economic Development Score Sheet

1. Business Description & History	15
a. Executive Summary	
b. Company Description	
c. Organizational Structure	
d. Operational Plan	
e. Past Performance	
2. New Project Justification	40
a. Budgets, including recent quotes	
b. Jobs created or retained ratio	
c. Wage/Salary, Benefits	
d. Marketing Plan	
e. Gant Time Line Chart	
f. Impact Factors (i.e. meets community needs, utilizes community resources)	
3. Financials	15
a. Financial Statements	
b. Projections	
c. Capitalization & Structure	
d. Leverage	
4. Project Readiness	15
a. Planning complete, Architecture, Engineering, etc.	
b. Property control/Lease	
c. Purchase order, recent quote, sales contract, etc. (contingency language)	
5. Funds Available	15
a. 100% committed (15pts)	
b. > 50% but < 100% committed (5pts)	

100*

***Projects not scoring a minimum of 70 points will not be considered for funding. Projects scoring 70 and above will receive further consideration.**