



Welcome to the Center
New Business Recruitment Incentive Program
Policies and Procedures
City of Center Point, Alabama
April 2022

■ **Definitions**

The following words, terms, and phrases, when used in this Policy and Procedure, shall have the meanings ascribed to them in this subsection, except where the context clearly indicates a different meaning:

Business Creation/Origination means cost absorbed prior to the initial opening of the door to the business, which may include but not limited to, initial legal and State incorporations fees, expenditures — one-time purchases/fees — such as equipment, rental deposit, build out cost, marketing/web-site development and/or initial inventory cost.

Open Business means fully operating business with a minimum of four days per week of operation for not less than 20 hours per week.

Start-Up means a business newly open within the City of Center Point. That is, a business can be pre-existing and form a new business within the City of Center Point and qualify as a Start-Up.

■ **Purpose of the Program**

The City of Center Point Economic Development Committee is providing an incentive program to attract new businesses to the city. The program serves to advance the economic sustainability of the city by assisting small business owners, who show evidence of new business within the Center Point city limits, with cost for creation, origination, and/or setup. Providing this assistance not only incentivizes owners to bring business to Center Point, but also provides support to businesses, offers our citizens more opportunities to shop local, and displays to the community that Center Point is committed to fostering a city that prioritizes business development.

■ Funding and Match Requirements

Eligible business owners have the opportunity to receive a **maximum of Ten Thousand Dollars (\$10,000)**. Applicants can only apply for 1 one (1) business within a single application award year. Applicants must provide a match equal to or greater than 15% of the amount awarded through this program.

Applicant must provide most recent 90-day period bank statements indicating an active business account and the following requirements:

- A carrying balance of \$1,500
- No NSF
- All pages of the statement

The match **must** be spent on cost associated with business creation, origination, and/or set up. Program funding is provided in the form of a loan, half of the loan is forgiven immediately (no less than \$5,000) and the other half (no more than \$5,000) is forgiven over a three-year period with no payments required, provided the business continues to be open for business and maintained in accordance with the program requirements, such as city licensing and tax remittance are current.

■ Application Process

Applications for the Business Incentive will be available as funding allows. To obtain an application or additional information about the program, call the Center Point City Hall at (205) 4460 or visit www.cityofcenterpoint.org. Applicants will be required to complete the program application and provide a project timeline, and specifications of the proposed new business cost to Economic Development Committee (or individual designated by the ED Chair) for approval and final approval to go before the City Council. Proposals must pass a threshold review for eligibility and will then be reviewed for quality and impact of the proposed business.

Below are the steps in the process:

1. Obtain application, either from the city web site or the Center Point City Hall.
2. Forward completed application to the Economic Development Committee Chair (or individual designated by the ED chair).
3. Economic Development Committee or designee will conduct a phone interview to make initial contact and get more information about the proposed new business, and verbal introduction to the owner's business plan.
4. Economic Development Committee will meet to evaluate and score applications. Applications will be primarily scored according to the economic development criteria in the application.
5. Applications will then be processed. This will include credit history, reference verification, etc.
6. Award recommendations will be forwarded from Economic Development Committee to Council for approval, Applicant will then be notified of status of application.

■ Eligibility

Please initial each eligibility requirement

_____ (initials) All business owners who have concrete plans to start a viable, revenue generating business with a physical business address located within the City of Center Point may be eligible to receive assistance. A recipient may utilize the Business Incentive Program in conjunction with other public and private financial resources. Owners WILL NOT receive assistance for more than one business in a single award year.

_____ (initials) Applicant agrees to open business to public within one (1) year of grant award.

_____ (initials) Applicants agrees to have secured a building/ storefront and must provide proof of security either by lease agreement or mortgage.

_____ (initials) Applicant agrees to maintain its business within the City of Center Point for three (3) years to be verified by a three (3) year lease or mortgage on a “qualified property” which from a business can legally operate within the City of Center Point. Applicant agrees to take reasonable efforts to secure a three (3) year lease on a “qualified property.”

_____ (initials) Applicants must have a business plan that includes these seven (7) subsections that thoroughly describes the businesses’ idea, proposal, and strategy: executive summary, business information, market strategy, competitive analysis, development plan, management and operational resources, financial factors, and a S.W.O.T. analysis.

■ **Credit History**

While there is no minimum credit score, applicants are expected to have a credit history that shows a willingness to pay obligations. If an applicant’s credit history demonstrates a disregard for meeting financial obligations, they will be referred to credit counseling. Upon verification of credit counseling completion, a written re-payment plan with creditors and 6 consecutive months of an established payment history, the application may be re-considered. An applicant who has had payment delinquencies in the past must have re-established credit with payments made as agreed for at least 6 consecutive months. Medical collections are not considered in the credit evaluation.

Any bankruptcy by the applicant must have been discharged a minimum of 12 months prior to the Application and the applicant must have re-established credit.

Alternative credit references may be required if the applicant has little or no credit on the credit report.

■ **Ineligible Applications**

An applicant may be ruled ineligible for the New Business Incentive Program if:

- Non- Profit organizations

- The applicant furnishes a false or fraudulent statement.
- The applicant or any member of the household has a history of illegal activity that impairs the physical or social environment of the neighborhood.

■ **Eligible Activities**

New business activities must involve the general necessary set up of a business. Examples of eligible activities are:

- Equipment
- Incorporation, licensing fees
- Inventory
- Interior build out of store/ office
- Marketing
- Office furniture/ supplies
- Website
- Professional consultant
- Attached, hanging or projecting signs unrelated to the architecture of the building
- Awnings and canopies
- Utility/trash enclosures

■ **Examples of Activities that are NOT Generally Eligible:**

- Refinance of existing debt
- Payment of delinquent taxes
- Lease/ Mortgage Payment

■ **Community Development Priorities**

Approval of applications will be considered based on strength of proposals and readiness to start business, funding availability, and Community Development priorities. Proposals will be scored and selected by the Economic Development Committee based on the following priorities:

1. Projects supporting the overall goals of the City's Consolidated Plan
2. Projects improving economically distressed areas by eliminating blight, improving property value, creating and retaining jobs, and enhancing commercial viability.
3. Advancing disadvantaged business entities, defined as a minority-owned business, woman-owned business, or a small business.
4. Properties with significant Codes Enforcement history
5. Vacant buildings being returned to active use by new business
6. Businesses located in areas where other public investment is taking place
7. Projects that leverage maximum private investment

■ **Economic Development Committee and City Council Business Plan Review**

Applications will first be reviewed by the Economic Development Committee. Approved applications will then be forwarded to the City Council for final approval. Both the Economic Development Committee and the City Council will review applications to ensure, through an equitable process, that an application meets all applicable guidelines. Business owners are required to attend, or send a representative to attend, any and all meetings, when their application is being reviewed.

■ **Funding Award**

Award Payment will be paid to awardee once approval by resolution is passed by the City Council. Business should be opened for business within 12 months after the disbursement of payment, unless the City approves a longer timeline, which is at the City's sole discretion.

Loan Forgiveness – Half of the loan will be forgiven immediately following disbursement. Opening a brick-and-mortar business in the City of Center Point within 12 months of the award day is a required condition for loan forgiveness for half of the loan (not more than \$5,000.) Should any issue arise that circumvents opening, the awardee must submit an explanation and plan for business opening to occur within 180 days to the Economic Development Committee within thirty (30) days following the twelve (12) month opening time frame established in the guidelines for the grant. However, at the City's discretion, the loan may continue to forgive for more one hundred eighty (180) day periods if the owner shows proof of active and aggressive efforts to open business. Proof of efforts to start business includes licensing update, construction updates, inventory and equipment shipping update, and any other proof that shows the business in near startup/opening. After the final second one hundred eighty (180) day period has expired, all loan forgiveness will cease until the building is open to the public, regardless of updates and proof of opening.

Repayments - No repayments will be required if all terms are met.

Default - A recipient will be considered in default and the balance of financial assistance immediately due and payable upon failure if the awardee fails to open for business within twelve (12) months of award.

Remedies of Default - In the event of default, the City may exercise any combination of the remedies available to it with respect to the security agreement(s). The City may take whatever action at law, or in equity, as may appear necessary or desirable to collect any outstanding balance or to enforce the performance and observation of any other obligation or agreement of the recipient.

Documentation of Use- Once award payment is received; grantee must provide evidence of use on eligible activities monthly. Documentation must be submitted on or before the 15th day of each month until evidence indicates all award has been used successfully. Documentation of use must be sent by certified mail to City Hall.

■ **General Requirements**

All applicants will be required to demonstrate compliance with nondiscriminatory employment practices and Affirmative Action Programs under Title VI and Section 112 of the Civil Rights Act of 1964 and Public Law 92-65. Applicants are encouraged to utilize minority and women-owned business enterprises under this program.

The City of Center Point or any duly authorized representatives, will have access to any books, documents, papers and records that are directly related to the program assistance for the purposes of monitoring, making audits, examination, excerpts, and transcripts. All records supporting the costs and components of program-assisted improvements will be maintained for a period not less than 5 years following completion of the program agreement period, agreement termination, or default, whichever shall first occur. No person who is an employee, agent, consultant, officer, appointed official, or elected official of the City of Center Point who exercises or has exercised any functions or responsibilities with respect to Facade Improvement activities, or is in a position to participate in a decision-making process, or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit, or have interest in any program assistance, either for themselves or those with whom they have family or business ties, during their tenure.

Please contact the City of Center Point (205) 854-4460 with any questions or to obtain additional information about the New Business Incentive Program.

■ **Other Complaint/Grievance**

If a business owner has a complaint or grievance other than one that is related to the contractor and the work of the contractor, he or she must first contact the City of Center Point. If the staff person cannot or does not resolve the issue, the property owner should submit their complaint or grievance in writing to the Economic Development Committee. The Committee Chair or Co-Chair will respond in writing to the complaint within 10 business days with specific answers. If the property owner remains dissatisfied, he or she may contact the Mayor or Council Representative.

■ **Indemnification**

Applicant hereby agrees to indemnify, defend, save and hold harmless City, its respective successor, assigns, members, managers, employees, agents, and attorneys from and against all claims, demands, actions, judgments, damages, expenses, fees, liabilities, and/or attorney's fees arising out of, by virtue of or associated with, any claims, demands, or actions brought by third parties which are related in any way or are associated with Applicant's participation in this Incentive Program.

I have read and understand the New Business Incentive Policies and Procedures, for the City of Center Point established April 2022.

Signature of applicant and date

Printed name of applicant

Signature of witness and date

Printed name of witness

THE UNDERSIGNED, IN CONSIDERATION OF THE ABOVE REFERENCED LOAN BETWEEN CITY AND APPLICANT, GUARANTEES THE PAYMENT OF THE LOAN, TO BE PAID BY APPLICANT TO THE CITY AND FURTHER GUARANTEES THE PERFORMANCE OF THE APPLICANT OF ALL TERMS, OBLIGATIONS, CONDITIONS, COVENANTS AND AGREEMENTS OF THE LOAN, AND THE UNDERSIGNED AGREES TO PAY ALL REASONABLE EXPENSES, INCLUDING ATTORNEY FEES AND COURT COSTS INCURRED BY THE CITY IN SUCCESSFULLY ENFORCING ANY OBLIGATIONS OF THE APPLICANT UNDER THE LOAN OR INCURRED BY THE CITY IN SUCCESSFULLY ENFORCING THIS GUARANTY.

Done on this ____ day of _____ 20____

Print, Individually

Signature, Individually