**Guidelines**

**Rural Industry and Development Program**

The Rural Industry and Development Program has been created as a resource to respond to a lack of available industrial space for business relocation and expansion.

This intent is described in Vermont ACT 78, Sec. F.8 RURAL INDUSTRY DEVELOPMENT GRANT PROGRAM as follows:

 *A Rural Industry Development Grant Program is created within ACCD to provide grant funding through local development corporations to support business relocation and expansion efforts, eligible uses shall include the purchase, demolition, and renovation of property for industrial use (the Project Property). To the extent funding is appropriated, ACCD shall make grants through the Program to assist local development corporations with the development of industrial real estate that can support business relocation and expansion efforts throughout Vermont.*

By anticipating space requirements, this program is expected to eliminate the permitting and building timeline delays that businesses confront when they express interest in moving to, or relocating within, the State by having space readily available This program is intended to increase Vermont’s competitive advantage in the region by having available facilities for businesses who express interest in relocating, growing, and remaining in the state. This program necessitates the formation of a Rural Industry and Development Fund (RIDF) from which awards will be made and any future reimbursements and/or allocations to continue the purpose of this program.

**Eligible Applicants**

Regional/local non-profit development corporations (Applicants) will be eligible to apply for the grant program. Local development corporation means any nonprofit organization incorporated in the state for the purpose of fostering, encouraging, and assisting the physical location of business enterprises in Vermont and having as its principal purpose the industrial and economic development of one or more political subdivisions.

If the Applicant plans to own or develop the real estate through a separate legal entity, it must demonstrate that the Applicant is the parent organization for any real estate holding company or Limited Liability Company, or other entities that will be acquiring property or completing the project.

**Eligible Projects**

An Applicant may use an award to support business relocation and expansion efforts by constructing or improving industrial property including the following:

* for the purchase, demolition, and (/or) renovation of property for industrial use.
* for the costs of site development, permitting, or providing infrastructure for property the recipient owns (or controls).
* for the equity investment required for a loan transaction through the Vermont Economic Development Authority under 10 V.S.A. chapter 12, subchapter 3 (or other loans).
* for the matching requirement of another State or federal grant for the eligible purposes.

**Award Amount**

An award shall not exceed the lesser of $1,000,000 or 20 percent of the total eligible project costs.

**Eligible Cost Share**

Since an award will not exceed 20% of the total expected eligible project costs, Applicants will be required to secure the remaining 80% of the project funds from other sources as a cost share for the award. The grant and cost share will not fund in-kind contributions, payroll or other related costs of the applicant, employees of the applicant, or volunteers incurred in completing the proposed project.

ACCD will reimburse 20% of all eligible invoices received until the award amount is reached. This means that award funding is provided after expenses have been incurred. Awardees will be required to submit copies of paid invoices or receipts (paid for by the awardee) to verify project costs before award funds are distributed.

Invoices may be submitted on a rolling basis and can be submitted in phases as various components of the project are completed. RIDF will reimburse 20% of eligible submitted invoices.  *Waivers may be available in case of financial need.*

**Application Review Criteria**

Applications will be evaluated on criteria that will include:

* An applicant shall include in its application a local and regional market assessment that demonstrates reasonable need for the proposed development and identifies imminent, potential, or existing business growth opportunities.
* Regional and local support for the project
* The readiness of the proposed project to move forward, including evidence that the grant funding is necessary to complete the project as well as the availability, eligibility, and progress in securing other sources of funding.
* The Applicant’s ability to demonstrate their ability to manage including requisite experience, a plan for fiscal viability, ability to complete and find occupants for the proposed project.
* A description of the permitting required to complete the proposed project and a plan for securing them.

**Grantor’s Investment Participation:**

ACCD intends to manage the RIDF program as a revolving fund. Therefore, if the Awardee subsequently divests the Project Property ACCD will receive a return of the amount of the grant award plus a rate of return on the award. To document ACCD’s continuing interest, the Awardee shall file a Notice of State Interest (Deed Restriction) in the land records as a condition of the grant agreement.  This Notice of State Interest shall require the Awardee to return the total principal amount of the grant and an amount equal to 2.5% (two point five percent) of the grant amount compounded annually, however, the amount of accrued interest will not exceed $250,000**.**  These amounts shall become due to ACCD at the time of the sale of the Project Property.  The returned funds shall be placed in the Rural Industry and Development Special Fund for reinvestment in new projects.   The awardee must own or have or have site control of the Project Property.

**Applicants Using a Grant Award to Purchase Property:** Applicants who are purchasing property with the grant award, shall not set a closing date until final approval of the grant application and execution of a grant award. Prior to closing, proof of deed restriction in the form of a Notice of State Interest must be submitted and reviewed by ACCD legal staff. The obligation of drafting a deed restriction acceptable to ACCD lies solely with the Applicant, but the language must be submitted to and reviewed and approved by ACCD prior to a real estate closing.

**Applicants Using a Grant Award to Improve Property:** Regarding applicants who are fitting up, rehabilitating, or enhancing property already under ownership, the grant awardee will have to file a Notice of State Interest in the amount of the award on the project property i naming the State of Vermont as a Notice of State Interest holder. The grant awardee will have to provide proof of the Notice of State Interest to the Agency of Commerce and Community Development before the first requisition for reimbursement is made.

In the event of changes in scope of work, project delays or project cancellations, a formal grant amendment must be submitted to the Agency of Commerce and Community Development for approval.

In the event of a project cancellation, the grant recipient is obligated to pay back the principal grant amount back to the Special Fund within 45 days of cancellation notice.

A grant recipient may apply for additional grant funds if future amounts are appropriated for the Program and the funds are for a separate but eligible use.

**Books and Records Subject to Audit**: Recipients must maintain all records pertaining to the use and expenditure of their award. Records include any written or recorded information, regardless of physical form or characteristics, which is produced or acquired by the grantee in the performance of this agreement. Records produced or acquired in a machine-readable electronic format shall be maintained in that format.  These records will be subject to audit by representatives of the State of Vermont.

The records described shall be made available at reasonable times during the period of the award and for five years thereafter or for any period required by law for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the five-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved.

Each applicant must attest, under penalty of perjury, that all information provided on all application forms and uploaded documents is true and accurate. The State of Vermont will rely on this certification as a material representation in making this grant award. Further, applicants must attest to understanding that intentional misrepresentation of information is fraud and may subject the application disqualification from receiving further benefits, administrative penalties, and criminal prosecution.

Please be aware that grant agreements will require that any funds not used within a year of the award will be subject to recapture and redeployment.

**Application Process**

Applications for the first round of funding will be accepted until March 15, 2024.  Applicants will submit their entry utilizing this online form: [https://vt.accessgov.com/ridp-application/Forms/Page/ridp-application/b42eb24d-eed0-4baa-8041-82f20cdc3148/71dab49b-df28-49d6-ba12-f33502ebf356/](https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fvt.accessgov.com%2Fridp-application%2FForms%2FPage%2Fridp-application%2Fb42eb24d-eed0-4baa-8041-82f20cdc3148%2F71dab49b-df28-49d6-ba12-f33502ebf356%2F&data=05%7C02%7CChristine.HinkelIanni%40vermont.gov%7C9317f05f6eae4fdaa50408dc1e7fa10e%7C20b4933bbaad433c9c0270edcc7559c6%7C0%7C0%7C638418780709608466%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=6UBUkyHlRTxBm7nIGswdH3onDbw%2BI%2BX2Ey8yb%2BkX8jM%3D&reserved=0)

All applicants will be required to submit a completed application, attached with any supplemental documents required through this form instrument. Please note that all uploaded documents must be submitted in a PDF format. Photos of documents (.jpg, .img, .png formats) will not be accepted.

Applicants are required to:

* Submit a local and/or regional market assessment demonstrating the need for the Project Property
* Submit a property appraisal of real property to be purchased or constructed performed by an appraiser acceptable to the Agency of Commerce and Community Development.
* Fill out the project budget form included in the application form.
* Provide a worksheet outlining the sources and uses of the funds needed for the proposed project.
* Demonstrate community support for the project.
* Clearly demonstrate institutional capacity and project readiness.
* Provide permits acquired, needed and
* Submit project timeline.

The Review Team will consist of staff members from the Agency of Commerce and Community Development. Communication of application status will begin in April. Please be aware that a grant award is subject to approval by ACCD Leadership with input from other State agencies and departments. In addition, ACCD reserves the right to award all of the available funds, a portion of the funds or none of the funds depending on the quality of the projects outlined in the applications received.

**Sample Notice of State Interest**

 NOTICE OF STATE INTEREST

 STATE OF VERMONT

 AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT

 On (insert date), the Agency of Commerce and Community Development, an agency in the State of Vermont (Agency) awarded Grant No. \_\_\_\_\_\_\_\_\_\_\_\_ (Grant) in the amount of \_\_\_\_\_\_\_\_\_\_\_\_\_ to (insert name of recipient) (Grantee). The Grant was awarded pursuant to the terms and conditions of ACT 78, Sec. F.8 RURAL INDUSTRY DEVELOPMENT GRANT PROGRAM and provides funds for (describe purpose of grant, e.g., construction of a building), which is located on the land described in Attachment A (Grant Property). The Grant Program and applicable laws, regulations, Executive Orders, and other generally applicable requirements, include conditions on use of the Grant Property and provides for a continuing, perpetual State interest in the Grant Property that is real property (including fixtures). Specifically, the Grant Property may not be: (1) used for any purpose inconsistent with applicable Program statutes and regulations governing the Grant under which the Grant Property was acquired; (2) mortgaged or otherwise used as collateral without the written permission of the Agency; or (3) sold or transferred to another party without the written permission of the Agency. These laws and regulations affect the use and disposition of the Grant Property. These Grant conditions and requirements cannot be subordinated, diminished, nullified, or voided through encumbrance of the property, a transfer of ownership or other violation of Grant requirements. In accordance with Program and Departmental Regulations, Agency approval is required, among other things, for any proposed change in usage, ownership, or use of the Grant Property for third-party collateral. Inquiries regarding the Agency’s interest in the Grant Property should be directed to: Agency Secretary of ACCD c/o ACCD, 1 National Life Drive, Montpelier, VT

This Notice of State Interest is acknowledged and agreed to by the undersigned Grantee on behalf of the Grantee and its successors in interest. All references to the Agency will include its successors of interest.