

City of Rutland, Vermont
Business Incentive and Assistance Program Policy – Micro Business Emergency Loan Provision
Approved by BOA on 4-6-20

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 and Assistance Program (BIAP) has been established and funded. Due to the significant negative impact of the COVID-19 pandemic on Rutland City businesses this BIAP program has added a Micro Business Emergency Loan Provision approved on April 6, 2020.

It is the objective of the City of Rutland to support existing small businesses which have been significantly impacted by the COVID-19 pandemic to the point where their future operations may be in jeopardy.

II. Eligibility

Businesses shall be eligible to apply under this BIAP – Micro Business Emergency Loan Provision if they are an existing City business employing fewer than ten (10) employees.

Determination of eligibility and level of assistance will be based on the recommendation of the Rutland Redevelopment Authority (RRA) and subject to the approval of the Board of Aldermen (BOA). RRA and BOA reserve the right to prioritize among applicants based upon demonstration of need, services provided to 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 – Micro Business Emergency Loan Provision shall be wholly within the discretion of the RRA and the BOA.

III. Business Incentive and Assistance Program opportunities and terms

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

1. 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

2. Loan of \$10,000 administered by the City via the RRA. Loan terms to be 3% interest annually, with all payments deferred for 24 months, and a final payment of the initial principal plus interest due 24 months from the date of 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 the extent to which the Applicant can demonstrate one or more of the following criteria (the "Criteria"):

1. That recently imposed business protocols related to the Federal, State, and/or local, COVID-19 pandemic response have created the current business hardship.
2. That the current economic climate caused by the COVID-19 pandemic has created the current business hardship.
3. That it faces a significant financial need for an immediate emergency loan.
4. That this emergency loan will alone, or coupled with other financial sources, sustain the business through the current COVID-19 process and allow a successful outcome and continued business operations; and furthermore, that at the time of the application the Applicant has a good faith, reasonable expectation and intention to repay the loan in accordance with its terms.
5. 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- Micro Business 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 re-payment 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 – Micro Business 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 as set forth herein.

The RRA may request a current bank statement and such other supplemental information as it may deem relevant or necessary to consider and act upon the application hereunder and, in the event that the RRA decides to recommend financial assistance under this Program, the RRA will present such recommendation to the BOA for its approval. Applicant may refute, rebut, or support any findings or recommendations provided by the RRA to the BOA as related to their application.

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