

REQUEST FOR BOARD ACTION

HENDERSON COUNTY BOARD OF COMMISSIONERS

MEETING DATE: February 20, 2013

SUBJECT: Vocational Solutions – NC Rural Center Grant Proposal

PRESENTER: Allen Combs and Dorsa McGuire

ATTACHMENTS: Yes
1. FY 2013 Program Guidelines - Requirements
2. Pre-Application Conference Form

SUMMARY OF REQUEST:

Vocational Solutions has approached Henderson County regarding a grant opportunity for their Controlled Environment Jobs Initiative. The Building Reuse and Restoration Grants Program assists communities in maximizing the economic potential of existing structures. Grants are available for the expansion and renovation of buildings currently occupied by manufacturing type businesses. The Rural Center operates the program with funding provided by the NC General Assembly. The legislature created the Building Reuse and Restoration Grants Program in July 2004 as part of a broader effort to stimulate job creation in rural communities hurt by factory closings and layoffs. In Tier 3 counties, grants of up to \$5,000 per job committed with a maximum award of \$250,000 are available. Vocational Solutions proposes to create 11 new jobs, which projects to a request of \$55,000 in grant funds.

To apply for funding, Vocational Solutions must partner with Henderson County, which would submit the application. Additionally, Henderson County would have to commit to provide a cash or in-kind match equal to 5% of the grant award. 5% of \$55,000 amounts to \$2,750.

If awarded, the funds would be granted to Henderson County. The County would loan the funds to Vocational Solutions in the form of a deferred, forgivable loan. The loan would be secured with a loan performance agreement and promissory note signed by Vocational Solutions.

BOARD ACTION REQUESTED:

The Board is requested to hear Vocational Solutions request for funding and partnership with the County for this grant, and to direct Staff accordingly.

Suggested Motion:

Should the Board wish to approve the project, the following motion is suggested:

I move the Board approve Vocational Solutions' request for funding and partnership with the County for this grant, and authorize the Chairman to execute the necessary documents.

BUILDING REUSE AND RESTORATION GRANTS PROGRAM - FY 2013 PROGRAM GUIDELINES

Match Requirements

- The program requires a cash match equal to the grant request amount.
- Costs ineligible for grant funding cannot be counted toward the match.
- The local government applicant must contribute a cash match of at least 5 percent of the grant amount to be used toward the renovation project. The required applicant cash-matching contribution shall not be derived from other State or federal grant funds or from funds provided by the Rural Center.
- The combined total of a Building Reuse grant and other state or federal grants may total no more than 50 percent of the proposed eligible renovation project. Please contact program staff directly for specific guidelines.

Loan Requirements

- Funds are granted to the local government applicant.
- **The government will lend the funds to the property owner in the form of a deferred, forgivable loan.**
- **The loan will be secured with a loan performance agreement and promissory note signed by the property owner.**
- Loan forgiveness is offered upon the successful completion and verification of the job creation requirements listed above.
- If job creation goals are not met, a pro rata share of loan funds must be repaid by the property owner through a "claw back" provision in the loan performance agreement and promissory note.
- Sample loan documents can be found at www.ncruralcenter.org.

Local Government Requirements

- The local government applicant must contribute a cash match of at least 5 percent of the grant amount to be used toward the renovation project. The required applicant cash-matching contribution shall not be derived from other State or federal grant funds or from funds provided by the Rural Center.
- The local government will act as an intermediary partner for all aspects of the project, including the application process, reporting requirements, payments, job verification, and loan repayment, if applicable.
- The local government is required to analyze the participating company's financial and organizational strength in regard to the company's ability to successfully meet the terms of the job creation and maintenance requirements, carry out the renovation project, as well as, the ability to meet the potential for repayment of loan funds.
- In the event the company defaults on the job commitment, the local government is required to call in the loan for repayment to the Rural Center.
- The local government will not be required to repay the funds from government funds, but will be required to take any means necessary, including litigation, if required, to recoup the funds from the company.
- Local governments receiving funds under this grant program will be expected to comply at a minimum with state regulations regarding procurement, including G.S 14-234.
- Recipients will be subject to state audit and reporting requirements.



Building Reuse and Restoration Grants Program Statement

Commercial properties are economic assets in small towns across North Carolina, and many can be made even more valuable. The Building Reuse and Restoration Grants Program assists communities in realizing this potential. Three categories of grants are available for 1) the renovation of vacant buildings, 2) for the expansion and renovation of buildings currently in use by certain types of companies, and 3) the renovation and/or construction of health care facilities. All three options create jobs and much-needed tax base for struggling communities.

The Rural Center operates the program with funding provided by the N.C. General Assembly. The legislature created Building Reuse and Restoration Grants Program in July 2004 as part of a broader effort to stimulate job creation in rural communities hurt by factory closings and layoffs.

The guidelines and application for the building reuse/Rural Hope pre-application conference request are provided in this information package. Guidelines and application materials for the building reuse vacant and occupied building categories and Rural Hope category can be found under a separate cover. All grant materials are available on the Rural Center's website at www.ncruralcenter.org.

Pre-Application Requirement

The first step for a building reuse/Rural Hope grant application is the pre-application conference call. The local government applicant is responsible for scheduling the call, arranging a call-in number or calling the participants.

Pre-Application Process

The pre-application conference call is a meeting between Rural Center staff and project partners to discuss the potential project and the requirements of the program. To schedule a pre-application conference call, applicants should submit a completed pre-application conference form (attached). Once the pre-application conference call is complete, the local government is eligible to submit a full application.

Local project partners that should be on the call include representatives from:

- The Local government (applicant)
- The job-creating company that will locate in the building
- The Property owner
- Other representatives identified by the local government, company and/or property owner.

Deadline

The pre-application form is due to the Rural Center at least seven (7) business days prior to the full application deadline date. The conference call must take place prior to the full-application deadline. A full application may not be submitted for projects that do not complete the pre-application process. Full applications are due at the Rural Center by 5:00 p.m. on deadline dates listed below.

Full Application Deadline

Date of Award

October 12, 2012	December 5, 2013
January 4, 2013	February 27, 2013
March 1, 2013	April 24, 2013
April 19, 2013	June 26, 2013
June 21, 2013	August 28, 2013

BUILDING REUSE AND RESTORATION AND RURAL HOPE 2013 PRE-APPLICATION CONFERENCE FORM



Funding Category: Vacant Building Occupied Building Rural Hope

Applicant Information

Legal Name of Local Government Applicant: **Henderson County** County: **Henderson**

Local Government Contact Name: **Amy Brantley**

Mailing Address: **1 Historic Courthouse Sq. #2** Street Address:

City: **Hendersonville** State: **NC** Zip: **28792**

Telephone: **828.697.4809** FAX: E-Mail: **brantley@hendersoncountync.org**

Project Name: **Vocational Solutions Controlled Environment Jobs Initiative** Request Amount: **\$55,000.00**

Company Information:

Complete the table below for each company that has committed to create new, full-time jobs in the project building.

<u>Company Name</u>	<u>Name of Authorized Representative</u>	<u>Telephone Number/E-mail</u>	<u># of Years in Business in NC</u>	<u>Federal Identification Number</u>	<u>NAICS CODE</u>	<u>Health Insurance Provided Y/N</u>	<u># of Existing FT Employees</u>	<u># of New FT Jobs Committed</u>	<u>Average Annual Pay of All New Jobs Committed</u>
Vocational Solutions	Allen Combs	828-6960334	46	56-0897854	31-33	Yes	17	11	\$25,000

Will the company relocate from and/or close any other facility in North Carolina? Yes No

Company Description:

Please provide a short description of the company and the jobs to be created.

Vocational Solutions provides career and life skills training for adults with disabilities or vocational barriers. The company proposes to create a controlled environment work room, or "clean" room, at their current location that will enable them to create 11 full time jobs.

Is the property owned or leased by the company locating in the building?

Property Owner Information:

Legal name of the property owner: **Vocational Solutions of Henderson County, Inc.**

Legal name of authorized representative for the property owner: **Allen Combs, Executive Director**

Renovation/Construction Project Description:

Please provide a short description of the renovation/construction project.

The roof system on Vocational Solution's existing building has completely failed and needs to be replaced for the integrity of the building and the safety of the clients. An existing room within the building needs extensive heating and ventilation maintenance to bring it up to industry standards required for a controlled environment as defined by industry standards. Furniture and lighting is needed to provide necessary work stations within the room.

Expenses and Funding Sources

List all expenses related to the total project cost with the corresponding funding source in the table below. The table should include costs for acquisition, renovation, equipment, training, etc. and all funding sources including business/personal capital pledged, loans, grants/incentives, etc. The table should clearly show ALL expenditures and ALL funding sources for the project. If more than one expense will be paid with the funding source, break the expenses into separate lines with the specific amount to be paid from the source for each expense. Indicate the amount, whether the funds are proposed or committed and the date the funds are available.

Expense	Funding Source	Amount	Proposed or Committed	Date Available
Roof repair and replacement		\$ 146,564	Proposed	
Room cleaning and preparation		\$ \$6,300	Proposed	
Heating and air conditioning and duct repair		\$ 5,075	Proposed	
Annual HVAC system maintenance		\$ 580	Proposed	
Furniture and lighting		\$ 5,450	Proposed	
Salary expense for Quality Assurance Manager for one year		\$ 50,000	Proposed	
		\$		
		\$		
		\$		
		\$		
Rural Center Building Reuse		\$	Proposed	
Total		\$ 213,969		

Total Committed Funds for Project: \$ **25,000**

Please list three dates and times when the local project partners are available for the pre-application conference call:

- 1.
- 2.
- 3.

Signature of Local Government Representative

Typed Name and Title

Date

**All grant materials should be submitted to the
Building Reuse and Restoration Grants Program,
North Carolina Rural Economic Development Center,
4021 Carya Drive, Raleigh, NC 27610,
Attn: Melody Adams.**