

N.F.C. Development Corp. Micro Enterprise Assistance Program Policies and Procedures

Adopted September 23, 2013

N.F.C. Development Corp. will consider cash grants up to \$10,000 to qualified micro businesses located in the jurisdictional limits of the City of Niagara Falls, New York. A Micro Business for the purposes of this program has five (5) or fewer full time equivalent (FTE) non-seasonal employees (including the firm's owner(s)). An FTE is either one (1) full time job of at least 40 hours a week, or two (2) part time jobs of at least 20 hours a week each. Program eligibility, requirements, and procedures are outlined below.

Prohibition: On a specific project applicants are restricted to applying to this program or the N.F.C. Development Corp. Loan Program, but not both.

Eligible Businesses: Existing companies in good standing, or start-ups. Businesses must be engaged in manufacturing, warehousing, retail and/or services, with the exception of "sin" businesses such as adult entertainment and media, massage parlors, gambling, and liquor stores.

Ineligible Entities: Not for profits, governmental and quasi-governmental agencies, and any project that has a residential component.

Eligible Applicants: United States Citizens and non US Citizens who are lawfully in the United States as demonstrated by a current Resident Alien Card or Permanent Resident Card.

Ineligible Applicants:

- a) A person who at the time of application is incarcerated, under indictment, on parole, or on probation, or an alien unlawfully in the United States are ineligible to participate in the program. Such a person may not have **10%** or more ownership of an applicant corporation, limited liability company or partnership;
- b) Any person or business at the time of application in default with the N.F.C. Development Corp., and/or the City of Niagara Falls, NY and any of its entities for an existing loan or grant are ineligible to apply;
- c) Any person or business that is engaged in legal action against the N.F.C. Development Corp., and/or the City of Niagara Falls, NY and any of its entities is ineligible to apply;
- d) Employees of the NFC and the City of Niagara Falls, N.Y. are ineligible to apply during employment and one year thereafter.
- e) If the applicant, its owners and/or principals are delinquent in the payment of any school taxes, city or county real property taxes, PILOTS, fees, assessments, or other charges due and owing to the City and/or any of its entities, it is ineligible to apply. This ineligibility also applies to any applicant business located at the site of the aforementioned delinquency(s).

Eligible Use of Microenterprise Grant Funds: N.F.C. funds can be used for the acquisition of real property from which the business will operate, renovation or leasehold improvements to said real property, and the purchase of machinery, equipment, furniture, fixtures and equipment and inventory used in the conduct of the business, and situated at the business location.

Ineligible Use of Microenterprise Grant Funds: N.F.C. funds cannot be used to cover working capital costs, rolling stock, or project soft costs such as legal, accounting, environmental, architectural and engineering. However, such project costs are eligible costs that can be paid by the applicant as part of its match requirement (see below).

Match Requirement: The applicant must match the Microenterprise Grant Funds dollar for dollar. For example, a \$10,000 request would have to be matched by \$10,000 in applicant equity. Said match must be unencumbered cash, and not borrowed funds, i.e. credit card advances, home equity loans, and other credit facilities that have to be paid back. Also, the equity match cannot be “sweat” equity.

Job Requirement: Regardless of the size of the Microenterprise Grant, the applicant must retain or create one (1) FTE within three (3) years of receiving the grant. The applicant/owner can qualify as all or a portion of the FTE job created. **Should the applicant fail to retain or create one FTE within three (3) years, the grant must be repaid.**

Other Program Requirements: Prior to the disbursement of grant funds all school, real property, water and sewer taxes must be current at the business location, together with any other real estate in the City owned by the applicant or any individual with an equity interest in the business.

All project costs and applicant funding match must be documented to the satisfaction of the NFC staff prior to the disbursement of grant funds.

The assisted business must remain in business for **at** least three (3) years **from** the date of receiving the grant. **Should the business cease or be sold within three (3) years the grant must be repaid.**

Individual owners of the business must guarantee compliance with the grant terms for corporate, LP or LLC applicants.

Application and Approval Process: N.F.C. staff qualifies the request based on the eligibility of the business and applicant, and the completeness of the application. If staff concludes that the request is eligible, complete, and is a good investment of Microenterprise funds, they will submit the application to the N.F.C. Loan Committee and Board of Directors for a final decision.