



# Commercial Technology / Equipment Grant

This grant is intended to promote the advancement of technology or equipment that will allow the business to pursue greater productivity or to offer new services.

## General Guidelines

The Commercial Technology and Equipment Grant (CTEG) provides up to \$2,000 for a qualifying project with commercial properties located in Smith Center or within the surrounding industrial area. This grant may be used for the purchase of new technology or equipment that can be utilized to provide better efficiency for day-to-day operations, to offer new services, or to update equipment to provide more advanced capabilities. All purchases must increase the business's capabilities in some way.

Business owners may apply for up to \$2,000 in matching funds for each project. Examples: the proposed project will cost \$2,000 so that project may be eligible for a \$1,000 grant; or the proposed project will cost \$4,000, so that project may be eligible for a \$2,000 grant. If the business closes or moves outside of the area within 2 years, any grant funds received must be repaid in full, and yet to be distributed funds will not be distributed.

The applicant must provide a financial need narrative to explain why the grant funds are needed, how the equipment and/or technology will advance or improve the business, and how the grant will be used in the purchase of the equipment and/or technology.

A completed application package includes:

1. Completed application form
2. Photo and/or Description of Equipment or Technology to be purchased
3. All costs (including installation) of Equipment or Technology
4. Copy of most recent property tax receipt, if the property is owned.
5. Financial need narrative and business plan with a financial forecast.
6. Pre-project inspection by the SCED Director or supervisory board.

*Applications must be received in a timely manner to allow sufficient time for the department director to evaluate the application and business before the application is presented at the next SCED supervisory board meeting. All grant applications are subject to available funds.*

## Program Rules

- The business must be established for two years to be eligible.
- Grant applications must be approved by the SCED supervisory board and City Council before equipment or technology is purchased.
- Property taxes, special assessments and fees must be current.
- Proposed project timelines will be considered for each application. Ideally, projects will be completed within six (6) months from the date of grant approval.
- If purchase and installation of new equipment or technology cannot be completed within six months, applicants must notify SCED department in writing for an extension.
- The grant is paid at the same rate as the business owner's investment in the project.
  - If the property owner uses a contractor(s), SCED may pay grant funds directly to the contractor. The city does not pay sales tax.
  - SCED will not pay for labor of business owners doing the work on the project themselves (example: installation costs of equipment or technology). This is considered sweat equity.
  - If the business owner completes purchase and installation themselves, paid receipts for materials, supplies, and equipment must be submitted to SCED to verify the business owner's investment. The grant funds may reimburse the business owner.
- The grant cannot be utilized for the purchase of basic office supplies or revitalization of the property or building.
- If grant is awarded, the business owner cannot reapply for a Commercial Technology or Equipment Grant for 5 years.

## Project/Grant application process:

1. Business owners submit a completed application.
2. SCED may inspect the property to further clarify the need for the equipment or technology.
3. Business owner presents the grant application to the SCED supervisory board.
  - a. If approved by the SCED supervisory board, SCED will notify applicants of approval or denial of the grant application by the City Council.
4. SCED and business owner outline the anticipated payment schedule on the project. Payments may be made in monthly payments OR as one payment.
5. The business owner will execute the project and give regular updates to SCED.
  - a. If a contractor is used, the business owner and SCED will pay the contractor based on the agreed upon payment schedule.
  - b. If the business owner does work themselves, the business owner pays for materials and provides receipts of the investment to SCED for reimbursement.
6. The business owner must notify SCED once the project has been completed for final inspection and payment.
7. SCED will inspect the property for equipment or technology improvements and will take pictures. Photos of projects may be published to promote this program.
8. A grant sign may be displayed on the property for 30 days showing the upgrade was supported by taxpayer funds.