



PERFORMANCE GRANT PROGRAM POLICY GUIDANCE & PROCEDURES

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Overview

This program funds a portion of fixed assets, infrastructure, and working capital for new or expanding businesses. It also requires that certain conditions be met to obtain a grant. For example, a grant would be contingent upon the creation of a specific number of new jobs or retaining specified jobs that would otherwise be terminated.

The applicant shall sign an application that states that the business does not and will not knowingly employ undocumented workers and that, if a subsidy is approved, a Performance Agreement must be signed that affirms that statement and that will require repayment of the subsidy if the business is convicted of federal immigration violations under *8 U.S. Code Section 1324a(f)*.

Eligibility

- Sole proprietorships, partnerships, corporations, or limited liability companies.
- Businesses must demonstrate the potential to create/retain employment opportunities for the City of Junction and Kimble County citizens.
- All taxes must be current.

Use of Proceeds

- Purchase of fixed assets including machinery, equipment, furniture, and fixtures.
- Purchase of land and building, including new construction or renovation.
- Fund infrastructure projects such as roads and utilities needed for the project.
- Working capital.

Ineligible Use of Proceeds

- Any materials or services purchased for the subject project prior to the approval of any applications by JTEDC.
- Permitting fees.
- Refinancing existing debt.
- Owner performed labor.

Grant Guidelines

1. An applicant must complete an application, including a business plan and financial projections. It should contain:
 - A description of the project;
 - A cost estimate for the entire proposal;
 - Explain other sources of capital; and
 - Detailed use of JTEDC funds.

If the applicant is an existing business, a written narrative of current business operations and any planned changes to products and services currently offered must be submitted, as well as prior three (3) federal income tax returns. If appropriate, sketches, drawings, or computer images of the proposed project should be included.

2. Approval of all applications shall be with the understanding and agreement that the purpose of JTEDC financial support is not to facilitate the immediate sale of the subject business.
3. JTEDC will not fund more than fifty (50) percent of the cost of a project, and the applicant must contribute at least fifty (50) percent of the costs.
4. The maximum amount of any grant to an applicant cannot exceed thirty (30) percent of JTEDC's available funds on the initial date to pursue the project.
5. The maximum amount of any grant to an applicant is \$200,000.
6. Applicant must create full time or part-time jobs and sustain these positions according to the following guidelines, or the applicant will be required to repay the grant in part or in full:
 - For grants up to \$50,000, applicant must sustain agreed upon job positions for three (3) years.
 - For grants from \$50,001 to \$100,000, applicant must sustain agreed upon job positions for four (4) years.
 - For grants from \$100,001 to \$200,000, applicant must sustain agreed upon job positions for five (5) years.

For each year an applicant fulfills its commitment, the potential repayment of the grant will be reduced pro-rata. At the end of the respective term of the agreement, and if the applicant has successfully fulfilled the job creation requirements, the obligation to repay the grant is extinguished.

7. No work for which a grant is sought should begin until authorized by the JTEDC, and a Performance Agreement has been signed.
 - This Agreement is required by *Texas Local Government Code Sec. 501.158*.

- The contract outlines the responsibilities of the applicant to the JTEDC, including the creation of jobs and specifies the terms under which repayment must be made if the business does not meet the performance requirements specified in the agreement.
 - It also details the duties of the JTEDC to the applicant. See sample Performance Agreement.
8. Grant approvals are subject to all grant guidelines, all City of Junction legal provisions, all applicable Federal and State laws, and review and approval by the JTEDC board.
 9. Grantee is responsible for obtaining any permits required for a project.
 10. Applicant shall have six (6) months from the date of the written notice to begin the work. At this time, the grant will be closed out unless an extension is granted by the JTEDC board.
 11. Applicant will affect no change in ownership of the business during the term of this Agreement without prior notice to the JTEDC.

Disbursement of Funds

1. All grants are reimbursement grants and will only be funded after completion of the project in accordance with expenditures, drawings, and/or specifications approved by the JTEDC board.
2. Requests for reimbursements must be completed within thirty (30) days following completion of the project.
3. Copies of all required permits and occupancy certificates (if applicable) must be presented to the JTEDC office.
4. Copies of paid invoices and evidence of payment (cancelled checks – front and back) must be presented for reimbursement.
5. Improvements or equipment financed may be documented with photos.
6. JTEDC staff and/or board members will perform a final inspection.