



# **UG Small Business Incentive Pilot Program Plan**

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## **Preface**

In recent years, there have been significant changes in Kansas City, Kansas, including public infrastructure improvements, a new transit hub, and new businesses. In order to encourage continued growth, the Unified Government of Wyandotte County/Kansas City, Kansas (“UG”) Economic Development Department is implementing the UG Small Business Incentive Pilot Program (“Pilot Program”). The Pilot Program targets areas with businesses located in certain corridors, such as the downtown corridor and older urban areas of Kansas City, Kansas.

## **SECTION 1 – Pilot Program Goal**

To administer the UG small business grant to qualified applicants that own an existing small business - one hundred (100) or fewer employees, that are primed for expansion and moving to the next level in business and job growth.

## **SECTION 2 – Pilot Program Target Area**

The Pilot Program will target areas such as the downtown corridor and older urban areas of Kansas City, Kansas.

## **SECTION 3 – Pilot Program Strategy**

The Pilot Program strategy is to promote small business activity for the target areas through a one-time reimbursable grant to applicants.

The UG will provide grants of \$2,500 to \$10,000 to applicants in need of one or more of the grant types.

Types of grants for qualified applicants that own an existing small business that are primed for expansion and moving to the next level in business and job growth:

1. Commercial lease rate subsidy (up to 6 months and not to exceed \$10,000)
  - a) Store front repairs are strategically tied to the placement of an existing business primed to expand to the next level in business and job growth.
  - b) Move to certain corridors within our community (UG discretion)
2. Cost related to an expansion, purchase or lease
  - a) Renovation costs (sheetrock, flooring, painting, etc.)
  - b) Façade and minor roof repairs (painting, sealing, etc.)
  - c) Inventory costs (other than office supplies, etc.)
  - d) Equipment cost (miscellaneous equipment, etc.)
  - e) Marketing (webpage, signage, etc.)

Grant applications that will be denied:

1. Home based businesses
2. Liquor stores
3. Bars and establishments that sell alcohol with less than 50% in food sales
4. Seed capital
5. New businesses
6. No job creation

UG Goals:

1. Helps stimulate growth and new investment
2. Helps with small business/neighborhood vitality
3. An economic gardening strategy
4. Urban innovation
5. Coordination with other public and private groups
6. Business in an older urban area of Kansas City, KS

The UG will make every effort to market the program online, brochures, and through selected partnering organizations.

**SECTION 4 – Pilot Program Funding Source**

The initial funding source for the Pilot Program was the 2015 Amended and 2016 Proposed Budgets. Subsequently, a percentage of the UG Industrial Revenue Bond (“IRB”) issuance fees will fund the Pilot Program. The chart below provides an example of how IRB issuance fees could replenish Pilot Program funds. The UG retains the right to request more funding from time to time.

IRB Issuance Fees	UG Maintains	Program Funding	
1st	\$25,000.00	\$0.00	} capped at \$50,000
2nd	\$12,500.00	\$12,500.00	
3rd	\$12,500.00	\$12,500.00	
4th	\$25,000.00	\$25,000.00	
	\$25,000.00	\$0.00	

**SECTION 5 – Pilot Program Application Procedure**

1. Obtain an application from the UG Economic Development Department web page at [wycokck.org](http://wycokck.org). See EXHIBIT A.
2. Submit a completed application and the following supporting documentation to the UG Economic Development Department located at 701 North 7<sup>th</sup> Street, Suite 421, Kansas City, Kansas 66101:
  - a) Business Plan with a minimum 3 yrs. of financial projections
  - b) A detailed one page business summary of how the grant is to fill a gap in financing
  - c) A signed copy of the lease agreement or real estate contract (*if applicable*)
  - d) Previous year business taxes
  - e) Occupational tax certificate
  - f) If registered with the Secretary of State’s office, a copy of the certificate
  - g) Documentation of the requested items with pricing

3. Applications will be reviewed for compliance not more than three weeks after an application is received.
4. Applicant will be scheduled for an interview to discuss the request. If the applicant is requested to turn in more documentation, the applicant will have no more than two weeks to submit the documentation or the application will be denied.
5. The UG reserves the right to request additional information, make additional stipulations, and/or deny the application.

#### **SECTION 6 – Pilot Program Grant Approval and Award**

The Economic Development Department will review and score applications based on a matrix system EXHIBIT B and the interview questions for compliance to see if the application qualifies for a grant. The review and approval or denial process will proceed utilizing the internal controls depicted on EXHIBIT C.

#### **SECTION 7 – Pilot Program Oversight/Advisory Board**

The Pilot Program will have an UG advisory board initially consisting of members from the UG. As the Pilot Program matures, the advisory board will include members from selected partnering organizations.

#### **SECTION 8 – Pilot Program Reporting**

Economic Development staff will report semi-annually to the Economic Development & Financing Standing Committee on the Pilot Program's activity.

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EXHIBIT A

Small Business Grant Application

Date \_\_\_\_\_, 20\_\_

Name \_\_\_\_\_ Phone \_\_\_\_\_

Company Name \_\_\_\_\_ Phone \_\_\_\_\_

Mailing Address \_\_\_\_\_

Business Address \_\_\_\_\_

Business Inception Date: \_\_\_\_\_

Type of Business: A. \_\_\_\_\_ Retail B. \_\_\_\_\_ Office C. \_\_\_\_\_ Manufacturing  
D. \_\_\_\_\_ Other

If other, please describe: \_\_\_\_\_

Requested Grant Amount: A. \_\_\_\_\_ \$2,500 B. \_\_\_\_\_ \$5,000 C. \_\_\_\_\_ \$10,000

Grant Type: \_\_\_\_\_

**Applicant:**

By signing below, the applicant agrees to adhere to all procedures in the Revised 1/1/17 UG Small Business Incentive Pilot Program Plan:

Submitted by: \_\_\_\_\_, 20\_\_  
(Print name) (Signature) (Date)

**DO NOT WRITE BELOW THIS LINE - FOR OFFICE USE ONLY**

Date application came into this office: \_\_\_\_\_, 20\_\_

Application completed in full and all documentation is attached: Yes \_\_\_\_ No \_\_\_\_

Staff initials \_\_\_\_



## EXHIBIT B

### Point Matrix

Score Range and Potential Grant Eligibility: Maximum points allowed are 30. The grant amount awarded is directly tied to the business need.

- 1-10 points = \$2,500
- 11-20 points = \$5,000
- 21-30 points = \$10,000

Applicant-	Kansas City, KS	
<b>1. Documentation</b>		
a. Completed Application	<b>Required</b>	
b. Supporting documentation with the application	<b>Required</b>	
<b>2. Business</b>	<b>Max Pts.</b>	<b>Application</b>
a. Existing business in Wyandotte County	5	0
b. Existing business moving to Wyandotte County	4	0
<b>3. Purchase/Lease Rate Subsidy/Lease</b>		
a. Purchase of building	5	0
b. Commercial lease rate subsidy	4	0
c. Commercial lease	3	0
<b>3. Façade and Minor Roof Repair / Renovation</b>		
a. Façade and minor roof repair due to an expansion, purchase of a structure or lease	3	0
b. Interior renovation due to an expansion, purchase of a structure or lease	3	0
<b>4. Inventory/Equipment/Marketing</b>		
a. Inventory	2	0
b. Equipment	2	0
c. Marketing	2	0
<b>5. Investment</b>		
a. Investment amount \$0 -\$10,000	1	0
b. Investment amount \$10,001 - \$50,000	3	0
c. Investment amount \$50,001 and up	4	0
<b>6. Employees</b>		
a. Number of employees the first year – one point per employee up to 2 employees	1 - 2	0
b. Current Wyandotte County employee residency	2	0
<b>Comment:</b>		<b>points</b>



## EXHIBIT C

### Process

