

TOWN OF TUPPER LAKE

MICROENTERPRISE FUND

APPLICATION PACKET

Microenterprise Grant Program

- Purpose:** The grant targets qualified microenterprises to create and retain job opportunities, for low to moderate-income residents with a focus on improvements to the local tourism economy. The program provides access to grant funds and stimulates small business development activity through start-up and expansion projects.
- Area of Availability:** Businesses in the Town of Tupper Lake, including the Village of Tupper Lake.
- Eligibility Requirements:**
- Owner of a microenterprise (five or fewer employees including the owner(s))
 - Located in the Town of Tupper Lake
 - Income eligible (see application instructions for more information)
 - A: The owner meets the low- to moderate-income guidelines
 - B: The business will be creating at least one job to be filled by or made available to someone from a low- to moderate-income household.
 - Making an investment in working capital, equipment and inventory purchases or other business needs (excluding construction)
 - Able to contribute 10% of total project cost as cash equity
- Eligible Activities:** Acquisition of machinery and equipment, working capital, furniture, fixtures, and real property, Reimbursement of the cost of entrepreneurial training program
- Grant Priorities:** Project funding will be awarded based upon the following priority system:
- 1st Priority – Accommodations businesses, including motels, hotels, inns, and bed and breakfasts.
 - 2nd Priority – Retail or tourism based businesses currently operating in existing locations on or adjacent to the Routes 3 and 30 commercial district corridor.
 - 3rd Priority – Town-wide new retail or tourism based businesses.
 - 4th Priority – Town-wide established retail or tourism based businesses.
 - 5th Priority – Town-wide businesses.
- Funding Limitations:** Grants can be between \$5,000 and \$35,000 (including any amounts provided for technical assistance), and will not exceed 90% of total project costs, whichever is less.
- Equity Participation:** Cash equity participation of at least ten (10) percent of the total project costs.
- Repayment Terms:** If the requirements of the grant agreement are not met within the grant term, the business owner will be required to repay the grant to the Town of Tupper Lake.
- Administered by:** Adirondack Economic Development Corp. (AEDC)
67 Main St.
Saranac Lake, NY 12983
- Application Deadline:** Applications will be accepted on a rolling basis until all funds are committed. Review by the Program Review Board will occur monthly. The deadline for the initial funding round will be Sept. 1, 2016. Please note that all available funds may be committed in the initial round.
- Point of Contact:** Jim Murphy
Jamesmurphy52@me.com 518-891-5523, extension 101

APPLICATION CHECKLIST

- Completed Questions 1-6
 - Signed Declaration Page
 - Resumes of all key personnel
 - Income Verification
 - Schedule A if you are applying based on your income eligibility as the owner of a microenterprise
 - Schedule B if you are applying based on the creation of jobs filled by or made available to persons from low-to moderate-income households
 - Bankruptcy, Litigation, Felony History (Schedule C)
 - Business Plan (if available)
 - Credit check authorization (Schedule D)
-
- A microenterprise or micro-business is defined as a commercial enterprise that has five (5) or fewer employees, including the owner of the business. This includes both part-time and full-time employees. A microenterprise is a private for-profit business entity; corporation, partnership, or sole proprietorship that is legal, licensed and operating. Nonprofit entities are not microenterprises.
 - Each business owner must meet with Adirondack Economic Development Corporation business advisors and complete an approved entrepreneurial assistance or small business-training program prior to receiving grant funds. The cost for the owner to attend the training will be an eligible expense of the grant they will receive.
 - Fifty-one percent of the Microenterprise fund will be reserved for start-up businesses, defined as new businesses or those in operation for less than six months. The remaining forty-nine percent will be available to established businesses.
 - While businesses who have been successful with previous round Microenterprise Program grants are not prohibited from applying for additional funding, new applications will be prioritized over repeat applications.

APPLICATION INSTRUCTIONS

The following describes the required components of an application to the Town of Tupper Lake's Microenterprise Assistance Grant Program.

1) Business Information

Indicate legal name, address, telephone number and Federal Employment Identification Number if available. Indicate form of Business (corporation, partnership, sole proprietorship), year of organization and New York State Unemployment Insurance Identification Number.

2) Resumes, Compensation and Affiliation

Attach resume of principals including, business experience, length of association with business, salary, other compensation and outside directorships and business affiliations.

3) Income Verification Form & Employment Plan

For business owners whose household income falls below the figure listed below (by household size), please complete Schedule A - Income Verification Form. For owners that do not meet income eligibility guidelines please complete Schedule B – Employment Plan for employment positions that will be created.

FY 2015 Income Limits: Franklin County Eligibility Guidelines								
Household Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Income Limit	\$33,550	\$38,350	\$43,150	\$47,900	\$51,750	\$55,600	\$59,400	\$63,250

Note: either the business owner needs to meet the income eligibility requirement, or the business must create at least one job to be made available to individuals whose household income falls below the guidelines.

4) Business Information Narrative

Please describe how, if at all, your business fits into the local tourism economy. The Town of Tupper Lake has identified tourism as a priority industry and would like to use the microenterprise program to further improve local tourism related businesses.

5) Physical Description of Project

Indicate the address of the project and provide a narrative description of the physical components of the business or project. Please attach diagrams and pictures if relevant.

6) Project Costs and Financing Sources

Provide details on total project costs and sources of financing. All costs associated with the project should be supported by third party quotations, purchase offers, appraisals, contractors estimates or similar documentation as appropriate. Explain how each component of the project will be financed, including the use of a grant through this program.

Bankruptcy, Litigation, Felony History

Complete Schedule C and describe any bankruptcy history, litigation history having a material effect on the business solvency, or convicted felony activity associated with the owners, management, or officers of the business.

Business Plan

Provide any analysis or assessment of the market for the business' product that has been completed to date, as well as an analysis of existing competition within your market. Also please provide any marketing plan for your business/product that you have developed. If financial projections, profit and loss statements/balance sheets are available for the last 3 years, please provide. If this information is not available, please indicate that.

Microenterprise Application- Sources and Uses			
Sources		Uses	
Equity*	\$	Inventory Purchases	\$
Grant	\$	Equipment Purchases	\$
Loan	\$	Working Capital	\$
Other	\$	Other	
Total Funds	\$	Total Project Cost**	

* Cash equity can be no less than 10% of the total project cost

** Total project cost must equal total funds

Attach any available quotes, estimates, specs or other descriptive information to application.

DECLARATIONS

I, the undersigned, attest that to the best of my knowledge and belief, the information contained in the foregoing application is correct and true and that I am aware that the filing of a false instrument in connection with this application constitutes an attempt to defraud the Town of Tupper Lake, and the New York State Division of Housing and Community Renewal and may be a felony under the laws of New York State. I authorize Adirondack Economic Development Corp. to disclose all information submitted in connection with this application and hereby waive all claims against the Town of Tupper Lake and Adirondack Economic Development Corp. with respect to this pre-application and determination of eligibility.

I, the undersigned, give to the Office of Community Renewal (OCR) the unrestricted right to use, for any lawful purpose, any photographs taken of property in this application, which I own and/or for which I have the authority to grant such permission, and to use my name in connection therewith if it so chooses. I release and discharge OCR from any and all claims or causes of action arising from the use of such photographs, including, without limitation, claims for libel or invasion of privacy. I have read this release and understand its contents. This release is binding upon me, my heirs, successors and assigns.

I, the undersigned, attest that I have received a copy of and have read the "Administrative Plan" and "Declaration Form" produced for the Town of Tupper Lake Microenterprise Program ("Program") and that I understand that:

- My proposed project ("Project") **must be approved by the Program Committee before costs are incurred.**
- If awarded Program assistance, I will enter into a contract with the Program based on the agreed scope of work and that **the contract for assistance can be cancelled** if (a) the work done is inconsistent with the agreed scope of work, (b) I am in violation of the contract, or (b) adequate hazard insurance is not maintained on my property.
- The submission of this application or any other documentation or request to the Program does not entitle me to any assistance and the Program may reject any application that is inconsistent with the Administrative Plan and other requirements of the Program.

Property Owner's Signature

Date

Return completed applications to:
Adirondack Economic Development Corp.
67 Main St
Saranac Lake, NY 12983

Questions may be addressed to:
Jim Murphy
jamesmurphy52@me.com
(518) 891-5523 x101

**TOWN OF TUPPER LAKE
MICROENTERPRISE PROGRAM
INCOME VERIFICATION FORM**

Name:	Case No.
Address:	Phone:

This form (including schedules on Page 2) must be completed by the owner of any business applying for assistance under the Microenterprise Program that is using their income as the basis for eligibility. **Documentation to verify income must be attached.**

	Income from Prior Year	Current Amounts	Projected Income for next 12 months
INCOME SUMMARY			
Salary or Wages, Tips, etc.	\$	\$(/wk/mo/yr)	\$
Social Security (incl. Medicare)	\$	\$(/wk/mo/yr)	\$
Pensions, Annuities, other Retirement Income	\$	\$(/wk/mo/yr)	\$
Unemployment Compensation	\$	\$(/wk/mo/yr)	\$
Disability Compensation	\$	\$(/wk/mo/yr)	\$
Child Support or Alimony Income	\$	\$(/wk/mo/yr)	\$
Armed Forces Income (not including student financial aid)	\$	\$(/wk/mo/yr)	\$
Welfare Assistance*	\$	\$(/wk/mo/yr)	\$
Other _____	\$	\$(/wk/mo/yr)	\$
Personal Assets	\$	\$(/wk/mo/yr)	\$
Real Estate Income	\$		\$
Business Income	\$		\$
Totals	\$		\$

CERTIFICATION

I certify that all of the information on this form and the attached documentation are complete and accurate to the best of my knowledge and belief.

Signed: _____ Date: _____

*If the welfare assistance includes an amount specifically designated for shelter and utilities, income is calculated as the welfare allowance *minus* the actual amount for shelter and utilities, *plus* the *maximum* amount that the welfare assistance agency could allow for shelter and utilities.

NOTE: U.S. Law provides a penalty of \$10,000 fine and 5 years imprisonment for false, fraudulent or misleading statements under this program (U.S.C. Title 18, Section 1001).

Schedule A.1 – Personal Assets				
	Current Value	Income from Prior Year	Current Amounts	Projected Income *
Bank Accounts & CD's	\$	\$	\$(/mo/yr)	\$
Stocks/Bonds	\$	\$	\$(/mo/yr)	\$
Real Estate	\$	\$	\$(/mo/yr)	\$
Retirement Accounts	\$	\$	\$(/mo/yr)	\$
Insurance Policies	\$	\$	\$(/mo/yr)	\$
	\$	\$	\$(/mo/yr)	\$
	\$	\$	\$(/mo/yr)	\$

*Projected Income will be imputed at the current passbook rate for assets that generate no current income

Schedule A.2 – Real Estate Income			
Property Address	Gross Rent	Cash Expenses	Net Income
	\$	\$/month	\$
	\$	\$/month	\$
	\$	\$/month	\$
	\$	\$/month	\$
	\$	\$/month	\$

Schedule A.3 – Business Income		
Income from Business Activities	(Line 3, Schedule C, Form 1040)	\$
Cost of Goods Sold	(Line 4, Schedule C, Form 1040)	\$
Advert, Bad Debt, Car/Truck, Fees	(Lines 8-11 Schedule C, Form 1040)	\$
Benefits, Insurance, Interest	(Lines 14-16 Schedule C, Form 1040)	\$
Legal, Professional, Office	(Lines 17-18 Schedule C, Form 1040)	\$
Rent or Lease Expenses	(Line 20, Schedule C, Form 1040)	\$
Repair, Supplies, Taxes, Entertain.	(Lines 21-24, Schedule C, Form 1040)	\$
Utilities	(Lines 25, Schedule C, Form 1040)	\$
Wages	(Lines 26, Schedule C, Form 1040)	\$
Other Expenses	(Line 27, Schedule C, Form 1040)	\$
Total Cash Expenses related to Business Activities		\$
	Net Business Income	\$

Non-cash expenses (i.e.: depreciation or amortization) will not be included here; and expenses that are not justified or not directly related to the business activity (eg: personal or household expenses) will be deducted from the amounts listed on the federal tax return.

Schedule B

Employment Plan

Must be provided for any businesses using their job creation for low- to moderate-income individuals as the basis for their eligibility.

(A) Job Title	(B) Annual or Hourly Wages	(C) Current Number of Positions	(D) Jobs Created: Year One	(E) Jobs Created: Year Two	(F) Jobs Created: Year Three	(G) Total Jobs to be Created
TOTALS:						

Instructions:

- Column A:** Insert the job titles that exist within the company at the time of application, as well as any job titles that will be established as a result of the project.
- Column B:** Indicate the entry-level wage for each listed job title either in terms of hourly pay or annual salary.
- Column C:** For each listed job title insert the number of positions that exist at the time of application.
- Column D:** Insert the number of jobs to be created during year one of the project for each listed job title.
- Column E:** Insert the number of jobs to be created during year two of the project for each listed job title.
- Column F:** Insert the number of jobs to be created during year three of the project for each listed job title.
- Column G:** Indicate the total number of jobs to be created for each listed title as a result of the project. (Column D + Column E + Column F = Column G)

Use as many copies of this form as necessary.

Bankruptcy, Litigation and Felony History

Describe any bankruptcy history, litigation history having a material effect on the business solvency, or convicted felony activity associated with the owners, management, or officers of the business.

- | | YES | NO |
|---|-------|-------|
| 1. Are any of the officers, owners, or management of the business presently under indictment, on parole, or probation? If yes, describe below: | _____ | _____ |
| _____ | | |
| _____ | | |
| _____ | | |
| 2. Have any of the owners, officers, or management of the business ever been charged with or arrested for any criminal offense other than a minor traffic infraction? If yes, describe below. | _____ | _____ |
| _____ | | |
| _____ | | |
| _____ | | |
| 3. Have any of the owners, officers, or management of the business ever been convicted of any criminal offense, other than a minor traffic infraction? If yes, describe below. | _____ | _____ |
| _____ | | |
| _____ | | |
| _____ | | |
| 4. Has the business, its present owners, officers, or management ever been the subject of bankruptcy proceedings? If yes, describe below. | _____ | _____ |
| _____ | | |
| _____ | | |
| _____ | | |

Signature _____

Date _____

Printed Name and Title _____

CERTIFICATION AND
AUTHORIZATION TO RELEASE CREDIT INFORMATION

_____, being duly sworn, deposes and says: that (s)he is the president of _____, the Project occupant (the Company) described in the foregoing application; and authorizes the lender to investigate and obtain a report concerning my (our) credit for the purpose of processing and underwriting my (our) grant application.

President, Project Occupant

Applicant's Full Legal Name

Applicant's Street Address

City/State (Province)/Country, Postal Code

Current Place of Employment

Current Employment Address

Previous Employer

Previous Employer Address

Applicant's SS# or SIN#

Applicant's Date of Birth

Spouse's Name

Credit Reporting Agency

Tupper Lake Microenterprise Program Suggested Evaluation Criteria

The Program Review Committee will ensure that the project costs and all proposed purchases are reasonable prior to their approval and will rely on their understanding of the community and the economic development consultant's recommendation. Prior to approval, the Town will require that the recipient commit to providing their 10% cash equity and before any CDBG funds are expended the business owner will need to put in their share.

The Microenterprise Assistance Program will assist businesses that have been struggling to find private financing for their business ventures due to the unusually tight lending market, therefore the CDBG funds will not be substituting non-Federal funds. The overall project and specific project components will be reviewed for feasibility during the initial application review phase and again when the Program Review Committee is approving the application. The Town will review the project and make sure that the return on the owner's equity investment will not be unreasonably high; and to the extent practicable, CDBG funds will be disbursed on a pro rata basis with the other financing.

Grant award to business owners is dependent on successful completion of the training program. At the completion of the required training, business owners will be given a certificate of completion that will satisfy the training requirement.

All applications that meet basic eligibility criteria will be scored on a total 100-point scale in the following categories. AEDC will review each application and provide their initial score to the Program Review Committee for modification and final determination.

AEDC's review will be based on application plan development meeting(s), application materials, and credit check of applicant and follow-up interviews with applicants as necessary.

Step 1: Is this business applying for start up (less than 6 months) or existing business pool of funds?

Step 2: Does this business meet the Required Qualifications:

- 1) Will the business create one low/mod income job or is the owner low/mod income?
- 2) Has the business met with AEDC and developed a plan for the application

Evaluation Criteria:

1) Job Creation

Is the business owner able to commit to creating a job(s)? Do they anticipate being able to create a job(s) even if they are not required to for eligibility?

2) Location

Will this business locate along the Routes 3 and 30 commercial corridor or is the business currently located in the corridor?

3) Applicant Experience and Business Plan

Does applicant have a clearly written and well-researched business plan? Is one under development? Has applicant done any market research to support their plan to operate the business? Does applicant demonstrate a clear understanding of what will be required of him/her to operate the business? Any prior experience running a successful business? Is applicant a successful microenterprise that is expanding? If applicant does not have prior experience running a successful business, does applicant demonstrate a sincere commitment to undergo the required business training? Does applicant demonstrate a good track record of financial management?

4) Use of Funds

Demonstration of legitimate need for machinery; furniture, fixtures and equipment; or inventory purchase clearly tied to ability to start-up or expand? Does applicant document the cost? Applicants who submit a vague request for working capital will score lower than those who demonstrate a legitimate need for a concrete purchase that will help them meet their goals.

5) Contribution to Local Business Climate

Will this project enhance the local business mix? Does the business have any special or unique attributes that will attract new spending to Tupper Lake?

6) Need

Does applicant have cash or other financial resources at their disposal they could use to achieve the goals set forth in their application? Has applicant been seeking other financing for their project and been turned down due to the tighter credit market? Is this something applicant has been working toward or is it an idea they came up with when they found out money was available?