

Impact Assistance Fund – Program Guidelines

The Impact Assistance Fund has been created as a sub-program of the Economic Development Fund. The purpose of the fund is to provide financial assistance and/or technical assistance to certain financially healthy small businesses in designated areas of the County that are adversely impacted by a redevelopment project initiated by the County, a redevelopment project located on County-owned property, or a redevelopment project constructed by a private entity for use in whole or in part by the County as a public facility. Financial assistance may take the form of a conditional grant or a loan. The recipient's intended use of funds, degree of adverse impact resulting from the redevelopment project (both actual & projected), and the financial health of the business will determine the appropriate form and level of assistance provided. Only businesses that are currently experiencing adverse impact due to redevelopment projects, as described above, and that are currently in progress, will be eligible under the program.

The objective of the Fund is to provide assistance to businesses which will enable ongoing operations, so that the businesses remain viable enterprises during the redevelopment project and after its completion. The maximum amount of assistance a business can receive under the program is \$25,000. Businesses receiving assistance from the Impact Assistance Fund are not eligible to receive assistance from the Small Business Assistance Program.

Definitions

Designated area – a geographic area identified by the County Executive as eligible to receive assistance under the Impact Assistance Fund.

Redevelopment project - means any construction, alteration or improvement in a designated area where the existing land use is commercial or industrial, and is located on property owned by the County, directly financed in whole or part by the County, or a project constructed by a private entity for use in whole or in part by the County as a public facility.

Adverse impact - means a decrease in net profit resulting directly from a County redevelopment project, a redevelopment project on County property, or a project constructed by a private entity for use in whole or in part by the County as a public facility.

Eligibility

The business must be located in a designated area.

The business must be a small business that meets the requirements of 11B-65(a):

A Small Business

- 1) Has its principal place of business in Montgomery County
- 2) Is independently owned and operated
- 3) Is not a subsidiary of another business
- 4) Meets the size or sales criteria below:

Business Type	Employee Limit	OR	Prior 3 Years' Average Sales
Retail	30	or	\$5,000,000.00
Wholesale	30	or	\$5,000,000.00
Service	100	or	\$5,000,000.00
Construction	50	or	\$14,000,000.00
Manufacturing	40	or	\$14,000,000.00

Financially Healthy – The business must demonstrate that it had a net profit prior to commencement of project construction.

Net Profit – For purposes of this program, net profit shall be considered earnings before interest, taxes, depreciation and amortization have been deducted.

Lease – A businesses must have at least 12 months remaining on its lease at the time of its application. If a business does not have at least 12 months remaining on its lease it will be required to submit a letter stating that it will renew its lease for at least 12 months.

Financial Assistance - A small business may be eligible for a financial assistance if it meets the eligibility criteria and can demonstrate that the redevelopment project adversely impacted the business’ net profit. Financial assistance may take the form of a conditional grant or a loan. The total amount of assistance that a business may receive through the Impact Assistance Fund is \$25,000.

The Process

A business seeking financial assistance must complete an Impact Assistance Program Application and submit it to the Montgomery County Department of Finance. The application should provide, at a minimum, the information and documentation requested in the application. Information demonstrating adverse impact should include financial statements - both Profit & Loss and Balance Sheets - of comparable financial periods before impact and after impact, as well as any other documentation that demonstrated adverse impact because of the redevelopment project. For example, if a business was claiming it was adversely impacted by a County redevelopment project in the first quarter of calendar year 2017 (January 1 through March 31), the business should provide financial statements - both Profit and Loss Statements and Balance Sheets for that period, and for the same period (January 1 through March 31) for the prior year - 2016.

The application will be reviewed and a recommendation will be made to the Director of Finance or his designee, as to whether financial assistance should be awarded and the amount of that assistance.

Once a decision has been rendered, the applicant will receive written notice of the determination. If approved, the terms and conditions of the approval will be specified. If declined, the reason(s) for the declination will be provided.