

CITY OF GUNNISON

BUSINESS EXPANSION SUPPORT

GRANT PROGRAM GUIDELINES

Funded by the Colorado Department of Local Affairs Rural Economic Development Initiative (REDI) Program

The City of Gunnison, in partnership with the DOLA and the ICELab, is accepting grant proposals to support existing businesses with viable plans to expand operations and create local jobs. A total of \$101,100 in funding is available.

Funding will be provided to projects that begin after the grant contract is issued and which can be completed by April 30, 2026. This is a reimbursement grant program and funds will be paid to grantees upon receipt of invoices and proof of payment for each eligible expense, to be submitted within 30 days after purchase to be eligible for reimbursement.

Eligibility:

- Only one application per entity will be considered for funding.
- Applicants must be an existing entity with a principal place of business within the City of Gunnison, Colorado.
- Applicants must have viable plans to create local jobs, with preference given to jobs paying at least \$50,000 per year.
- Preference will be given to projects that will result in the creation of primary jobs in the City of Gunnison (a job that produces goods and/or services for customers that are predominantly outside the community).
- A 20% cash match is required.

Use of Grant Funds:

- All projects must create jobs, either directly or indirectly.
- Eligible uses of grant funds include acquisition or renovation of a building or property, physical space improvements, and equipment purchases to **expand** operations. Rent or lease payments are **NOT** eligible expenses.
- Eligible projects must begin no sooner than the execution date of the grant award and be completed no later than April 30, 2026.
- Grant funds may not be used for payroll.
- Grant funds may not be used to purchase inventory.
- After a grant has been awarded, any change in scope to a funded project must be submitted in writing for approval prior to incurring any expense.

Project Scoring:

- **Job creation**
 - *How many local jobs will be created? Note that preference will be for projects that create primary jobs paying more than \$50,000 per year.*

- **Strength of Business Plan/Proposal**
 - *Length of time the applicant has demonstrated a successful business model.*
 - *Thorough projection of qualitative and quantitative aspects of the business.*
- **Community Benefit**
 - *Will the project increase the economic diversity and resilience of the community?*
 - *Emphasis on projects that focus on childcare, benefit youth, increase equitable access to outdoor recreation or promote a healthy lifestyle*
- **Project timeline and Readiness**
 - *Feasible timeline*
 - *Deliverables match job outcomes*
 - *Cash match*
 - *Support of other agencies*
 - *Measurable outcomes*

Application Requirements:

1. City of Gunnison sales tax license or Colorado Secretary of State Certificate of Good Standing showing principal office in Gunnison, Colorado.
2. Explain how many local jobs are projected to be created through this project. Provide a detailed explanation for the rationale behind the projection.
3. Assuming the project is funded, when will it begin and what is the timeframe for completion?
4. Project Budget
 - a. If the project includes construction costs, please include at least one contractor bid to support your budget request.
5. Business Plan that includes the following elements
 - a. Plan for creation of new jobs (preferably paying over \$50,000 per year)
 - b. Plan for ensuring equity and diversity of opportunities within the new jobs
 - c. Potential Inclusion of WCU interns or recent graduates
 - d. General nature of current operations, principal products/services
 - e. Size of potential market
 - f. Customer segmentation or profile
 - g. Brief description of capital structure, noting major shareholders
 - h. Type of company and state of registry
 - i. Competition
 - j. Marketing strategy
 - k. Organizational chart, current and future expectation including location
 - l. Financial history and projections
 - m. Capital expenditures required for growth if any
 - n. Patents/trademarks/goodwill, etc.
 - o. Known current or potential litigation
6. Grantee Obligations and Acknowledgement of Grant Requirements:
 - a. Acknowledgment that all approved work must be completed by April 30, 2026

- b. Acknowledgement of responsibility to pay all taxes on awarded funds and provide the City with an IRS 1099 form.
- c. Acknowledgement that no renovations or work expenses prior to executed grant agreement will be reimbursed.
- d. Acknowledgement and agreement to provide required **quarterly** reporting for 5 years:
 - i. Full time jobs
 - ii. Part time jobs
 - iii. Jobs paying over \$50,000 per year
 - iv. Quarterly gross revenue
 - v. WCU interns/recent grads employed
- e. Acknowledgement of restrictions on property acquired with grant funds:
 - i. During a period of five (5) years following the date of closeout of the Grant by the State, the Grantee may not change the USE or planned use of the property. If the Grantee decides to change the use of the property to a use which the State determines does not qualify in meeting the original intent of the Grant, the Grantee must reimburse to the State an amount equal to the current fair market value of the property, less any portion of the value attributable to expenditures of non-REDI grant funds for acquisition of and improvements to, the property. At the end of the five (5) year period following the date of completion and thereafter, no State restrictions on use of the property shall be in effect.

- OR -

- ii. The Grantee warrants that the facility will continue to be utilized as approved by the State for at least five (5) years following completion of the Grant. If the facility is used for any purpose other than intended during that five-year period, the Grantee shall return a portion of the grant funds based on the following payback schedule: In year one, one hundred percent (100%) of the grant funds must be returned; in year two, eighty percent (80%); in year three, sixty percent (60%); in year four, forty percent (40%); and in year five, twenty (20%). At the end of the five (5) year period following the date of completion of the renovations and thereafter, no State restrictions on use of the property shall be in effect.

- OR -

- iii. During a period of five (5) years following the date of close-out of the Grant by the State, the Grantee may not change the OWNERSHIP of the equipment. If the Grantee decides to change the ownership of the equipment to an entity which the State determines does not qualify in meeting the original intent of the Grant, the Grantee must reimburse to the State an amount equal to the current fair market value of the equipment, less any portion of the value attributable to expenditures of non-REDI grant funds for acquisition of and improvements to, the equipment. At the end

of the five (5) year period following the date of completion and thereafter, no State restrictions on ownership of the equipment shall be in effect.