



# *Guidelines: Calvert County Economic Development Incentive Fund*

## **Introduction**

The Economic Development Incentive Fund (the Fund) is offered to companies looking to expand or locate their facility in Calvert. The Fund, provided at the sole discretion of the Calvert County, Maryland Board of County Commissioners (BOCC), is available to qualifying companies that can show significant economic impact within the County's business community. Terms and conditions vary.

The purpose of the Fund is to aid economic development within the County by providing assistance through loans or grants, or a combination of both, to qualified companies who plan to establish new operations or facilities in Calvert County or significantly expand existing operations or facilities in Calvert County.

## **Eligibility**

The applicant must be a business entity qualified to do business in the State of Maryland. Any request by a qualified company must be consistent with the Calvert County Comprehensive Plan, as determined by the BOCC. To be eligible for a direct loan or grant under this chapter, a qualified company shall:

1. Establish new operations or facilities in Calvert County or significantly expand existing operations or facilities in Calvert County; and
2. Create 25 new full-time jobs or full-time equivalent jobs in Calvert County; and
  - a. Make a capital investment of at least \$1,000,000.00; and
  - b. Make a commitment to continue operations at its Calvert County facility for at least five years.

## **Application and Grant Procedure**

A qualifying company shall submit an application for a loan or grant on a form approved by the BOCC to the Director of Economic Development (Director).

1. Upon receipt of an application, the Director shall certify that the application:
  - a. Is in conformance with any application requirements established by the BOCC;
  - b. Meets all underwriting criteria adopted by the BOCC.
2. If certified, the Director shall refer the application to the Calvert County Economic Development Authority (EDA). The EDA shall make a recommendation to the BOCC on the application and economic impact (jobs/capital investment) to the County. A completed application submitted two weeks prior to an EDA meeting will be acted on at the next regular meeting.

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3. Upon favorable determination by the EDA, the Director shall report to the County Administrator and the County Attorney for approval to coordinate a presentation by the applicant to the BOCC.
4. Should the application not receive favorable review by the EDA, the Director shall submit the application to the BOCC in Executive Session for consideration outlining the EDA review.
5. The BOCC has sole authority in its absolute discretion to approve or deny the application.

### **Use of Proceeds**

1. The recipient of a loan or grant may use the loan and/or grant proceeds for any of the following purposes as approved by the BOCC:
  - a. Leasehold improvements;
  - b. Construction, renovation, and rehabilitation;
  - c. Infrastructure improvements;
  - d. Machinery and equipment expenses related to the items listed above, such as fees, testing, delivery, and preparation; and
  - e. Working capital.
2. The loan or grant recipient may not use the proceeds from the Fund to pay off existing debt.

### **Administration of Grant or Loan**

1. The Calvert County Department of Finance and Budget, in conjunction with the County Attorney, shall prepare the necessary loan and/or grant documents.
2. Before any funds are paid over to a qualified company, the qualified company and the BOCC shall enter into an agreement outlining the administration of the funds. The agreement shall include any provisions that the BOCC deems necessary for the proper use of the funds.

### **Confidentiality**

All statements and information furnished with this application or on supporting documents shall remain confidential until receiving favorable review by County representatives. Tax returns and other documents whose disclosures are prohibited by law shall remain confidential. After notifying the applicant, and with the approval of the applicant, the Director and applicant shall present the application in open session with the BOCC for approval.

### **Award**

Immediately following the BOCC's approval decision, a commitment letter shall be issued. The Borrower shall accept the terms and conditions within 10 days of the date of the letter.

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**Reporting**

Any business that has received a loan or grant from the Fund shall provide an annual progress report to the County through the Director of Economic Development. The report will be due one calendar year after award is made until the end of the agreed upon terms. Should it be determined that the business is not meeting the agreed upon terms, the Director of Economic Development will notify the BOCC through the County Administrator.

**Provisions for Noncompliance**

Provisions will be made in the grant or loan documents to ensure that the Fund is made whole should the business not perform as agreed upon.