SMALL BUSINESS LEDA PROGRAM PROPOSAL

The LEDA program Empowers local governments to foster economic growth and enhance the quality of life through public investment in private sector projects. This is a very broad mission and here we propose a narrow program that is aimed at small businesses that are in properties that are below current code requirements, but are still desirable as a business location. The property may be occupied, but needs upgrades to improve the business potential. The small business owner may also be the landlord. Demolition of an existing and severely deficient building or a new build on a vacant lot is also allowed. The preferred projects are remodels to meet current code or enhance existing businesses. The goal is to convert properties that are empty or underutilized into vibrant businesses.

Financial Structure and Requirements -

LAC may provide grants and zero interest loans. The small business owner must obtain private capital, or an in-kind contribution, to match the grant component. The landlord may provide the private capital or in-kind contribution. The remainder of the project will be funded with zero interest loans with a term shorter than the lease on the property. The security component of the LEDA agreement will be provided by a third-party nonprofit from an internal fund. Proposals that require less capital or internal security from the nonprofit will be preferred. The nonprofit's role is to review the proposal and provide security with a fund that is not designated to be spent. To qualify the proposal must satisfy the following requirements:

1. A business consistent with LAC long-term plans.
2. A business that fills in a segment in the gap analysis.
3. Capacity of the applicant to undertake, complete, and sustain the proposed project.
4. 50% or more ownership by a county resident.

Example: A liquor store proposal would fail requirements 1 and 2 since we do not have a county strategic plan to expand liquor sales and we have a significant number of vendors extant.

Example: A national chain fast food restaurant. This would fail requirements 2 and 4, we have lots of fast food restaurants and the ownership is not local.

Proposal Scoring-

After passing the requirements above the proposals will be scored on the following evaluation criteria. These financial measures will be considered relative to the size of the project commitment from the county.

1. Amount of local taxes, utilities and fees to be generated for the community.
2. Amount of private capital committed to the project.
3. The number of jobs created by the proposal.
4. The extent to which the proposed project contributes to LAC adopted plans.

Process for small business LEDA-

1. A call for proposals is issued by the community development department.
2. A small business owner identifies a property and a business plan
3. Landlord must agree to allow the proposed building improvements.
4. Long term lease terms are agreed upon, but not signed. The lease must be longer than the potential LEDA agreement.
5. A one-page Pre-Proposal is written by the small business owner. This includes the building changes and use proposed. Overall cost may not known at this stage. The third-party nonprofit may be included at this time.
6. Preapplication meeting with LAC staff to review pre-proposal, gap analysis, and building renovation requirements. This includes a small fund to retain external professional staff to provide any additional analysis to meet all current code requirements. All the requirements to open the business are released to the small business owner.
7. Small business owner completes a full LEDA proposal. This includes contractor estimates.
8. If the small business does not have sufficient security a third-party nonprofit reviews the proposal, agrees to support the proposal, and provide security.
9. The building owner (landlord) agrees to the final plan.
10. Final LEDA proposal is submitted to the county community development department.
11. Senior staff review the proposal, issue a recommendation, and forward it to the County Council.
12. County Council hearing and possible approval.
13. LEDA funds are released to prepare full drawings.
14. Lease is signed.

15. Contractor submits plans for permit approval.
16. Permit issued by LAC for the project.
17. Contractor performs the work, submits for intermediate inspections.
18. Building inspector does final inspection and issues Certificate of Occupancy
19. Small business opens and fulfills the terms of the LEDA grant and repays the loan.
20. Owner retains the improvements as part of the property title.

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