

2020 City of Dixon/LCIDA Small Business Stabilization Grant Program

Serving Dixon and Lee County Illinois

Guidelines and Application

Application process open: April 20, 2020

Applications will be accepted beginning Monday, April 20th and remain open while funding lasts. A Grant Committee will review applications and award grants based on the availability of funding and evaluation of the eligibility criteria and required submissions set out below. Please complete the entire application.

Program Overview

The purpose of the (CDLSBG) is to help small businesses deemed “non-essential” pursuant to Governor Pritzker’s “Stay at Home” executive order that are located within Dixon and Lee County to remain viable during and following the COVID-19 pandemic. The Dixon City Council has partnered with Dixon Chamber of Commerce and Main Street and the Lee County Industrial Development Association (LCIDA) to fund this grant. This team believes small, “non-essential” businesses are, in fact, an essential part of our business and culture community and realizes the significant financial impact COVID-19 has had on them. Simply put, they are our most vulnerable businesses and in need of financial assistance.

This grant is intended to pay for qualifying expenses not covered by the federal government’s “Paycheck Protection Program” or other sources of State or Federal COVID-19 relief funding. The maximum award a business can received is \$5,000 for one-month of qualifying expenses. The Dixon City Council and LCIDA may extend this grant program by one (1) month if the economic circumstances surrounding COVID-19 deem it necessary.

Definitions

Non-essential businesses: Business determined “non-essential” by Governor Pritzker’s “Stay at Home” executive order.

Small business: Generally, a small business is defined as a business who employs less than 12 full-time employees or the equivalent weekly hours of 12 full-time employees.

Brick and Mortar: A physical business address that is a separate location than the primary residence of the business owner.

Eligibility

To be eligible for the (CDSBG) program, a business (profit or non-profit) must meet the following criteria:

- Deemed a “non-essential” business under the “Stay Home” order or a restaurant that is now limited to serving food for consumption off-premises.
- Operate out of a brick-and-mortar location and the business is not able to pay for rent, mortgage or utilities. One grant per brick and mortar location.
- Meet the definition of small business.
- Must be legally capable of entering into a binding contract. A Grant Agreement with Recapture will be required that will obligate the business to repay the grant if program rules are not followed.
- Must remain open for one-year following the grant award.
- If a business qualifies for the federal “Paycheck Protection Program,” the business owner must have applied for a loan under the Paycheck Protection Program.
- The Grant Committee will consider, in appropriate cases, the applications of businesses for which the Paycheck Protection Program is impractical or in the event of the illiquidity or termination of the Paycheck Protection Program. Such businesses are encouraged to contact the City of Dixon or Dixon Chamber of Commerce & Main Street prior to applying.

Qualifying Expenses

- Rent or mortgage
- Utilities
 - Electric
 - Gas
 - Telephone
 - Internet
 - Water service
 - Garbage service

Funding

- A grant in the maximum amount of \$5,000 may be awarded to pay one month of qualifying expenses that are not anticipated to be covered by a Paycheck Protection Program loan, or other sources of State or Federal COVID-19 relief funding, during the 8-week “covered period” under the Paycheck Protection Program guidelines.
- The grant is intended to be funding of last resort. An applicant’s other sources State or Federal COVID-19 relief funding, such as a grant received pursuant to the Illinois Downstate Small Business Stabilization Program, will be evaluated.

Funding Sources

- The City of Dixon is allocating \$200,000.00 to this grant. By law, these funds may only be allocated to businesses located within the corporate city limits of Dixon.
- LCIDA is allocating \$100,000.00 to this grant. These funds may be used for any business in Lee County.

Grant Committee

The Grant Review Committee will consist of two (2) City Council members, the Dixon City Manager, Dixon Assistant City Manager, the Dixon Finance Director, two (2) Board Members of the Lee County Industrial Development Association and the Executive Director of Dixon Chamber of Commerce and Main Street. Grant applications must meet the “eligibility” requirements and receive a majority “yes” vote from the committee. Grants will be awarded on a first-come basis until the total grant fund allocation is gone.

FOR FURTHER INFORMATION and TECHNICAL ASSISTANCE:

For businesses in Dixon, please contact Jeremy Englund of the Dixon Chamber of Commerce & Main Street; jeremy.englund@dixonnow.com or Danny Langloss of the City of Dixon; danny.langloss@discoverdixon.org.

For businesses in Lee County, please contact Kevin Marx of LCIDA; connectlcida@gmail.com.

2020 City of Dixon/LCIDA Small Business Stabilization Grant Program

Servicing Dixon and Lee County Illinois

Application

Please complete the entire application and attach additional documents as needed. The completed application should be returned to: danny.langloss@discoverdixon.org

Applicant Name / Title	
Business Name	
EIN Number	
Business Address	
Phone Number	
Email	
Grant Amount Requested (Not to exceed \$5000)	

Describe your funding objective. Include a detailed narrative on why the applicant is requesting funding assistance and how the award of this grant will impact future business endeavors and profitability. (Attach additional pages to this application if needed)

Give a brief narrative of your business operations.

Has your business been forced to close as a “non-essential” business or are you a restaurant now limited to serving food for consumption off-premises?

- Yes No

Do you operate your business out of a brick-and-mortar facility separate from your primary residence?

- Yes No

Do you have less than the equivalent of 12 full time employees?

- Yes No

Have you applied for a Paycheck Protection Program loan or any other State or Federal COVID-19 Relief funding programs? If yes, please specify which.

- Yes No

Have you received approval for any of the above funding programs? If yes, please provide specific details.

- Yes No

If you receive this grant, do you feel you will be able to remain open for at least 1 year? Use the space below if you need to explain further

- Yes No

If you receive this grant, which of the following qualifying expenses will the funds be used for?

Rent or Mortgage

Yes No

Electric Bill

Yes No

Gas Bill

Yes No

Water Bill

Yes No

Telephone Service

Yes No

Internet Service

Yes No

Garbage Service

Yes No

Please include the following with your application:

1. Applicant W-9
2. Paycheck Protection Program approval or denial letter from lender.
3. A copy of the Paycheck Protection Program application, including all supporting documentation.
4. An anticipated budget showing use of the proceeds of the Paycheck Protection Program loan, and other sources of State or Federal COVID-19 relief funding sources, for the 8-week "covered period" under the Paycheck Protection Program guidelines. Expenses that will be paid with such sources and those that will be paid with grant funds if approved must be shown. PLEASE USE WHOLE DOLLAR AMOUNTS ONLY.
5. Most recent documentation, such as payroll ledgers, bills and invoice, for items shown on the budget, including qualifying expenses that will be paid with grant funds if approved.

CITY OF DIXON BUSINESSES ONLY

GRANT AGREEMENT WITH RECAPTURE

THIS AGREEMENT (this “Agreement”) is made and entered into this ____ day of _____, 2020 (the “Effective Date”), by and between the CITY OF DIXON, an Illinois municipal corporation (the “City”) and _____ (the “Recipient”).

RECITALS:

WHEREAS, an outbreak of a novel coronavirus, referred to as COVID-19, has emerged globally and spread throughout the United States of America and the State of Illinois, resulting in the declaration of a pandemic by the World Health Organization; and

WHEREAS, in response to the pandemic, the Governor of the State of Illinois has declared a state of emergency and has further issued a series of executive orders directing the closure of all “non-essential” businesses within the State of Illinois and mandating a general “stay-at-home” order to the populace; and

WHEREAS, the Mayor and City Council of the City are mindful of the economic impact of COVID-19 on small businesses within the City deemed as “non-essential” and have created a Small Business Stabilization Grant Program (the “Program”) in conjunction with the Lee County Industrial Development Association to aid such businesses with certain Qualifying Expenses (as such term is described in the Program Guide, a copy of which is attached to this Agreement); and

WHEREAS, Recipient is the owner of a qualifying small business located within the City (the “Business”) and has applied for a grant through the Program, and the City has approved such application.

NOW, THEREFORE, the parties, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

1. Incorporation of Recitals. The Recitals set forth in the preambles to this Agreement are true and correct and are hereby incorporated into this Paragraph 1 as if fully set forth herein.
2. Term; Grant Amount. The term of this Agreement (the “Term”) shall commence on the Effective Date and continue for a period of one (1) year. Upon the execution of this Agreement, City shall cause the disbursement of the proceeds of a grant to Recipient in the amount of \$ _____ (the “Grant”). Payment shall be made by check payable to the order of the Recipient.
3. Grant Requirements. Recipient agrees that it shall utilize the Grant solely for the payment of Qualifying Expenses in connection with the “brick and mortar” location of the Business as described in the Program Guide.
4. Representations of Recipient. In connection with the Grant, Recipient represents and warrants that:

(a) the Business is a small business that employs less than twelve (12) full-time employees or the equivalent weekly hours of twelve (12) full-time employees;

(b) the Business has a physical “brick and mortar” location within the City that is other than the primary residence of the owner of the Business;

(c) the Business has been deemed “non-essential” pursuant to Executive Order No. 10 issued by the Governor of the State of Illinois on March 20, 2020, and as extended on April 1, 2020, or is a restaurant that is now limited by such Executive Order to serving food for consumption off-premises;

(d) the Qualifying Expenses are not otherwise covered by proceeds received from a Paycheck Protection Program loan or other sources of State or Federal funding made available for COVID-19 relief during the eight (8) week “covered period” described in the Paycheck Protection Program rules and regulations;

(e) the Grant is necessary for the payment of Qualifying Expenses and that, absent the Grant, Recipient would be unable to make such payments;

(f) following the execution of this Agreement, Recipient will keep the Business open for a continuous period of at least one (1) year; and

(g) the Business shall provide such information as may be requested by the City to document compliance with the requirements set forth in the attached Program Guide and the terms of this Agreement.

5. Breach of Grant Requirements; Recapture. In the event of Recipient’s breach of this Agreement or of any of the representations and warranties of Recipient made herein, Recipient agrees to pay the City, within thirty (30) days of demand, the sum equal to 1/12th of the Grant amount multiplied by the total number of months (including partial months) remaining on the Term (the “Recapture Payment”). The Recipient shall also pay to the City within thirty (30) days of demand the amount of all expenses paid or incurred by the City, including reasonable attorneys’ fees and court costs, in pursuit of the Recapture Payment. The provisions of this section shall survive the termination of this Agreement and the payment of the Recapture Payment.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

CITY OF DIXON

By: _____
Its: _____

RECIPIENT:

By: _____
Its: _____