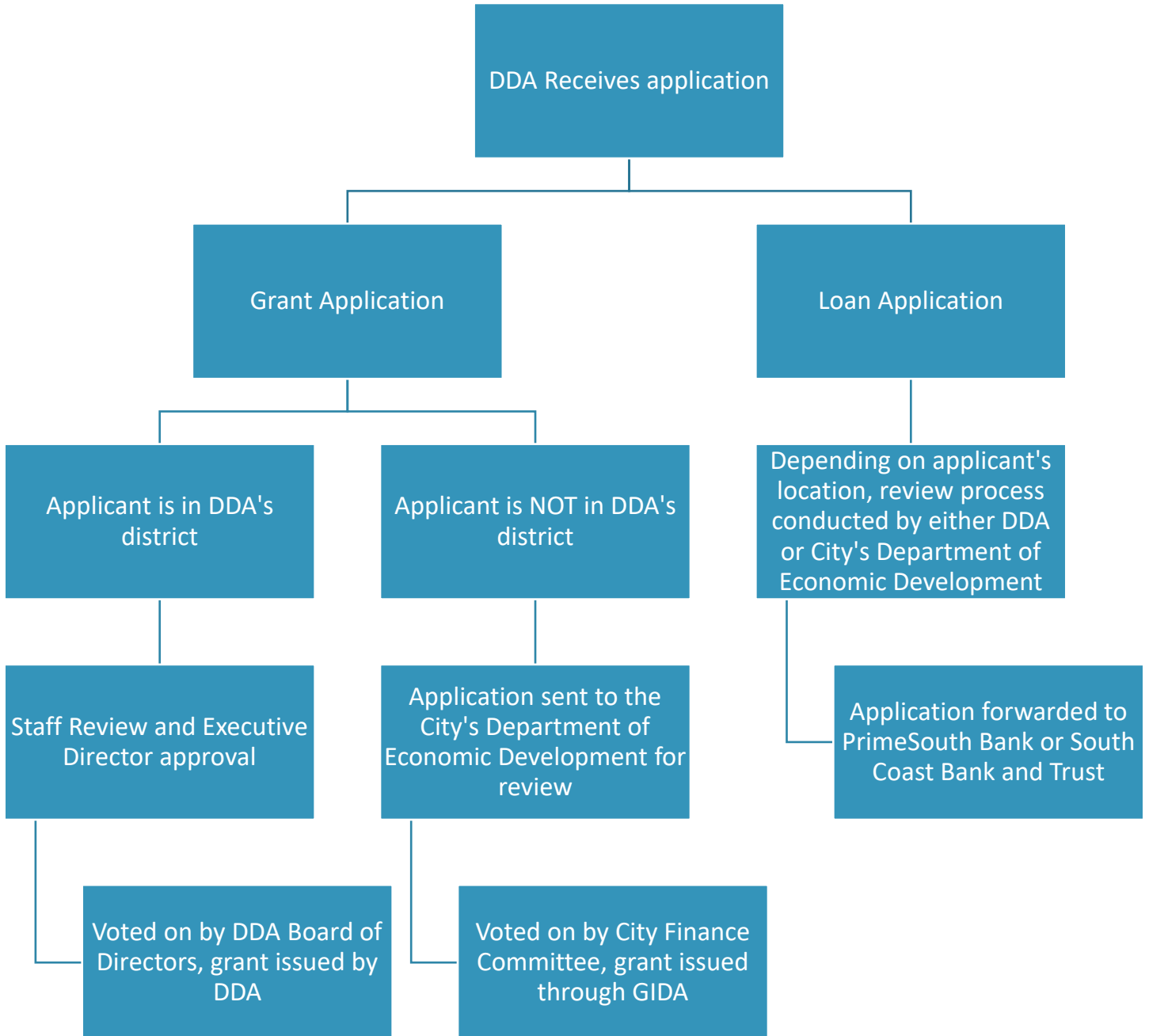


# Back to Business Brunswick

Economic relief programs to  
combat the hardships brought  
on by the pandemic of 2020



# Application Process for BtoB Brunswick



# Capital Assistance and Relationship Lending

## **Purpose:**

- Microloan
  - o Provide in-house financing to small businesses at an affordable rate as an option to other short-term financing.
- Sponsoring Brunswick's Credit
  - o Foster lending relationships with small businesses and local financial institutions

## **Loan Types<sup>1</sup>:**

- Microloan
  - o Loan amounts of \$2,000 to \$5,000, with 10% applicant equity
  - o Revolving application window
- Sponsoring Brunswick's Credit
  - o New Business
    - 40% of total loan amount requested; secured loan ceiling at \$20,000
    - Additional review points
    - Revolving application window
  - o Existing Business
    - 40% of total loan amount requested; secured loan ceiling at \$20,000
    - Revolving application window

## **Loan Terms:**

- Microloan
  - o 1 year
- Sponsoring Brunswick's Credit
  - o 10 years

## **Interest Rate:**

- Microloan
  - o Rate of inflation at the time of applying plus 1.0%
    - Interest window 2.0% to 5.0%
- Sponsoring Brunswick's Credit
  - o New Business = Prime plus 0.5%
  - o Existing Business = Prime

## **Miscellaneous**

- All lending activity would be carried out by PrimeSouth Bank and South Coast Bank and Trust.
- Service fee attached to loan would go to bank to cover underwriting and collections.
- Recipients of Sponsoring Brunswick's Credit, both new and existing businesses, are required to participate in an approved continuing education course.<sup>2</sup>

---

<sup>1</sup> Women and Minority entrepreneurs receive additional review status

<sup>2</sup> See Continuing Education Provision on page 5 for approved institutions. A BBRG scholarship will be awarded to the borrower to cover the cost of the course.

# Stabilization and Market Ready Loan

## **Purpose:**

To structurally stabilize culturally and/or historically significant buildings, and to rehabilitate the interior with the intent to sell or gain tenant(s).

## **Overview:**

1. Loans are dependent on funding availability and will not exceed 40% of stabilization and remodeling costs, with a loan ceiling at \$75,000.
2. Buildings must be a contributing structure or of cultural significance as determined by the Brunswick Historic Preservation Board or the Director of Planning and Zoning.
3. Commercial structures located within the city limits of Brunswick.
4. Applications must be submitted and approved prior to starting work.
5. Buildings must be either in imminent danger of collapse, exhibit signs of weakening integrity, or fail to comply with life safety or building code.
6. The stabilization must be part of a larger restoration/rehabilitation project where the property is market ready upon project completion.
7. All loans are discretionary.
8. Loan repayment will be restructured based on compliance with rehabilitation/restoration plan and timeline.

## **Eligible Costs:**

1. Work required for stabilization of the structure.
2. Labor and materials for interior compliance.

## **Ineligible Costs:**

1. Documentation, inspection, or legal fees.
2. Work on structures not in imminent danger.
3. Purchase of property.

## **Application Criteria:**

1. Applicant must submit evidence of imminent danger from a professional structural engineer licensed by the state of Georgia, or a compliance failure report by city code official.
2. Applicants will need to submit a rehabilitation/restoration plan for the structure.
3. Rehabilitation/restoration plan will subject to Brunswick Historic Preservation Board review and approval.
4. Applicant must submit a timeline for the rehabilitation/restoration project.
5. If applicable, must provide the Georgia Historic Resources Survey report, or relevant material showing the property's significance.
6. Applicant must have owned the property prior to December 31<sup>st</sup>, 2020.
7. Applicant must show proof of hardship or obstacle in starting rehabilitation/restoration project.
8. All applications will be subject to a site review, and if necessary an outside consultant, prior to approval of application.

# Stabilization and Market Ready Loan

## Payment:

1. Loan funds will be paid in two installments. At the start of the project, and at an agreed upon 66% benchmark.
2. Loan funds will be paid in arrears on receipt of proof of payment for eligible completed work.
3. Loan checks will be made payable to the applicant.

## Loan Terms:

1. The Stabilization and Market Ready Loan will require a security deed to be placed on the property.
2. Fraudulent applications will be subject to immediate repayment and an automatic interest penalty.
3. Loan terms are subject to amount requested; no less than five years and no more than ten years.
4. Failure to complete project in the agreed upon timeline, or lack of noticeable progress without reason, will be subject to immediate repayment and an automatic interest penalty.
5. See tables below

## Interest Rate

|                  |                |
|------------------|----------------|
| Months 6 to 12   | 3%             |
| Months 13 to 120 | Prime less .5% |

## Payment Schedule

|                  |                              |
|------------------|------------------------------|
| Months 0 to 6    | No payment                   |
| Months 7 to 120  | Loan amortized at 120 months |
| Sale of Property | Loan balance due at closing  |

## Other Available Incentives

### *Enterprise Zone Incentives*

Specific areas of the city (including downtown Brunswick) are designated “Enterprise Zones.” These zones allow the City Commission, on a case-by-case basis to provide incentives to qualifying businesses and service enterprises. These incentives can include: City property tax abatement, exemption from various fees including occupation taxes, permitting fees, and rezoning fees. Please contact the Brunswick DDA or City of Brunswick for more information.

### *Federal and State Income Tax Credits for Rehabilitated Historic Property*

The State of Georgia’s Historic Preservation Division allows property owners to apply for a state income tax credit equaling 25 percent of qualifying rehabilitation expenses for eligible historic structures. The tax credit is capped at \$300,000 for income producing properties, and \$5 million or \$10 million for all other qualified properties. Additionally, the federal government’s U.S. Department of the Interior and the Department of the Treasury, provide a federal income tax credit equal to 20 percent of the qualified rehabilitation expenses.

### *State Tax Assessment Program*

In addition to tax credits, Georgia’s Historic Preservation Division also provides preferential property tax assessments for rehabilitated historic property, on which substantial rehabilitation costs have been incurred. The assessment freeze is approved by the county tax assessor and can last up to eight and one-half years.



# Brunswick Business Relief Grant

## **Overview:**

Awarded monthly, the Brunswick Business Relief Grant (BBRG) provides funding to Brunswick's businesses for innovation, expansion, or COVID-19 relief. With an award ceiling of \$15,000 towards eligible expenses, the BBRG will cover 60% of the total project cost. For example, if an applicant applies for \$10,000, they would be eligible for only \$6,000. To be eligible for the full \$15,000, the project would have to amount to \$25,000.

## **COVID-19 Relief:**

Due to the ongoing pandemic, BBRG funds may be used to counter the negative economic effects brought on by COVID-19. There is no percentage, and applicants would be awarded the full amount requested up to \$10,000. However, the burden of proof will be higher for applications seeking this, and will be reviewed on a case-by-case basis.

## **Eligible Expenses:**

1. Production equipment
2. Office equipment, including software and hardware
3. Expansion Expenses
4. Response to COVID-19

## **Ineligible Expenses:<sup>3</sup>**

1. Property Payments
2. Accounts Payable, Debts
3. Rent, Interest, or Mortgage payments
4. Medication, Alcohol, and Tobacco
5. Raw materials or items purchased for resale

## **Criteria for Approval:**

1. Applicants will need to provide an itemized project outline demonstrating viability.
2. Applicants open less than one year will also need to provide a business plan.
3. Applicants will need to demonstrate that they have sought and received advice and support from the SBDC, SBA or other relevant professional.
4. A detailed report on the use of funds, and how it would positively impact their business in the short-, medium-, and long-term, or in response to COVID-19.
5. Applicants will need to provide a timeline on when funds would be spent, and quotes.
6. Availability of grant funds.
7. Must have less than 30 employees.

## **Program Requirements:**

1. Expenses incurred prior to final approval are generally ineligible.
2. Applications that include building rehabilitation must include property owner's approval.
3. Project must commence within 45 days of approval and be completed within 180 days of commencement, unless otherwise approved with reasonable proof that the project cannot be completed in that timeframe.
4. Grants will be paid following completion of the project and presentation of paid invoices to the DDA.
5. Grant funds should result in new long-term job creation.
6. All grants are discretionary and based on available funding.
7. Recipient is required to measure the success of grant funds and usage, and provide reports 6 and 12 months from award.
8. Businesses that have been opened for less than a year and seeking COVID-19 economic relief, are required to submit documentation proving economic hardship brought on by the pandemic.

---

<sup>3</sup> Items 1, 2 and 3, under ineligible expenses maybe covered if seeking relief brought on by COVID-19. See COVID-19 requirements.

**Payment:**

1. Grants will be paid in arrears on receipt of proof of payment for both project and continuing education tuition.
2. Base grant will be paid in one installment.
3. Grant checks will be made payable to the applicant.
4. Grant funds must be claimed within 8 weeks of item completion.

**Repayment Conditions:**

1. Repayment of the grant may be demanded if an applicant is found to have made a fraudulent application, or if, within a period of two years from repayment of the grant, the recipient:
  - a. Ceases to trade for a period of three months or more.
  - b. Moves the business out of the Brunswick DDA District or City Limits

**Checklist:**

- Completed Back to Business Brunswick (BtoBB) preapplication.
- Project description and itemized costs outlining use of funds.
- Applicant has received advice and support from the SBDC, SBA or relevant professional.
- Signed letter from applicant stating how BtoBB funds will impact their business in the short-, medium- and long-term.
- Quotes for all tangible or real items being purchased with funds (if applicable)

**Applications that do not satisfy all listed items in the above checklist will not be reviewed and will be notified of their status.**

**Due to limited funds, applications that are six weeks old may be considered lapsed and required to reapply.**

# Brunswick Workforce Development Grant

In response to the labor shortage brought on by COVID-19, and to strengthen downtown Brunswick's workforce, a lump sum grant will be awarded to a business that either interns a student from an accredited school, issues a hiring bonus, or provides a retention wage for current employees.

Applicant may apply for all purposes listed below but will only receive up to \$5,000 per qualified application. Applicants may apply for the workforce incentive in isolation.

| Purpose                    | Amount     |
|----------------------------|------------|
| 1. Internship              | 1. \$500   |
| 2. Hiring Bonus            | 2. \$1,000 |
| 3. Retention Wage          | 3. \$4,000 |
| 4. Skilled Labor Incentive | 4. \$1,000 |

Approved organizations for internships and Skilled Labor Incentive:

STAR Foundation  
Golden Isles College and Career Academy  
College of Coastal Georgia  
Coastal Pines Technical College

## **Continuing Education Provision**

To receive the full award amount, the recipient or one of their employees are required to complete an approved education course provided by the College of Coastal Georgia, Coastal Pines, or the UGA Small Business Development Center. Award amount will be paid in the arrears and will reflect 40% of the total award amount. For example, if a recipient is awarded the full \$15,000, but fails to complete the continuing education course within 6 months of awarding, the total award would be \$9,000.