

1 S.11

2 Representative Marcotte of Coventry moves that the House propose to the
3 Senate that the bill be amended by striking out Sec. 46 and its reader assistance
4 in their entirety and inserting in lieu thereof the following:

5 * * * Community Recovery and Revitalization Grant Program * * *

6 Sec. 46. 2021 Acts and Resolves No. 74, Sec. H.18 is amended to read:

7 Sec. H.18 ~~CAPITAL INVESTMENT~~ COMMUNITY RECOVERY AND
8 REVITALIZATION GRANT PROGRAM

9 (a) Creation; purpose; regional outreach.

10 (1) The Agency of Commerce and Community Development shall use
11 the \$10,580,000 appropriated to the Department of Economic Development in
12 Sec. G.300(a)(12) of this act to design and implement ~~a capital investment~~
13 ~~grant program~~ the Community Recovery and Revitalization Grant Program
14 consistent with this section.

15 (2) The purpose of the ~~program~~ Program is to make funding available
16 for ~~transformational~~ projects that will ~~provide each region of the State with the~~
17 ~~opportunity to attract businesses, retain existing businesses, create jobs, and~~
18 ~~invest in their communities by encouraging capital investments and economic~~
19 ~~growth~~ make investments to retain and expand existing businesses and
20 nonprofit organizations, attract new businesses and nonprofit organizations,

1 and create new jobs with a preference for projects located in regions and
2 communities with declining or stagnant grand list values.

3 (3) The Agency shall collaborate with other State agencies, regional
4 development corporations, regional planning commissions, and other
5 community partners to identify potential regional applicants and projects to
6 ensure the distribution of grants throughout the regions of the State.

7 (b) Eligible applicants.

8 ~~(1) To be eligible for a grant, an applicant shall meet the following~~
9 ~~criteria:~~

10 ~~(A) The applicant is located within this State.~~

11 ~~(B) The applicant is:~~

12 ~~(i)(I) a for-profit entity with not less than a 10 percent equity~~
13 ~~interest in the project; or~~

14 ~~(II) a nonprofit entity; and~~

15 ~~(ii) grant funding from the Program represents not more than 50~~
16 ~~percent of the total project cost.~~

17 (1) To be eligible for a grant, the applicant must be located within the
18 State and:

19 (A)(i) the applicant is a for-profit or nonprofit entity that has
20 documented financial impacts from the COVID-19 pandemic; and

1 (ii) intends to utilize the funds for an enumerated use as defined in
2 the U.S. Treasury Final Rule for Coronavirus State and Fiscal Recovery Funds;
3 or

4 (B)(i) the applicant is a municipality with a stagnant or declining
5 grand list value as defined by the Department of Taxes;

6 (ii) the municipality needs to make infrastructure improvements in
7 order to incentivize community development; and

8 (iii) the proposed infrastructure improvements and the projected
9 development or redevelopment are compatible with confirmed municipal and
10 regional development plans and the project has clear local significance for
11 employment.

12 ~~(C)~~(2) The applicant ~~demonstrates~~ must demonstrate:

13 ~~(i)~~(A) community and regional support for the project;

14 ~~(ii)~~(B) that grant funding is needed to complete the project;

15 ~~(iii)~~(C) leveraging of additional sources of funding from local,
16 State, or federal economic development programs; and

17 ~~(iv)~~(D) an ability to manage the project, with requisite experience
18 and a plan for fiscal viability.

19 ~~(2)~~(3) The following are ineligible to apply for a grant:

20 (A) a State or local government-operated business;

21 (B) ~~a municipality~~;

1 ~~(E)~~ a business that, together with any affiliated business, owns or
2 operates more than 20 locations, regardless of whether those locations do
3 business under the same name or within the same industry; and

4 ~~(D)~~(C) a ~~publicly traded~~ publicly traded company.

5 (c) Grant funds; eligible uses for municipalities. A municipality is only
6 authorized to utilize program funding under this section if:

7 (1) the project clearly requires substantial public investment over and
8 above the normal municipal operating or bonded debt expenditures;

9 (2) the public improvements being requested are integral to the expected
10 private development; and

11 (3) the project meets one of the following criteria:

12 (A) the development includes new or rehabilitated affordable
13 housing, as defined in 24 V.S.A. § 4303;

14 (B) the development will include at least one entirely new business or
15 business operation or expansion of an existing business within the project, and
16 this business will provide new, quality, full-time jobs that meet or exceed the
17 prevailing wage for the region as reported by the Department of Labor; or

18 (C) the development will enhance transportation by creating
19 improved traffic patterns and flow or creating or improving public
20 transportation system.

1 (d) Grant Funds; eligible uses; private and nonprofit entities. A project of a
2 business or nonprofit organization is eligible if:

3 (1) the project had a COVID-related impact that delayed the project;

4 (2) project costs have increased as a result of the COVID-19 pandemic;

5 or

6 (3) the project involves enumerated uses of funds, as defined by the U.S.

7 Treasury Final Rule, and determined by the Agency of Commerce and

8 Community Development.

9 ~~(e)~~(e) Awards; amount; eligible uses.

10 (1) An award shall not exceed the lesser of ~~\$1,500,000.00~~ \$1,000,000.00
11 ~~or the estimated net State fiscal impact of the project based on Agency~~
12 ~~modeling~~ 20 percent of the total project cost.

13 ~~(2) A recipient may use grant funds for the acquisition of property and~~
14 ~~equipment, construction, renovation, and related capital expenses.~~

15 ~~(3)~~ A recipient may combine grant funds with funding from other
16 sources but shall not use grant funds from multiple sources for the same costs
17 within the same project.

18 ~~(4)~~(3) The Agency shall release grant funds upon determining that the
19 applicant has met all Program conditions and requirements.

1 ~~(5)~~(4) Nothing in this section is intended to prevent a grant recipient
2 from applying for additional grant funds if future amounts are appropriated for
3 the program.

4 ~~(d) Data model; approval.~~

5 ~~(1) The Agency shall collaborate with the Legislative Economist to~~
6 ~~design a data model and related methodology to assess the fiscal, economic,~~
7 ~~and societal impacts of proposals and prioritize them based on the results.~~

8 ~~(2) The Agency shall present the model and related methodology to the~~
9 ~~Joint Fiscal Committee for its approval not later than September 1, 2021.~~

10 (f) Approval process.

11 (1) For an application submitted by a municipality pursuant to this
12 section, the Vermont Economic Progress Council shall review each application
13 to determine that the infrastructure improvements proposed to serve the project
14 and the proposed development in the project would not have occurred as
15 proposed in the application, or would have occurred in a significantly different
16 and less desirable manner than as proposed in the application, but for the
17 proposed utilization of the grant application funds.

18 (2) The review shall take into account:

19 (A) the amount of additional time, if any, needed to complete the
20 proposed development for the project and the amount of additional cost that
21 might be incurred if the project were to proceed without the grant funding; and

1 (B) how the proposed project components and size would differ, if at
2 all, including, if applicable to the project, in the number of units of affordable
3 housing, as defined in 24 V.S.A. § 4303 without grant funding.

4 ~~(e)(g)~~ Application process; decisions; awards.

5 ~~(1)(A) The Agency shall accept applications on a rolling basis for three-~~
6 ~~month periods and shall review and consider for approval the group of~~
7 ~~applications it has received as of the conclusion of each three-month period~~
8 Under the grant program established in this section, a municipality, upon
9 approval of its legislative body, may apply to the Vermont Economic Progress
10 Council pursuant to the process set forth in this section to use grant funding for
11 a project.

12 (B) The Agency shall accept applications from for profit or nonprofit
13 entities on a rolling basis until Program funds are expended.

14 ~~(B) The Agency shall make application information available to the~~
15 ~~Legislative Economist and the Executive Economist in a timely manner.~~

16 ~~(2) Using the data model and methodology approved by the Joint Fiscal~~
17 ~~Committee, the Agency shall analyze the information provided in an~~
18 ~~application to estimate the net State fiscal impact of a project, including the~~
19 ~~following factors:~~

20 ~~(A) increase to grand list value;~~

21 ~~(B) improvements to supply chain;~~

1 ~~(C)~~ jobs impact, including the number and quality of jobs; and

2 ~~(D)~~ increase to State GDP. [Repealed.]

3 (3) The Secretary of Commerce and Community Development shall
4 appoint an interagency team, which may include members from among the
5 Department of Economic Development, the Department of Housing and
6 Community Development, the Agency of Agriculture, Food and Markets, the
7 Department of Public Service, the Agency of Natural Resources, or other State
8 agencies and departments, which team shall review, analyze, and recommend
9 projects for funding ~~based on the estimated net State fiscal impact of a project~~
10 ~~and on other contributing factors, including~~ consistent with the guidelines the
11 Agency develops in coordination with the Joint Fiscal Office and the
12 following:

13 ~~(A)~~ ~~transformational nature of the project for the region;~~

14 ~~(B)~~ project readiness, quality, and demonstrated collaboration with
15 stakeholders and other funding sources;

16 ~~(C)~~(B) alignment and consistency with regional plans and priorities;

17 and

18 ~~(D)~~(C) creation and retention of workforce opportunities.

19 (4) The Secretary of Commerce and Community Development shall
20 consider the recommendations of the interagency team and shall give final
21 approval to projects.

1 ~~(f)~~(h) Grant agreements; post award monitoring.

2 (1) If selected by the Secretary, the applicant and the Agency shall
3 execute a grant agreement that includes audit provisions and minimum
4 requirements for the maintenance and accessibility of records that ensures that
5 the Agency and the Auditor of Accounts have access and authority to monitor
6 awards.

7 (2) The Agency shall publish on its website not later than 30 days after
8 approving an award a brief project description the name of the grantee and the
9 amount of a grant.

10 ~~(g)~~(i) Report. On or before ~~December 15, 2021~~ February 15, 2023, the
11 Agency shall submit a report to the House Committee on Commerce and
12 Economic Development and the Senate Committee on Economic
13 Development, Housing and General Affairs concerning the implementation of
14 this section, including:

15 (1) a description of the implementation of the ~~program~~ Program;

16 (2) the promotion and marketing of the program; and

17 (3) an analysis of the utilization and performance of the ~~program~~,

18 ~~including the projected revenue impacts and other qualitative and quantitative~~
19 ~~returns on investment in the program based on available data and modeling~~

20 Program.

21 (j) Implementation.

1 (1) The Agency of Commerce and Community Development shall
2 consult with the Legislative Joint Fiscal Office to develop guidelines and
3 approval processes for the Capital Investment Grant Program and shall submit
4 the proposed guidelines and processes to the Joint Fiscal Committee and the
5 chairs of the relevant legislative committees of jurisdiction prior to accepting
6 applications for grants through the Program.

7 (2) When considering whether and how to prioritize economic sectors
8 that have suffered economic harm due to the COVID-19 pandemic, the Agency
9 may designate one or more sectors for priority consideration through the
10 Program, including the arts and culture, travel, lodging, tourism, agriculture,
11 and child care sectors.