

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 the preceding  
4 reader assistance in their entireties 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~~ 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 expanding 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; or

12                   (C) the applicant is a state-wide or community based organization  
13                   with a proposed project plan to build capacity to provide regionally customized  
14                   customer support pathways for retention of current residents and recruitment of  
15                   potential residents.

16                   (2) An eligible applicant must be:

17                   (A) a municipality that meets the criteria specified in subdivision  
18                   (1)(B) of this subsection;

19                   (B) a for-profit entity with not less than a 10 percent equity interest in  
20                   the project; or

21                   (C) a nonprofit entity.

1           ~~(E)~~(3) The applicant ~~demonstrates~~ must demonstrate:

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

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

4           ~~(iii)~~(C) leveraging of additional sources of funding from local,

5 State, or federal economic development programs; and

6           ~~(iv)~~(D) an ability to manage the project, with requisite experience

7 and a plan for fiscal viability.

8           ~~(2)~~(4) The following are ineligible to apply for a grant:

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

10           (B) ~~a municipality~~;

11           ~~(C)~~ a business that, together with any affiliated business, owns or

12 operates more than 20 locations, regardless of whether those locations do

13 business under the same name or within the same industry; and

14           ~~(D)~~(C) a publicly-traded company.

15           (c) Grant funds; eligible uses for municipalities. A municipality is only

16 authorized to utilize program funding under this section if:

17           (1) the project clearly requires substantial public investment over and

18 above the normal municipal operating or bonded debt expenditures;

19           (2) the public improvements being requested are integral to the expected

20 private development; and

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

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

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

7           (C) the development will enhance transportation by creating  
8           improved traffic patterns and flow or creating or improving public  
9           transportation system.

10          (d) Grant Funds; eligible uses; private and non-profit entities. A project of  
11          a business or nonprofit organization is eligible if:

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

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

14          or

15           (3) the project involves enumerated uses of funds, as defined by the U.S.  
16          Treasury Final Rule, and determined by the Agency of Commerce and  
17          Community Development.

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

19           (1) An award shall not exceed the lesser of \$1,500,000.00 \$1,000,000 or  
20          the estimated net State fiscal impact of the project based on Agency modeling  
21          20 percent of the total project cost.

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

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

6           ~~(4)~~(3) The Agency shall release grant funds upon determining that the  
7 applicant has met all Program conditions and requirements.

8           ~~(5)~~(4) Nothing in this section is intended to prevent a grant recipient  
9 from applying for additional grant funds if future amounts are appropriated for  
10 the program.

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

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

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

17           (f) Approval process.

18           (1) For an application submitted by a municipality pursuant to this  
19 section the Vermont Economic Progress Council review each application to  
20 determine that the infrastructure improvements proposed to serve the project  
21 and the proposed development in the project would not have occurred as

1 proposed in the application, or would have occurred in a significantly different  
2 and less desirable manner than as proposed in the application, but for the  
3 proposed utilization of the grant application funds.

4 (2) The review shall take into account:

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

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

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

12 ~~(1)(A) The Agency shall accept applications on a rolling basis for three-~~  
13 ~~month periods and shall review and consider for approval the group of~~  
14 ~~applications it has received as of the conclusion of each three-month period.~~

15 (1)(A) Under the grant program established in this section, a  
16 municipality, upon approval of its legislative body, may apply to the Vermont  
17 Economic Progress Council pursuant to the process set forth in this section to  
18 use grant funding for a project.

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

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

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

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

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

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

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

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

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

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

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

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

6           ~~(4)~~(3) The Secretary of Commerce and Community Development shall  
7 consider the recommendations of the interagency team and shall give final  
8 approval to projects.

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

10           (1) If selected by the Secretary, the applicant and the Agency shall  
11 execute a grant agreement that includes audit provisions and minimum  
12 requirements for the maintenance and accessibility of records that ensures that  
13 the Agency and the Auditor of Accounts have access and authority to monitor  
14 awards.

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

18           ~~(g)~~(i) Report. On or before ~~December 15, 2021~~ February 15, 2023, the  
19 Agency shall submit a report to the House Committee on Commerce and  
20 Economic Development and the Senate Committee on Economic

1 Development, Housing and General Affairs concerning the implementation of  
2 this section, including:

3 (1) a description of the implementation of the program;

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

5 (3) an analysis of the utilization and performance of the program;

6 ~~including the projected revenue impacts and other qualitative and quantitative~~  
7 ~~returns on investment in the program based on available data and modeling.~~

8 (j) Implementation.

9 (1) The Agency of Commerce and Community Development shall  
10 consult with the Legislative Joint Fiscal Office to develop guidelines and  
11 approval processes for the Capital Investment Grant Program and shall submit  
12 the proposed guidelines and processes to the Joint Fiscal Committee and the  
13 chairs of the relevant legislative committees of jurisdiction prior to accepting  
14 applications for grants through the Program.

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