

# Rural Co-working and Innovation Center Grant Program

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This Grant is administered by the Governor’s Office of Economic Development (GOED), Office of Rural Development (ORD) in accordance with state code 63N-4-503. The state has allocated \$750,000 per fiscal year (July 1 through June 31<sup>st</sup>) for this grant. An advisory committee of seven members is formed under 63N-4-505. It is known as the Rural Online Working Hubs Grant Advisory Committee. The Committee shall advise and make recommendations to the office regarding the awarding of grants.

## **Grant Purpose**

This grant assists in the creation of facilities designed to provide individuals working within designated rural areas with the infrastructure and equipment needed to participate in the online workforce.

## **General Information**

Qualifying activities of this grant are:

- Construction or renovating of a facility to create a Co-working and Innovation Center
- Extending and/or improving utilities and broadband service connections to a Co-working and Innovation Center
- Purchasing equipment, furniture, and security systems as part of a Co-working and Innovation Center

Under this grant, any of these qualifying activities is considered a “project” and will be referred to as such throughout the application and the contract.

## ***Who may apply for this Grant?***

Qualifying entities for this grant include counties, cities, institutions of higher education, or private companies (including non-profit organizations of (501(c)(3); 501(c)(4); 501(c)(5); 501(c)(6) classifications) established within a defined county designated as a “Rural Area.”

Qualifying “Rural Area” Counties are:

Beaver, Box Elder, Carbon, Daggett, Duchesne, Emery, Garfield, Grand, Iron, Juab, Kane, Millard, Morgan, Piute, Rich, San Juan, Sanpete, Sevier, Uintah, Wasatch, Wayne

Non-qualifying Counties are:

Cache, Davis, Salt Lake, Summit, Tooele, Utah, Washington, Weber

Only one application per qualifying entity will be considered per application cycle.

## ***Method and formula for determining grant amounts***

Because overall grant funding is limited, applicants with the best proposals for the use of funds will receive an award. Applications will be subject to scoring, ranking, and rating in order to determine final

award allocations. Application alone does not guarantee an award. Application scoring may determine grant funding amounts, e.g. a formula of points scored may be calculated as a percentage of overall funds available, or any other method deemed fair and equitable by the Rural Online Working Hubs Grant Advisory Committee. Applicants may be asked to accept a lower amount than the requested amount based on the factors stated above. Final grant awards are awarded by the executive director of GOED, after consultation with the Advisory Committee.

### ***Term of the Grant***

Upon approval of final grants awarded by the executive director of GOED, after consultation with the Advisory Committee, the awarded entity will enter into a contractual agreement with GOED to complete its project. The term for project completion will begin from the date of approval and terminate after 18 consecutive months. If a project is not completed within the allotted 18 month period, the contract will become null and void unless express written permission for an extension is offered by the executive director, or the executive director's designee.

## **THE APPLICATION**

Each fiscal year applications will be open to qualifying entities to apply for the grant funds. Grants will be awarded to qualifying entities within the designated rural areas.

### ***Applying Entity***

An applying entity may be a county, city, institution of higher education, or private company.

An applying entity must agree to:

- 1) define who will manage and report facility use of the Co-working and Innovation Center
- 2) define who will be accountable for expense tracking and reporting for reimbursement requests
- 3) demonstrate the ability to maintain the Co-working and Innovation Center by showing a track record of facility maintenance
- 4) keep the Co-working and Innovation Center open to the public during regular business hours
- 5) for a grant awarded for construction or renovation of a Co-working and Innovation Center, allow use of the center for seven or more years in the rural area where the center is located
- 6) for a grant awarded for extending or improving utilities of broadband service connection to a Co-working and Innovation Center, or for purchasing equipment, furniture, or security systems for a center, allow use of the center for five or more years in the rural area where the center is located
- 7) work cooperatively with local cities, counties, and regional economic development organizations

### ***Application Priority***

Priority will be given to applicants:

- who will serve underprivileged or under-served communities, including communities with high unemployment and/or low median incomes (compared to State of Utah averages)
- where an applicant demonstrates comprehensive planning of a project, but has limited access to financial resources, including financial resources from local or county government

- that maximize economic development opportunities in collaboration with the economic development needs or plans of an educational institution, a county, and a municipality

Applicants will be required to justify the need for the grant and the dollar amount requested. As stated in “*Method and formula for determining grant amounts*,” applications will be subject to scoring, ranking and rating in order to determine final award allocations. Priority criteria, as stated above, will be a feature of the application, and a focus of those who will score them.

### ***Application Fixed Criteria***

A grant will only be awarded if an applicant:

- Agrees to provide any combination of funds, land, buildings, or in-kind work in the amount equal to at least 25% of the grant (this will be known as a “matching contribution”)
- Agrees not to use grant money for ongoing operation or maintenance of a Co-working and Innovation Center

Real assets (land, buildings) used to meet the requirement to provide an amount equal to at least 25% of the grant, as stated above, will be subject to a valuation review by means of appraisal, book value, acquisition cost verification, county assessment, leasehold improvement documentation, or any other appropriate means to prove real asset value.

In the case of contributed funds, such as cash, a calculation in the amount equal to at least 25% of the allocated grant fund value will be required as a payment toward the completion of an approved project. For example, if the applicant is awarded \$100,000 in grant funds, the applicant will be required to contribute at least \$25,000 to the project.

In the case of an in-kind contribution, the applicant will be required to prove the reasonable value of labor or fees equal to at least 25% of the allocated grant fund value. For example, if the applicant is awarded \$100,000 in grant funds, it will be required to show reasonable in-kind labor or services costs rendered to the completion of an approved project equivalent to at least \$25,000 if the labor or service had been paid for in wages or fees.

### ***Form and Process of Submitting an Application***

An official application for the Rural Co-working and Innovation Center Grant will be available through an online portal. The portal will be open for a fixed period of time to allow applicants to submit their project designs, describe budgets and timelines for their projects, and to upload supporting documentation. The applicants will also be required to justify the dollar amount requested by submitting quotes and bids estimating the cost of the proposed project. They will show planning and collaboration in their proposed projects with consideration for the priorities and fixed criteria explained above.

## **APPLICATION SCORING**

Each application will be scored by multiple reviewers from the ORD staff and the Rural Online Working Hubs Grant Advisory Committee to ensure objectivity and fairness in evaluation. The score for any application, scored by a single reviewer, may be up to 100 points. Multiple reviewer scores may be blended to generate an average. Application scoring will be based on the quality of the application, the quality of the project description, project readiness, its purposes, stated goals and contribution to the regional economy of the designated area, and the verification of required matching contributions.

An application must receive a score of 75 or greater to be considered for an award. Each of the following elements of the application will be reviewed and scored. The points described are a maximum possible score for each element. A reviewer of the application may score an element anywhere from zero up to the maximum points allowed per element.

## **APPLICATION COMPONENTS**

### **Organizational Information**

1. Name of applying entity
2. Full mailing address and telephone number of applying entity
3. Proposing organization Tax ID and Name of Fiscal Agent (if other than applying entity)
4. Key organizational contact(s)
5. Email addresses and telephone numbers of responsible contact(s)
6. Amount of grant funding request

If the applicant is a private company, the following additional Organizational Information will be required:

1. Federal Tax ID
2. NAICS Code and Primary Industry
3. Number of years in business
4. Number of full-time employees

### **Supporting Documentation (10 points)**

To be uploaded into the application:

1. The entity's W9 form, or the applicant's State of Utah vendor number if the applicant is currently a state vendor
2. List stakeholders and partners involved in the grant project and the roles they will perform
3. Letter(s) of support from all entities involved in the project, including those contributing to the matching portion of the grant
4. Letter of support from the community in which the project will take place
5. Quotes and bids for proposed project
6. Drafts or renderings of the proposed project, and pictures of existing property to be modified to accommodate a Co-working and Innovation Center Project
7. Property valuation documentation (appraisals, county assessment, etc.) in the case that property is used to meet the 25% matching contribution requirement

If the applicant is a private company, the following additional Supporting Documentation will be required:

1. Certificate of Existence from the Utah Division of Corporations
2. Business license from local county or municipality
3. Most recent Federal and State Tax Returns as proof of company profitability\*
4. Most recent Balance Sheet and Profit and Loss Statements as proof of solvency\*
5. GRAMA form (Request for confidentiality)

\*In assessing risk to the value of state grant funds the Rural Online Working Hubs Grant Advisory Committee may disqualify a private company from grant consideration if it cannot prove profitability or solvency.

### **Entity History and Qualifications (10 points)**

A brief history of the applying entity will be required, and also an explanation of how their organization relates to the development and expansion of an online workforce. The applying entity will express their interest in establishing a Co-working and Innovation Center or Online Working Hub, and explain why they are uniquely qualified to develop, operate, and maintain such a facility.

### **PROJECT DESIGN (20 points)**

This grant is project based. The applicant will explain what their proposed project is, its purposes, goals and benchmarks, the stakeholders and partners involved, and their defined roles. The applicant will describe the property in which the proposed Co-working and Innovation Center will be established, or otherwise facilitated, and how it will be changed to accommodate the useful space. They will also including an argument as to why this location is best suited as a regional Co-working and Innovation Center by addressing the list in the Application Priority section of this information and instruction sheet.

### **SCOPE OF WORK (20 points)**

In this section the applicant will explain how the Co-working and Innovation Center Project will be completed, including a plan for project execution, what type of work will be done, what support activities will be involved, and who the participants will be.

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A project may include any one, or all of, the qualifying activities described above. The Scope of Work will also require an explanation of who will track and record the progress of the project against the stated goals and benchmarks explained in the Project Design, and who will be responsible for final project reporting.

**BUDGET (15 points)**

Each proposed Co-working and Innovation Center Project will be accompanied by a detailed budget. The budget will be used, in part, to justify the need for the grant and the dollar amount requested. The applicant will show creativity and planning in their proposed projects, and design measurable Business Expansion and Retention standards. The budget will outline estimated project costs. This will require thorough planning of the project. The exercise of budgeting will also help reviewers of the application determine the likelihood of project completion. The applicant will create a budget in an itemized form to reflect the Proposed Project, Scope of Work, and the Deliverables and Outcomes of their project.

**Matching Funds**

According to the fixed criteria for grant qualification, the applying entity must agree to provide “any combination of funds, land, buildings, or in-kind work in the amount equal to at least 25% of the grant.” As a part of the itemized budget the applicant will describe matching funding equal to at least 25% of the grant that may be used to support this project. Please identify the type of matching contribution, and the estimated dollar value of the matching contributions. Table 1 is a Sample Budget given as an idea for creating an itemized budget.

**Table 1—Sample Budget**

<b>Project Expenses</b>	<b>Grant Request</b>	<b>Cash Match</b>	<b>Land/Building Match</b>	<b>In-kind Match</b>	<b>Total</b>
Project Expense 1					\$
Project Expense 2					\$
Project Expense 3					\$
Project Expense 4					\$
Total Project Expenses	\$	\$	\$	\$	\$

**TIMELINE (5 points)**

The applicant will list the expected dates for the project, including expected start date, end date, and estimated dates for benchmarks and goals reached through the course of the project. The term of a Co-working and Innovation Center project agreement is approximately 18 months. If it is estimated that a project will not be able to be completed within the 18 month period, please consider preparing a project for the next grant cycle. Table 2 is a Sample Timeline:

**Table 2—Sample Timeline**

<b>Project Timeline</b>	<b>Start</b>	<b>Completion</b>
Benchmark		
Benchmark		
Benchmark		

**DELIVERABLES AND OUTCOMES (20 points)**

Deliverables and Outcomes will be a synopsis, or summarization, of the Project Design, Scope of

Work, Budget and Timeline. It will explain what the Co-working and Innovation Center Project will look like upon completion, and what its capacity will be for serving participants in the online workforce. Application reviewers will make an assessment as to the likelihood of project completion based on this synopsis. This synopsis will be included in each project contract and will be reviewed by GOED's Compliance Department to determine true completion of the project.

### **REQUIREMENTS FOR PROJECT REIMBURSEMENT**

GOED and the applicant (the applying entity's responsible party) will agree to a contract and sign it. The GOED Compliance Department will identify areas such as: the Scope of Work, Deliverables and Outcomes, Timeline as defined in the application and Co-working and Innovation Center Project contract to make a determination if the reimbursement qualifies. Partial reimbursement payment may be made through the course of the 18 month term of the contract, not to exceed 50% of expenses incurred during the development of the project. A reimbursement request form and itemization sheet will be required to be signed and submitted to receive the initial 50% of funds. The remaining portion of funds will be paid upon proof of project completion, and occupation of the Co-working and Innovation Center is authorized.

In addition to the key elements as stated above, awarded applicant will be required to submit the following documentation upon reimbursement request:

- A Letter of Request on entity letterhead specifying the amount requested and certifying that the project is either partially completed (up to 50%) or fully completed and all invoices have been paid. The Letter of Request shall be signed and the accuracy of the information verified by a company officer
- Copies of all invoices and evidence of payment (checks, bank statements or loan agreements) for work on the project
- Photo evidence that the project is partially completed (up to 50%) or fully completed. Please provide several photos of the Co-working and Innovation Center, the building, expansion, installed and functioning equipment, etc.
- Proof of Occupancy as issued by the local governing body's inspections department

# Rural Co-working and Innovation Center Grant Program

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## **Rural Online Working Hubs Grant Advisory Committee**

### **Membership**

- 1) There is created in the office the Rural Online Working Hubs Grant Advisory Committee, composed of the following seven members:
  - a) the executive director, or the executive director's designee;
  - b) a member of the Senate, or a member of the House of Representatives, who represents rural constituents, chosen by the president of the Senate;
  - c) one member representing municipal government in a rural county, recommended by the Utah League of Cities and Towns and appointed by the executive director;
  - d) one member representing rural county government, recommended by the Utah Association of Counties and appointed by the executive director;
  - e) one member representing higher education, appointed by the executive director;
  - f) one member representing the information technology sector, recommended by the Utah Technology Council and appointed by the executive director; and
  - g) one member representing the commercial real estate development community, recommended by the Utah chapter of the Commercial Real Estate Development Association and appointed by the executive director

### **Duties**

- 2) The advisory committee shall advise and make recommendations to the office regarding awarding grants under this part.
- 3) Appointment and Terms:
  - a) Except as required by Subsection (3)(b), as terms of advisory committee members appointed by the executive director expire, the executive director shall appoint each new member or reappointed member to a four-year term.
  - b) Notwithstanding the requirements of Subsection (3)(a), the executive director shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of advisory committee members appointed by the executive director are staggered so that approximately half of the appointed advisory committee members are appointed every two years.
- 4) The executive director, or the director's designee, shall serve as chair of the advisory committee.
- 5) The advisory committee shall elect annually a vice chair from the advisory committee's members.



- 6) When a vacancy occurs in the membership for any reason, the executive director shall appoint the replacement for the unexpired term.
- 7) A majority of the advisory committee constitutes a quorum for the purpose of conducting advisory committee business and the action of a majority of a quorum constitutes the action of the advisory committee.
- 8) The office shall provide administrative staff support for the advisory committee.

**Expenses**

- 9) A member may not receive compensation or benefits for the member's service, but a member, who is not a legislator, may receive per diem and travel expenses in accordance with: Section [63A-3-106](#); Section [63A-3-107](#); and rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and [63A-3-107](#).