



## **RE-IMAGINE OPPORTUNITY FUND**

**“Where Challenges Meet Innovation”**

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## **TOURISM INFRASTRUCTURE SUPPORT INITIATIVE**

## **THE RE-IMAGINE OPPORTUNITY FUND GUIDELINE SUMMARY AND FUNDING CRITERIA**

The COVID-19 Pandemic has negatively impacted many industries, institutions, and agencies all over the country. It has greatly challenged the operational profitability of virtually every industry in the State of Oregon, and in Oregon City. It has especially hurt the tourism industry, including private nonprofit and for-profit entities that support tourism. A tourism industry business is one that provides unique-to-the-destination experiences for the visitor. Typically, the business engages with the short-term movement of people to locations away from which they usually reside. The restaurant industry has faced its own market challenges including the lack of customer confidence to frequent these establishments, and the inability to garner the level of income to maintain operations over the long-term.

The Re-Imagine Opportunity Fund will provide forgivable loans to businesses or nonprofits which support the visitor economy of Oregon City. This includes attractions, guides and outfitters, and independently owned members of the restaurant and hospitality sectors. Eligible entities must demonstrate the ability to implement new and innovative programs, business strategies or initiatives to sustain their operations and align with Oregon City's Tourism Strategic Plan. Funding provided by the Re-Imagine Opportunity Fund are awarded to eligible applicants that implement plans which make their operations more agile, adaptive, efficient, and effective over the long-term.

Fundable projects should create an enhancement to the visitor experience of Oregon City and should be intended to increase the likelihood of visitation from 50 miles outside the local area. The Re-Imagine Fund seeks to support businesses and tourism-industry nonprofits that have found innovative ways of operating because of and despite the COVID-19 Pandemic or other regional emergencies and need capital funding to quickly implement these changes to their operations. Examples of these projects could include:

- Remodel, re-envisioning or expansion of business spaces to provide socially distant, yet engaging business layouts.
- Installation of PPE or other health related technology meant to provide a safe business environment for employees and customers
- Innovative outreach, marketing, or community engagement techniques
- Co-op production facilities designed to take advantage of emerging market trends
- Critical infrastructure improvements that will allow continuity of business operations

All eligible applicants receiving grant funding must demonstrate the ability to be innovative, entrepreneurial, and forward thinking. For-profit businesses considered for Re-Imagine Funds must demonstrate their ability to implement good business practices and profitability over the past 3 years. Nonprofit entities must demonstrate good organizational development and management practices.

All applicants will be asked to submit an application which includes all critical components of a re-imagined implementation plan.

## **IMPLEMENTATION PLAN:**

- **BUSINESS DESCRIPTION/BACKGROUND/HISTORY** – provide a short narrative about the history of your business or organization. Include how long you have been in operation, mission (if applicable), target customer base, current goals.
- **RE-IMAGINE FUND PROJECT DESCRIPTION** – Describe the project for which funding is requested (details should include primary goals and objectives for the project).
- **RE-IMAGINE FUND PROJECT STRATEGIES** – Please define the strategies or implementation steps you will implement to attain the identified goals. Include program specifics, measurables, and define completion dates.
- **MEASURES OF PERFORMANCE** – How will you measure the success of your innovation project, in the short-term and the long-term. Please be as specific as possible.
- **MANAGEMENT TEAM (QUALIFICATIONS)**- Please provide a short narrative on the management team of your company/organization.
- **BUDGET** – Outline sources of funds and use of funds for the project.
- **TIMELINE** – Reveal project timeline, including benchmark dates.
- **BUSINESS/ORGANIZATION DOCUMENTS**
  1. Application form/implementation plan
  2. W-9 IRS Form
  3. Financials (details below)
  4. Three formal written bids (If cost of purchasing innovative item is more than \$10,000)
  5. Three informal invoice bids (If cost of purchasing innovative item is more than \$5,000)

## **APPLICATION REVIEW COMMITTEES**

### ***Project Selection Committee:***

Committee members are derived from government, private sector, and nonprofit organizations. The project selection committee will determine which grant requests best meet the intent of the program as well as whether the applicant's implementation plan helps position the applicant to be more agile and resilient moving forward.

### ***Technical Advisory & Review Committee:***

Committee comprised of engineers. This committee will further review the applicants' implementation plan and will make observations and recommendations as to the feasibility of implementation plans with regard to creating agility and resiliency for the business.

## **GRANT FUNDING**

- Up to 90% of Total Project Cost, up to \$60,000 per application
- Applicant must provide 10% cash match or show in-kind purchase via a receipt dated after application approval date

**ELIGIBLE USES UNDER THIS INITIATIVE:**

- Hardware and/or software applications
- New machinery & equipment
- Internal and/or external commercial building remodeling or added features
- New operational procedures/processes
- Supplies and/or consumable material associated with innovation project

**ELIGIBLE FOR-PROFIT BUSINESS APPLICANTS:**

- Existing businesses at least 3 years old; main operation is domiciled in Oregon City
- Up to 15 full-time employees including the owner(s).
- Business must have an existing Oregon City Business License
- Business cannot be a national chain franchise whose marketing strategy is prescribed, and whose supply chain is controlled
- Business must not have any outstanding illegal activity liens imposed against it initiated by a governmental entity.
- Business that complies with Local, State and Federal guidelines regarding social distancing, disinfecting procedures, in-store occupancy limitations, etc.
- Must demonstrate their ability to implement good business practices and profitability over the past 3 years. (2017, 2018, 2019)

**ELIGIBLE PRIVATE NONPROFITS APPLICANTS:**

- Existing Private Nonprofits as of March 23, 2020
- Primary operation or headquarters is domiciled in Oregon City
- Have not received any direct Oregon City Government Funding
- Are in good standing with local, state, and federal regulatory agencies
- Must demonstrate their ability to implement good organizational development practices
- Current State of Oregon Registration (Articles of Incorporation, etc.)
- Current with all 990 tax federal tax filings

**INELIGIBILITY (ALL APPLICANTS/USES):**

- Passive real estate holding companies and others holding passive investments
- Non-profit entities that do not have federal 501(c)(3) status
- Businesses or Nonprofits that fail to certify they are not delinquent on federal, state or local taxes that were due before the date of application
- Businesses and nonprofit entities that do not certify that they are complying and will comply with all federal, state, and local laws and regulations
- Businesses that are not domiciled in Oregon City or no primary operation in Oregon City
- Businesses not registered to do business in Oregon (secretary of State Business Registry verification) if such registration is required
- State or National Chain Franchises that are controlled via a Headquarter Office or On-going Franchise Agreement with Oversight/Compliance Clauses
- Not to pay-off or restructure existing debt
- Not for working capital uses except for staffing of innovation
- Not to purchase inventory of resalable product
- Short term solutions

## **FUNDING CRITERIA:**

**\*IMPLEMENTATION PLANS OR PROJECTS CAN NOT COMMENCE PRIOR TO FINAL APPROVAL OF THE APPLICATION BY THE PROJECT SELECTION COMMITTEE. (NO PURCHASES INCLUDING IN-KIND PURCHASES TOWARD THE PROJECT)**

- Proposed purchases over \$5,000 under the implementation plan will require 3 informal bids (over the phone, with 3 simple invoices with contact information of source)
- Proposed purchases over \$10,000 under the implementation plan will require 3 formal bids (written)
- Purchases or contractors cannot be blood-relatives or relatives by marriage
- All applicants must be based in Oregon City
- All applicants must follow all applicable local, State, and Federal Laws
- Applicants must not be in bankruptcy proceedings
- Projects that require permits of any kind must sign a statement that acknowledges that a lack of proper local & state permitting will forgo the forgivable loan status

## **COVID-19 IMPACT:**

Applicants must have been negatively impacted by the pandemic in one or more of the following ways:

- Decrease in revenue/sales by at least 30%
- Was determined to be a non-essential business per Governor' Executive Order 20-12 and thereby was required to close as of March 23, 2020
- Limits on the number of customers/visitors that can be serviced at any one time

## **FORGIVABLE LOAN.**

This loan becomes forgivable if fund awardee does the following:

- Fully implements its plan as depicted in its application;
- Does not provide misleading information on its application;
- Does not make misleading statements to the Project Selection Committee and/or the Technical Advisory Committee ("Review Committees") as solely determined by the Review Committees; and
- if Recipient spends awarded funds on ineligible uses

## **CLAWBACK PROVISION:**

Non-compliance with any provision of the program or providing misleading information will trigger the claw-back provision

**Option 1:** Funding becomes a loan, losing forgivable loan status, if agreement

- Interest Rate 8.25%
- Term between 5 years up to 10 years
- Corporate or Personal Guarantee Required Against Loan
- Interest Rate is charged when default is recognized by the Project Selection Committee and written notice provided to the applicant.

**Option 2:** Immediately pay forgivable loan funds back in one lump sum

## FINANCIAL REPORTING

- **FOR-PROFIT BUSINESS**

- Financial Statements
  - Profit & Loss Statements for Years 2017, 2018, 2019,
  - Federal Tax Filings for 2017, 2018, 2019
  - Interim Profit & Loss for 2020 (January 2020 to August 2020)
- Month-to-Month Cash Flow Statements (January 2020 to August 2020)
- Balance Sheets
  - Years 2017, 2018, 2019
  - Interim balance sheets for January 2020, April 2020, August 2020

- **PRIVATE NON-PROFITS**

- Income & Revenue Statements 2017, 2018, 2019
  - Interim Income & Revenue Statement (January 2020 to August 2020)
- 990 Return of Organization Exempt Form Tax statements, 2017, 2018, 2019

***SPECIAL NOTE:** Other documents and information may be requested later to clarify and/or to complete the application.*

