

Hidalgo County Small Town Economic Development Grant Program

The purpose of this project is to promote business entrepreneurship within the smaller communities of Hidalgo County. This project is funded by funds allocated to Hidalgo County from Unclaimed Property Capital Credits from the Texas Comptroller of Public Accounts. In order to pursue economic development opportunities for businesses within Hidalgo County, the county has certified to the state that the purpose of these funds will be in compliance with the provisions of Section 381.004 of the Texas Local Government Code. The intent of this project is to encourage entrepreneurship, create critical jobs, advance commerce, and promote tourism to boost our local economy.

The project seeks to encourage entrepreneurially oriented residents to develop and grow new ideas and promote growth in existing businesses. This project will provide the participants with support and resources for the development of their business proposals. All proposals will be presented before an evaluation committee for consideration and input. Applicants will be subject to a written evaluation of a business plan and an oral presentation before the evaluation committee.

Participants will have the opportunity to compete for prize grant money to be used for the betterment or launch of their proposal. Qualifying entrants can request an amount not to exceed \$20,000 in grant funds committed to stay within the business.

Eligibility Rules

Participants. The grant opportunity is for Hidalgo County residents who currently own a business or who seek to establish a business yet are facing economic challenges. The business must be within Hidalgo County either (a) within a municipality with a population of 20,000 or less OR (b) an unincorporated area within the county. Applicants are required to be active participants with management roles in the business and own significant equity.

Team Composition. Applicants may consist of a single person or a group not to exceed six (6) members.

Nature of Enterprise. The project is for new or existing qualifying businesses with economic challenges. Challenges can be defined as having limited access to funding from traditional commercial sources and/or having access to resources due to geographic location. **A qualifying business is one that has demonstrated stability and viability by remaining in business for two (2) consecutive years.**

Prior Activity. Applicants are eligible to submit one application per cycle. Once an applicant(s) has been awarded funding, they are ineligible to apply for future funding for a period of two (2) years.

Hidalgo County Small Town Economic Development Grant Program Submission Requirements

Property Guidelines

- The originator of the business plan will reserve all rights to the business plan. Nondisclosure statements for any business project will not be required to be agreed upon by any judge, reviewer, staff, or audience.
- Business projects may become public and entrants should not assume any right of confidentiality in any information disclosed.
- Hidalgo County, the organizers of this project, may make photocopies, photographs, videotapes and/or audiotapes of the presentations including the business plan and other documents, charts or material prepared for use in presentation. Participants retain all proprietary rights.

THE PROCESS

Phase I – Intent to Apply

An *Intent to Apply Form* must be completed by participants.

. Description may not exceed 1000 words.

Description must include:

- The nature, demand, and purpose of the business.
- Amount to be requested and purpose
- Management, educational, professional experience.
- Employment creation projections.

All intent to apply forms will be reviewed and a maximum of twenty (20) will be selected to move forward to Phase II. All applicants selected must submit an acknowledgement agreement to the Hidalgo County Judge's Office indicating their commitment to comply with the rules and requirements set forth herein.

Phase II – Formats

- If the intent to apply is accepted, applicants will be asked to submit a business plan in accordance with the format below. Hidalgo County will partner with the UTRGV Small Business Development Center to provide business advisement, provide training, and assist in the development of the business plan.

- Plans must be limited to 30 pages of text, including the executive summary and summary financial data. Detailed spreadsheets and appropriate appendices may follow the text portion of the plan but will be limited to 10 pages maximum. In total, the plan should be no longer than 40 pages.
- Financial data should include a cash flow statement, income statement, and balance sheet. Include an explanation of the offering to investors indicating how much money is required, how it will be used, and the proposed structure of the deal, i.e., stock, debentures, etc. The team is not required to reveal its desired deal, although the judges may ask questions about it. Also, delineate the possible exit strategies.
- Attachments should only be included when they support the plan. The text portion of the plan (30 pages) must contain all pertinent information in a clear and concise manner.
- Six (6) hard copies and one (1) electronic copy of the final plan will be due at the Hidalgo County Judge's office at 100 E. Cano, Edinburg, TX 78539 on or before **March 15, 2018, with no exceptions**. Five (5) copies will be distributed to the panel of judges for evaluation and the Hidalgo County Judge's Office will retain the final copy.

Phase III – Written Plan Evaluation Criteria

- Judges will use the *Business Plan Evaluation Form - Written Plan* to assess the written portion of the business plan. This section is worth a total of 60 points.
- It consists of six parts; Part I – Market Opportunity, Part II – Distinctive Competence, Part III – Management Capability, Part IV - Financial Understanding, Part V – Investment Potential and Part VI – Innovation.

Phase IV - Presentation Guidelines & Evaluation Form

- An oral presentation will be made before the evaluation committee.
- The Business Plan – Oral Presentation Evaluation Form will be used to determine the quality of the presentation and is worth a total of 40 points.
- 15 minutes will be provided to present the business plan. Applicant(s) will be allotted additional time to respond to questions.
- Please give advance notice of equipment needs.

Awards

- The project winners will be considered for funding up to \$20,000. Funding can be in the amount requested in the application, or an amount determined by the evaluation of committee.
- The entrepreneurs **MUST** start their business in the location originally presented and must remain in Hidalgo County or retain their business in the stated location.
- Funds will be distributed on a reimbursement basis. Request for reimbursement will be submitted by the grantee to the Hidalgo County Judge's Office.
- Request will be reviewed to assure the expense is for an eligible cost as previously identified in the awarded business plan.
- Checks will be distributed at the Hidalgo County Treasurer's Office.
- The entrepreneurs must expend the funds up to one year after the date of award to seek reimbursement.

For more information on the Hidalgo County Small Town Economic Development Grant Program, please contact:

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