

# **Business Disaster Recovery Programs**

## **Expanded Business Rental Assistance Program**

### **Program Guidelines**

#### Purpose

The purpose of the disaster recovery business rental assistance program (BRAP) is to provide financial assistance to a business located in or planning to locate in a business rental space that was physically damaged by the 2008 natural disaster(s). Assistance will be in the form of rental assistance to help offset building rental lease payments for a maximum of six months. This expanded program (EBRAP) also provides assistance in the form of reimbursement for up to 75% of replacement costs associated with machinery and equipment, office equipment, furniture, supplies and inventory physically damaged by the 2008 natural disaster(s). Awards are not to exceed a total award of \$50,000 per business for rental assistance and \$75,000 per business for replacement costs. In-home businesses are not eligible for the funds.

#### Definitions

- *“Administrative entity”* means the direct applicants for this activity who are the cities of Cedar Falls, Cedar Rapids, Des Moines, Iowa City and Waterloo, and “lead” counties applying on behalf of the six Disaster Recovery Areas designated by IDEED.
- *“Business”* means a corporation, a professional corporation, a limited liability company, a partnership, a sole proprietorship, or a nonprofit corporation.
- *“Department”* or *IDEED* means the Iowa department of economic development.
- *“Disaster –damaged space”* means a business rental space that was physically damaged by the 2008 natural disaster(s). This definition includes upper stories of a building that was physically damaged in the basement or ground floor, or both, as well as a building constructed at the same site to replace a building that was destroyed due to damage resulting from the 2008 natural disaster(s). In-home businesses are not eligible for assistance.
- *“Physically damaged”* for the purpose of this program means physical damage caused by flooding including overland flow, or physical damage caused by tornado. Damage caused by sanitary or storm sewer backup is not included unless the department determines that such damage was a direct result of the 2008 natural disaster(s).

#### Eligible Business for Expanded Program

- Business Rental Assistance Program (BRAP) provides financial assistance to a business located in or planning to locate in a business rental space that was physically damaged by the 2008 natural disaster(s).
- Expanded Business Rental Assistance Program (EBRAP) provides financial assistance to a business located in a business rental space that was physically damaged by the 2008 natural disaster(s).
- To apply for reimbursement of replacement costs, a business must have been open and operating at the time of the 2008 natural disaster(s) and is operating at the time of the application.
- Business can document a loss resulting from direct disaster damage to machinery and equipment, office equipment, furniture, supplies and/or inventory, as a result of the 2008 natural disaster(s).
- Business can document a loss for which business did not receive private/business insurance, federal funding, state or local grants or forgivable loans for the purpose of replacing machinery and equipment,

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office equipment, furniture and fixtures, supplies and inventory physically damaged by the 2008 natural disaster(s).

- Commercial portion of mixed use facilities are eligible. However, residential facilities are not eligible.
- Rental reimbursement (BRAP) is available to pay for space one time. Reimbursement is first available to the primary leaseholder, then to the holder of the sublease.

#### Ineligible Business for Replacement of Equipment under the Expanded Program (EBRAP)

- Start-up business or existing businesses relocating from a non-disaster damaged space to a disaster damaged space are not eligible for reimbursement for damaged equipment. However, these businesses are eligible for rental reimbursement.
- Businesses located on the upper floors of disaster impacted buildings that did not sustain any direct physical damage to equipment are not eligible. However, these businesses are eligible for rental reimbursement.

#### Eligible expanded program activities; maximum amount of assistance

- BRAP/EBRAP is one Assistance Program with a maximum award of \$50,000 for rental assistance and a maximum award of \$75,000 for replacement costs.
- Maximum award amount for Expand Rental Assistance (EBRAP) is 75% of actual replacement costs associated with machinery and equipment, office equipment, furniture, supplies and inventory, physically damaged by the 2008 natural disaster(s) and not reimbursed by insurance, government sources, forgivable loans or grants, up to the \$75,000.

#### Ineligible Program Expenditures

- Construction/maintenance/leaseholder expenses, purchase/lease of vehicles and leased equipment are not eligible for reimbursement.

#### Duplication of Benefits

- Business has completed and submitted the required Consent and Release Form, Subrogation Agreement, and Duplication of Benefits Affidavit.

#### Distribution of funds to administrative entities

- Funds will be awarded to administrative entities on a first-come, first served, based on amount needed for business applications approved and forwarded to IDED.
- An administrative entity shall award funds to an eligible business in the form of a grant for reimbursement for replacement costs or in the form of a forgivable loan to a business that has entered into a minimum one-year, market-rate lease agreement. A forgivable loan is a loan that will be forgiven if the business remains open for the duration of the six-month period for which rental assistance is awarded.
- An eligible business must apply to the administrative entity by December 31, 2010 for reimbursement of replacement equipment damaged by the 2008 natural disaster(s). Funds for this activity are available through June 30, 2011.
- An eligible business must apply to the administrative entity by December 31, 2010 for rental reimbursement. Funds for this activity are available until June 30, 2011.
- Application period may be terminated if funds are not sufficient.

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Program administration; reporting requirements

- Each local administrative entity shall enter into a contract with an eligible business to provide assistance under this program. The contract will include terms and conditions that meet the requirements of these guidelines and include provisions requiring repayment if funds are not used in compliance with the program guidelines.
- Each administrative entity will provide oversight and administration to ensure that the recipients of the program funds are meeting the contract requirements. Each administrative entity will collect data and submit reports to the department about the program in the form and content required by IDEED.