

# **WATFORD CITY ROUGH RIDER FUND**

**HANDBOOK of POLICIES AND PROCEDURES**

**REVISED January 4, 2023**

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**CITY OF  
WATFORD CITY  
Watford City, ND 58854**

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**LICENSED CHILD CARE RENEWAL GRANT**  
**COMMUNITY BUILD GRANT**  
**COMMUNITY ENHANCEMENT GRANT**  
**FIRST YEAR BUSINESS BOOST - MINI-MATCH GRANT**  
**FLEX PACE / PACE MATCH GRANT**  
**BUSINESS STARTUP AND EXPANSION GRANT**

The Policies and Procedures are for general guidance of the operation of the City of Watford City (D/B/A the ROUGHRIDER FUND). They are not intended to create nor to be understood as creating any sort of contractual obligation on the City of Watford City.

### (1)

#### **HISTORY and COLLECTION of ROUGHRIDER FUNDS**

In 1998 the voters of the City of Watford City approved a city sales tax for six-years scheduled to expire September 30, 2004. In 2002 the voters of Watford City approved an extension of the city sales tax that was scheduled to expire September 30, 2014. In May of 2014, the voters of Watford City supported increasing the existing one cent sales tax to one and a half cents in June of 2018 and also eliminated existing caps, exemptions and expirations at that time.

All revenue collected shall be maintained in a fund known as the "ROUGH RIDER FUND".

### (2)

#### **AUTHORITY**

Watford City's Home Rule Charter provides the City the authority to engage in any utility or enterprise permitted by Constitution or not prohibited by statute to grant and regulate franchise to a private person, firm, or corporation.

- Chapter XII – Grant to Private Entities –
  - Sections 1, 2, and 3 – (Ord. No. 227, 2-7-2011) and – Sections 4, 5, 6
  - (Ord. No. 166, 3/1/04)
- Chapter XI – Sales, Use, and Gross Receipts Tax –
  - Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12
  - (Ord. No. 360, 6-3-2014)

NOTE: All citing to charter and ordinance can be reviewed at: <https://library.municode.com/>

### (3)

#### GENERAL PURPOSE

All revenues raised and collected under this charter and ordinance(s) shall be dedicated to projects that develop, promote and enhance the general welfare of the region with **primary focus given to projects that improve attractiveness of the City by increasing and enhancing community amenities and services and which increase the competitive index of the community for recruiting and retaining a skilled workforce.**

The City of Watford City deems it appropriate and beneficial to the public to engage in the enterprise of leveraging public dollars to certain public and private entities that meet the criteria as set forth in ordinance(s), for the purpose of:

- a) **Expansion of the local tax base for public benefit through promotion of the City as a trade, service, recreation, tourism, skilled labor, or manufacturing center for public benefit;**
- b) **Expansion of cultural opportunities and amenities for public benefit;**
- c) **Promotion of economic benefit through the expansion of economic diversification for public benefit;**
- d) **Promotion of health, safety and wellbeing of citizens for public benefit;**
- e) **Promotion of development or preservation of the city (cultural, natural, historic or physical) resources for public benefit.**
- f) **Promotion of publicly owned quality of life and place projects for public benefit**

### (4)

#### ELIGIBLE PROJECTS / FUND USES

Eligible projects must be deemed appropriate and beneficial to the public according to criteria items of **(3) General Purpose, (a – f of this document)**. Each fiscal budgeting cycle, the Roughrider Fund committee, by direction of the City Council will identify projects and priorities. This process will assist in directing interested applicants.

Whenever the ROUGHRIDER FUND approves ANY TYPE of financial assistance, a written agreement shall be drawn up setting forth the terms under which the financial assistance will be granted or borrowed. ROUGHRIDER FUNDS may be available for leveraging related financing through other sources of financing provided the project benefits the public as prescribed in **(3) – General Purpose.**

### (5)

#### FUND OPERATING PHILOSOPHY

The Roughrider Fund Committee, appointed by the Watford City City Council, will have substantial flexibility in the types of financing tools it considers and utilizes to pursue improvements to quality of life and to create, expand and enhance attractive amenities to the community for public benefits prescribed in **(3) – General Purpose.** Examples included but are not limited to: grants, loans, equity positions, equipment purchase and leaseback, building purchase and leaseback, interest write-downs, and any other financing vehicles as may be necessary and appropriate.

In utilizing loans to achieve public benefits prescribed in **(3) – General Purpose**, interest rates will not be fixed, but rather, will be based upon the relative risk involved in loaning funds to the project.

The Roughrider Fund will generally not approve 100% of a project. It is expected that the project leaders leverage dollars from multiple sources to achieve public benefits prescribed in **(3) – General Purpose**.

**For all project applications, determination of project funding is ultimately the decision of the Watford City City Council, with consideration of recommendation from the ROUGHRIDER FUND committee.**

The ROUGHRIDER FUND is not intended to guarantee grants or other funding vehicles to applicants. **The ROUGHRIDER FUND committee and the Watford City City Council shall give all applications fair consideration, but shall ultimately grant monies only to those applicants whose projects achieve the goals set forth in (3) – General Purpose.** The availability of funds change from year to year and the Watford City City Council shall not act to grant or commit more monies than is determined to be the appropriate amount on any given project or in totality. A conservative fund balance shall be maintained to satisfy pledged obligations.

#### **(6) APPLICATION PROCESS**

The ROUGHRIDER FUND committee has developed a series of application processes for administration of funds. **It is important that the procedures and process be comprehensive enough to protect community interest, but streamlined enough to not discourage potential applicants from seeking project participation.**

**Pre-application forms** are available at:

<https://www.cityofwatfordcity.com/Forms/Applications-and-Forms> or from the Watford City Auditor's office or Community Development office, City Hall, Watford City, ND. Applicants will briefly describe the project on the pre-application form. Pre-applicant projects whose pre-application is determined to meet **(3) – General Purpose** and which warrant further consideration by the Roughrider Fund committee will be asked to submit a full application and formal request on the official Application Form specific to each ROUGHRIDER FUND program.

The **ROUGHRIDER FUND program application** request must be done in writing on provided application form available from the Watford City Auditor's office, Community Development office, or on the city website. The project applicant must provide in writing all information requested on the provided application form specific to each program including, but not limited to:

1. Tax Exempt (TE) number or Tax Identification Number (TIN)
2. When applicable to the project, applicant:
  - Articles of organization;
  - By-laws;
  - Political Subdivisions – current mills levied
3. When applicable to the project, applicant and Officer names and contact information
4. When applicable to the project, applicant proof of registration of all required licensure
5. When applicable to the project, previous funds given to the applicant or the project by the City of Watford City including the amount, the projects supported, and the status of projects supported with those funds:

- PUBLIC PROJECTS - for the previous five years
  - PRIVATE PROJECTS - ALL previous years
6. When applicable, project explanation, contributing participants, business plan, and current request
  7. When applicable, how the project contributes to the mission of the ROUGHRIDER FUND as prescribed in **(3) – General Purpose**
  8. When applicable, a copy of the five prior year’s statements of actual revenues and expenditures of the applicant if project is an expansion
  9. When applicable, a pro forma and projected income and expense reviewed by the participating lender when applicable if project is a start up
  10. When applicable, a copy of current balance sheet (assets, liabilities, net worth) of applicants reviewed by the participating lender when applicable to the project
  11. When applicable, a written request must be signed and dated by the applicant’s elected or appointed representative with good contact information for them

**(7)**

**APPLICATION REVIEW GUIDANCE and PROCESS**

The ROUGHRIDER FUND committee shall publicly hear all formal and complete applications. Complete applications shall be heard by the ROUGHRIDER FUND committee at scheduled monthly public hearings. At these hearings, the public may be heard orally and in writing, whether opposing or supporting the complete project application. Both applicants and non-applicants may present written materials and comments to the Roughrider Fund Committee within seven days of the public hearing presentation of the project application to the ROUGHRIDER FUND committee, and any time prior to the Wednesday before the next scheduled Watford City City Council meeting, whichever is less.

The Watford City City Council will review the project application, the ROUGHRIDER FUND committee recommendation, and all submitted comments from the public hearing and the public comment period at their next Council meeting. The presentation of applications will be reported by the ROUGHRIDER FUND committee appointment to the Council as part of their monthly report, along with the committee’s recommendation by roll call vote on all formal and complete project applications. The Watford City City Council will act on each ROUGHRIDER FUND formal and complete application by roll call vote.

**(8)**

**PROJECT TRACKING**

All projects approved by the Watford City City Council will be tracked with record and reporting of ROUGHRIDER FUND commitments, dispersals, and project status.

The ROUGHRIDER FUND committee will institute project tracking procedures for each active project file. The procedures will provide periodic feedback on the status of the project. The committee will ensure that the project tracking and reporting requirements are established prior to fund disbursement as agreed upon by project applicant, committee, and council.

Projects for which Roughrider Fund assistance has been granted must be set to proceed or be in process at the time of the award of the assistance. If such a project is not in process within six months of the date of the award of Roughrider Fund assistance, the Roughrider Committee may rescind the award of assistance for that project.

(9)

### CLIENT CONFIDENTIALITY

North Dakota law provides that certain economic development records and information are generally exempt from the “Open Records” laws which are found in Chapter 44-04 of the North Dakota Century Code. This means that we can protect applicant’s trade secrets, commercial, financial, and possibly other information from public disclosure. However, please be advised that the general rule in North Dakota is that records in the City’s possession are open to the public.

(10)

### ROUGH RIDER FUND PROGRAMS:

In:

**(5)- FUNDING AND OPERATING PHILOSOPHY,**

**(4) - ELIGIBLE PROJECTS / FUND USES** and

**(3) - GENERAL PURPOSE of the ROUGH RIDER FUND**

there is the ability by the fund to grant dollars to a private person, firm or corporation through the **(2) - AUTHORITY** given to Watford City through its Home Rule Charter.

At the end of each fiscal year, the Roughrider Fund will identify its available program dollars for the upcoming year. The ROUGH RIDER FUND will first set aside a committed debt reserve and budget stabilization reserve and then it will determine funding for the following programs:

- **CBD (Central Business District) FAÇADE MATCH GRANT**
- **LICENSED CHILD CARE RENEWAL GRANT**
- **COMMUNITY BUILD GRANT**
- **COMMUNITY ENHANCEMENT GRANT**
- **FIRST YEAR BUSINESS BOOST - MINI-MATCH GRANT**
- **FLEX PACE / PACE MATCH GRANT**
- **BUSINESS STARTUP AND EXPANSION GRANT**

These Roughrider Fund programs are dedicated to making Watford City a better place by creating jobs that diversify the economy and grow the tax base.

The COMMUNITY BUILD GRANT and the COMMUNITY ENHANCEMENT GRANT are dedicated to making Watford City a better place by increasing quality of life amenities and attractiveness of the community to today’s skilled workforce. As the COMMUNITY ENHANCEMENT GRANT MATCH PROGRAM has a set maximum annual contribution amount, the COMMUNITY BUILD GRANT PROGRAM does not. All programs with set annual contribution amounts (excluding the COMMUNITY ENHANCEMENT GRANT MATCH, which is awarded annually at the March City Council meeting) are awarded on a first applied to, first approved, first serve basis.

**CBD (Central Business District) FAÇADE INCENTIVE MATCH GRANT**  
**CBD FAÇADE INCENTIVE MATCH GRANT** exists to promote exterior rehabilitation and improvements of commercial buildings in the Central Business zoning district (CBD) to enhance the overall appearance, quality, and vibrancy of downtown Watford City.

**Guidelines and Eligibility for CBD Façade Incentive Match:**

- Applications must be made on CBD Façade Incentive Match Program Application Form (3/1/2023 version) and applicant must provide proof of all requested application information

- Grant funds are limited to up to 50% of the total project cost and up to \$30,000 for single front properties
- Buildings on corner lots are allowed up to 50% of the total project cost and up to \$50,000 to complete two sides of their store fronts
- Projects must be located within CB zoning district (downtown) and must be used as a commercial property
- Pre-approval of design must be attained by Watford City Planning and Building departments and final approval made prior to allocation of grant
- Projects must address every story of building façade
- Application requires an initial project consultation and review with SBDC

## **LICENSED CHILD CARE RENEWAL GRANT**

**CHILD CARE RENEWAL REIMBURSEMENT PROGRAM** exists to promote and support Child Care capacity in and around Watford City and its workforce area with certain annual expense reimbursements of Family, Group, and Child Care Centers.

**Guidelines and Eligibility** for Child Care Renewal Reimbursement Grant:

- Applications must be made on Child Care Renewal Reimbursement Program Application Form (2/1/2023 version) and applicant must provide proof of all requested application information
- Upon attainment of and annual renewal of North Dakota Child Care License in good standing, all Family, Group, and Child Care Centers in Watford City or its ETA and its workforce area are eligible for certain expense reimbursements with receipted proof of incurred expenses
  - Included grant funding:
    - UP TO \$ 1,000.00
      - For reimbursement of annual Licensing, Inspections, Certifications, Training, Continuing Education – 100% reimbursable up to cap with receipts or proof of expenses
    - UP TO \$ 500.00
      - 1:1 Match – Equipment, Curriculum reimbursable up to cap
  - Included grant funding for being a licensed childcare facility – 50% reimbursable up to cap with receipts or proof of expenses
    - UP TO \$ 100.00
      - Per licensed infant
    - UP TO \$ 25.00
      - Per licensed non-infant child
    - UP TO \$ 100.00
      - Longevity Service for 1 - 5 years of licensed child care service
    - UP TO \$ 500.00
      - Longevity Service for 6 – 10 years of licensed child care service
    - UP TO \$ 1,000.00
      - Longevity Service for 11 + years of licensed child care service to our community
- If applicable, applicant is required to be licensed with the city
- Applicants outside the city or its ETA, but within McKenzie County are eligible for grant support at 50% of those within the city or its ETA
- Funding for this program is reevaluated annually based on community Child Care needs

## **COMMUNITY BUILD GRANT**

**COMMUNITY BUILD GRANT** exists to promote quality of life in Watford City, to increase attractiveness as a tourist destination, and foster economic growth through vibrancy of public facilities, parks and events.

**Guidelines and Eligibility** for Community Build Grant:

- Application must be made on Community Build Grant Program Application Form (2/1/2023 version) and applicant must provide all requested application information
- Applicant must be a Local Political Subdivision or a Non-profit organization constructing, remodeling, rehabilitating or expanding a public facility or hosting a large-scale community event of over \$ 50,000 in annual event budget
- Project is encouraged to leverage numerous funding sources with additional consideration given to projects with state and federal funding included in the project funding package

## **COMMUNITY ENHANCEMENT GRANT**

**COMMUNITY ENHANCEMENT GRANT PROGRAM** exists to support quality of life and community enhancement projects and events throughout McKenzie County which bring enhancement and vibrancy to the community.

**Guidelines and Eligibility** for Community Enhancement Grant:

- Applications must be made on Community Enhancement Grant Program Application Form (1/1/2020 version) and applicant must provide proof of all requested application information
- **Annually**, the ROUGHRIDER FUND committee may make available grant funds to support quality of life projects and events to communities in McKenzie County and support them by considering applications up to **\$2,500 each**
  - specifically, to Alexander, Arnegard, Keene, Grassy Butte, Mandaree, AND five At Large applications throughout the county
  - **TOTALLING not more than \$25,000**
- Watford City Community Enhancement grant projects will be eligible for a maximum of up to **\$50,000.00 per year**, but **no one application shall exceed \$3,000.00**. If the applicant is requesting more than \$3,000.00 **for a single event**, that application shall be handled as a COMMUNITY BUILD GRANT
- The ROUGHRIDER FUND committee may, at its discretion, recommend allocation of unrequested funds from one community to another when requests exceed that community's allocation limits. This grant is a matching fund grant. **The total allocated to the RRF Community Enhancement Grant is not to exceed \$75,000.00 annually**
- Applicants are expected to match RRF Community Enhancement Grant funds at least 1:1 with preference given to higher match ratios
- Preference will go to applicants who spend at least 50% of their RRF Community Enhancement Grant with Watford City retailers
- **Applications are due annually for the Friday before the annual February meeting date of the ROUGHRIDER FUND committee**. The RRF Community Enhancement Fund Grant will be awarded annually after the ROUGHRIDER FUND committee recommendations are approved by the Watford City City Council at their annual March meeting.



## **FIRST YEAR BUSINESS BOOST - MINI-MATCH GRANT**

**FIRST YEAR BUSINESS BOOST - MINI-MATCH GRANT** exists to diversify the local economy and grow the local tax base by incentivizing and supporting new business startups in their first year of business.

**Guidelines and Eligibility** for Mini-Match Grant Program:

- Application must be made on Mini-Match Grant Program Application Form (2/1/2023 version) and applicant must provide proof of all requested application information
- Business Startup
  - 2:1 match up to \$ 5,000 in first year of business. Business must be opened for a minimum of 180 days and in their first year of business
  - Eligible 2:1 match includes fixtures, fit ups, remodel, signage, rent, equipment with reimbursable receipts required
  - Applicant is required to operate within the city or ETA
  - Application requires an initial project consultation and review with SBDC
- Child Care Startup
  - 1:1 match up to \$ 5,000 within first year of business
  - Eligible 1:1 match includes fixtures, fit ups, remodel, signage, rent, equipment, permit and licensing related expenses with reimbursable receipts required
  - Project must be a licensed child care facility through the state of North Dakota
  - Applicant is required to operate in or around Watford City and its workforce area
  - Application requires an initial project consultation and review with SBDC
  - Applicant is required to be licensed with the city of Watford City and be compliant with all city ordinances

## **FLEX PACE / PACE MATCH GRANT**

**FLEX PACE / PACE MATCH** exists to support small business development and economic development and diversification in the city of Watford City. As an interest buy-down program which partners with a local lender, the program is intended to help both new and existing businesses lower initial project borrowing costs associated with new and expanding investment in Watford City's economy.

With a lead lender participating in BND's Flex PACE Program:

<https://bnd.nd.gov/business/flex-pace-program/>

**Guidelines and Eligibility** for Flex Pace Match:

- Application must be made on a Flex Pace / Pace Match Grant Program Application Form (2/1/2023 version) and applicant must provide proof of all requested application information
- Allowed interest buy down purchases – real property, equipment, and certain working capital
- The program cannot be used to refinance existing debt or relocation
- The borrowing applicant can be any person with a proposed business located in the city of Watford City or ETA
- All Flex PACE applications are required to first meet with and conduct an initial business consultation with SBDC.

With a lead lender participating in BND's PACE Program:

<https://bnd.nd.gov/business/pace-program/>

**Guidelines and Eligibility** for Pace Match:

- Application must be made on a Flex Pace / Pace Match Grant Program Application Form (2/1/2023 version) and applicant must provide all requested application information

- The borrow and project must be a primary sector business as defined by the North Dakota Department of Commerce
- Allowed buy down purchases – real property, equipment, and certain working capital
- The program cannot be used to refinance existing debt or relocation
- The borrowing applicant can be any person with a proposed business located in the city of Watford City or ETA
- All Flex PACE applications are required to first meet with and conduct an initial business consultation with SBDC

**Buy-downs for both Flex Pace and Pace interest are based on total project investment, job creation, and economic growth. Caps are:**

- \$ 300,000 for businesses,
- \$ 450,000 for childcare, and
- \$ 750,000 for affordable housing.

Funding is based on the total of the Rough Rider Fund ROLLING SCORING MATRIX:

| <u>Roughrider Fund Project Scoring Matrix - FLEX PACE / PACE</u> |                       |          |                       |           |                    |          |
|--|-----------------------|----------|-----------------------|-----------|--------------------|----------|
| Project Size - all investment                                    | \$100,000 - \$499,999 | \$10,000 | \$500,000 - \$999,999 | \$15,000  | \$ 1M - \$1.099 M  | \$25,000 |
| Estimated jobs added   | 1 to 3                | \$5,000  | 4 to 7                | \$10,000  | 8 to 10            | \$20,000 |
| Average Annual Salary  | up to \$29,999        | \$5,000  | \$30,000-\$59,999     | \$10,000  | \$60,000-\$100,000 | \$20,000 |
| Property Tax VALUE increase                                      | YES                   | \$10,000 | NO                    | \$0       |                    |          |
| Will collect city sales tax                                      | YES                   | \$10,000 | NO                    | \$0       |                    |          |
| Community Impact   | Minumum:              | \$10,000 | Maximum               | \$100,000 |                    |          |

The **primary sector** of the **economy** extracts or harvests products from the earth, such as raw materials and basic foods. Activities associated with **primary economic** activity include agriculture (both subsistence and commercial), mining, forestry, grazing, hunting and gathering, fishing, and quarrying.

The **secondary sector** of the **economy** includes **industries** that produce a finished, usable product or are involved in construction. This **sector** generally takes the output of the primary **sector** and manufactures finished goods or where they are suitable for use by other businesses, for export, or sale to domestic consumers.

## **BUSINESS STARTUP AND EXPANSION GRANT**

Business Startup and Expansion grant exists to diversify the local economy and grow the local tax base by incentivizing and supporting new business startups and existing business expansions by matching private investment with public incentives.

**Guidelines and Eligibility** for Business Startup and Expansion:

- Application must be made on Business Startup and Expansion Grant Application Form (2/1/2023 version) and applicant must provide all requested application information
- 1:1 receipt matches up to \$20,000 for the startup or expansion of a business or service that persists on community needs surveys or focus groups such as the FFR committee, JDA, EDC, or other community or civic improvement organizations
- Applicant must be agreeable to a claw back clause and/or collateral or lien position if business closes or sells within 24 months of grant receipt