

HANDBOOK of GUIDELINES
The
POLICIES
and
PROCEDURES
of the
Roughrider Fund Committee

REVISED December 4, 2023

previous version: 1.4.2023
previous version: 9.4.2019
previous version: 3.5.2007



CITY OF
WATFORD CITY
Watford City, ND 58854



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These Policies and Procedures are guidelines for the operation of the City of Watford City's ROUGHRIDER FUND. These guidelines are not intended to create nor to be understood as creating any sort of contractual obligation on the City of Watford City. The recommending Roughrider Fund committee and the City Council have the right and authority to deny any application that comes before them.

(1)

HISTORY and COLLECTION of ROUGHRIDER FUNDS

In 1998 the voters of the City of Watford City approved a city sales tax 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. June 30, 2014, the voters of Watford City approved an additional half cent sales tax and elimination of existing caps, exemptions, and expirations.

All revenue collected shall be maintained in a fund known as the "ROUGHRIDER 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 or 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 community with a **primary project focus on:**

- ✓ **increasing and enhancing community amenities and services.**
- ✓ **increasing community ability to recruit and retain in-demand 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, promotion** or **preservation** of **cultural opportunities** and **amenities** for public benefit;
- c. **Promotion** of **economic growth** through economic development & diversification for public benefit;
- d. **Promotion** of **health and safety** of all citizens for public benefit;
- e. **Promotion** of **publicly owned facilities** for public benefit.
- f. **Promotion** of the **development or preservation of the City's cultural, natural, historic, or physical resources.**

(4) ###
ELIGIBLE PROJECTS / FUND USES

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

Whenever the ROUGHRIDER FUND approves project funding of any kind, a written agreement shall be executed, setting forth the terms under which the public funds will be granted or borrowed. ROUGHRIDER FUNDS may be available for leveraging related financing through other sources provided the project benefits the public according to **(3) – General Purpose (a – f)**.

(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 utilize in supporting priority projects of public benefit according to **(3) – General Purpose (a – f)**.

Examples include 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.

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

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

The ROUGH RIDER FUND is not intended to guarantee grants or other funding vehicles to applicants. **The ROUGH RIDER 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 (a – f)**. The availability of funds change from year to year and the Watford City City Council shall not act to grant or commit monies other than that determined to be the appropriate amount on any project or in totality. A conservative fund balance shall be maintained to satisfy pledged obligations.

(6)

APPLICATION PROCESS

The ROUGH RIDER FUND committee has developed a series of applications with process guidelines attached for project evaluation and administration of funds. **The GOAL: maintain procedures that are comprehensive enough to ensure and demonstrate public benefit, but be streamlined enough to be user and administratively friendly.**

The **ROUGH RIDER FUND programs applications** shall be available on the official City of Watford City website and by request to the Auditor's office or Community Development office.

COMMERCIAL FAÇADE MATCH GRANT - revised 1.2024
LICENSED CHILD CARE RENEWAL GRANT - revised 1.2024
COMMUNITY BUILD GRANT – revised Not Applicable
COMMUNITY ENHANCEMENT GRANT - revised 1.2024
BUSINESS MICRO-MATCH GRANT - revised 1.2024
BUSINESS STARTUP & EXPANSION FORGIVABLE LOAN - revised 1.2024
BUSINESS FLEX PACE / PACE INTEREST BUYDOWN MATCH GRANT - revised 1.2024

For **applications** to be included in a particular month's meeting, they must be **received by City staff by NOON** on or before the **Thursday before the last Monday of that month**.

- All applications for programs require:
 - EIN
 - Contract information
 - Project location
 - Project explanation and responses to specific application questions
 - Proof of compliance with all city ordinances
- Additionally, **BUSINESS** program applicants:
 - Are defined by their EIN. Applicants who have applied to RRF business grant

programs are not eligible to do so within a 36-month window of time EXCEPT:

- If they did not utilize the full amount of their initial FLEX / PACE grid score. That balance would be eligible to them
- Must provide proof of lease or ownership of commercial space
- Must disclose project partners – financial and professional
 - and allow release of information on the project to the Roughrider Fund which will become a public record (except for confidential information).

(7)

APPLICATION REVIEW GUIDANCE and PROCESS

The ROUGHRIDER FUND committee shall publicly hear all formal and complete applications at scheduled and noticed monthly committee meeting / public hearing. At the committee meeting / public hearing, 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 City Council by the end of day, Wednesday before the next scheduled Watford City City Council meeting (first Monday of the month).

The Watford City City Council will review:

1. Project application,
2. ROUGHRIDER FUND committee recommendation, and
3. All submitted comments from the committee meeting / public hearing and the public comment period at their next Council meeting.

The presentation of applications will be reported by the CITY COUNCIL REPRESENTATIVE to the ROUGHRIDER FUND COMMITTEE. 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 the record and reporting of ROUGHRIDER FUND commitments, dispersals, and project status.

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

(*) Projects for which Roughrider Fund assistance is 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 City of Watford may rescind the award of assistance for that project with prior communication with the applicant.

(*) Projects utilizing match grants paid by proof of reimbursable receipts may only submit one reimbursement request. This is to support efficient use of city administrative resources.

(*) Projects must be in compliance with all city ordinances prior to award disbursement.

(*) Applicant must submit W-9 and provide signed recognition that grant fund awards are taxable prior to award disbursement.

(9)

CLIENT CONFIDENTIALITY & INFORMATION DISCLOSURE

(*) 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 the City can protect applicant’s trade secrets, commercial information, financial information, and possibly other project related 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 when requested by a member of the public.

(*) By accepting Roughrider Fund awards, applicants understand and accept that the City of Watford City may use the results of the application and project report in published reports and/or articles.

(*) North Dakota Small Business Development Center project consultation is a requirement of applications to:

- COMMERCIAL FAÇADE MATCH GRANT**
- BUSINESS MICRO-MATCH GRANT**
- BUSINESS STARTUP & EXPANSION FORGIVABLE LOAN**
- BUSINESS FLEX PACE / PACE MATCH GRANT**

The economic progress data provided by the applicant to SBDC through ND SBDC Client Impact/Progress Report (Rev 08.21), de-identified and aggregated, will be provided to the City of Watford City Community Development office by SBDC. Again, this is done in aggregate and will not identify you or your business / project. This is done to provide economic development impact data of those grant funds to analyze public benefit.

(10)

ROUGH RIDER FUND PROGRAMS:

COMMERCIAL FAÇADE MATCH GRANT

This fund exists to expand local tax base and promote economic growth.

Guidelines and Eligibility for Commercial Façade Match Grant:

- Applications must be made on Commercial Façade Match Grant Application Form (1/2024)
- Owners/Lessors of commercial property may be eligible for a one-to-one grant for reimbursement for:
 1. exterior signage placement (UP TO \$ 5,000), and/or
 2. exterior façade improvements
 3. Parking improvements
- Application requires an initial project consultation and review with SBDC
- Specifically for existing commercial property within city limits
- All application information and all requested supporting project documents must be provided to be considered a complete application
- For a single-frontage commercial property, grant funds are limited to:
 1. Up to 50% of the total project cost (up to 1:1 match) and
 2. Up to \$30,000 for a single / front only commercial building façade
 3. Of the total award, UP TO \$ 5,000 may be used for signage
 4. A claw-back clause will be included requiring the owners/lessors to continue utilizing the building for the same or similar purposes as stated in the application for at least twenty-four months.

- For a multi-frontage commercial property, grant funds are limited to:
 1. Up to 50% of the total project cost (up to 1:1 match) and
 2. Up to \$50,000 for multi-sided commercial building façade
 3. Of the total award, UP TO \$ 5,000 may be used for signage
 4. A claw-back clause will be included requiring the owners/lessors to continue utilizing the building for the same or similar purposes as stated in the application for at least twenty-four months.
- Applicant must obtain pre-approval of façade and sign design by Watford City Planning and Building departments, and final inspection approval made by Watford City Building department prior to grant awards distribution by Watford City Building
- Projects must address every story of the building façade
- By committee action, this program may be utilized to target areas of the committee in need of storefront beautification. In those instances, commercial building in those targeted commercial districts (examples: RZ or CBD) would be eligible for two-to-one (city-to-property owner) grant reimbursement for:
 1. exterior signage placement (UP TO \$ 5,000), and/or
 2. exterior façade improvements
 3. Parking improvements

LICENSED CHILD CARE RENEWAL GRANT

This fund exists to promote workforce attraction & retention and health, safety & wellbeing.

Guidelines and Eligibility for Child Care Renewal Reimbursement Grant:

- Applications must be made on Child Care Renewal Reimbursement Program Application Form (12/2024), and applicant must provide proof of all requested application information
- Applicant must be in compliance with all city ordinances
- Upon attainment of an annual renewal of North Dakota Child Care License in good standing, all Family, Group, and Child Care Centers in Watford City, its ETA and its workforce area are eligible for certain expense reimbursements with proof of incurred expenses
 - Grant funding:
 - UP TO \$ 1,000.00
 - For reimbursement of annual Licensing, Inspections, Certifications, Training, Continuing Education – 100% reimbursable up to cap with proof of expenses
 - UP TO \$ 500.00
 - 1:1 Match – Equipment and Curriculum reimbursable up to cap with 50% reimbursable with proof of purchase
 - UP TO \$ 100.00
 - Per licensed infant enrolled at the time of the application
 - UP TO \$ 25.00
 - Per licensed non-infant child enrolled at the time of the application
 - UP TO \$ 100.00
 - Longevity Service for 1 - 5 years of licensed child care service to our community
 - UP TO \$ 500.00
 - Longevity Service for 6 – 10 years of licensed child care service to our community
 - UP TO \$ 1,000.00
 - Longevity Service for 11 + years of licensed child care service to

our community

- Funding for this program is reevaluated annually based on community child care needs

COMMUNITY BUILD GRANT

This fund exists to promote community facilities and promote public / private partnerships that provide public benefit.

Guidelines and Eligibility for Community Build Grant:

- Application must be made in collaboration with the City of Watford City Community development department by:
 - Creating a written project narrative that explains the project
 - Provides the case for public benefit
- Applicant must be a Local Political Subdivision or a Non-profit organization with a project that does any or all of the following:
 - provides hard or soft infrastructure or community assets for public good
 - is a large-scale project of \$ 50,000 or greater for public good
- Projects are encouraged (but not required) to leverage multiple funding sources with additional consideration given to projects with private, state, and/or federal funding sources included in the project funding package:
 - In a competitive application environment, preference will be given to multi-funding source projects

COMMUNITY ENHANCEMENT GRANT

This fund exists to promote cultural inclusion and workforce attraction and retention by supporting community organizations that provide community programming and events.

Guidelines and Eligibility for Community Enhancement Grant:

- Applications must be made on Community Enhancement Grant Program Application Form (1.2024)
 - **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 **\$3,000 each**
 - specifically, to Alexander, Arnegard, Keene, Grassy Butte, Mandaree, AND five At Large applications throughout the county
 - **UP TO \$25,000**
 - **Annually**, the ROUGHRIDER FUND committee may make available grant funds to support quality of life projects and events in Watford City and support them by considering applications up to **\$3,000 each**
 - **UP TO \$75,000**
 - Organizations / sponsors may submit multiple applications to the fund
 - One application per project/event per organization
- If a **single applicant** is requesting more than \$3,000.00 **for a single event**, that application should be made to the COMMUNITY BUILD GRANT
- - Unallocated funds from the initial competitive funding round may be subsequently allocated by recommendation of the ROUGHRIDER FUND committee.
 - Projects are encouraged (but not required) to leverage multiple funding sources with additional consideration given to projects with private, state, and/or federal funding sources included in the project funding package

- In a competitive application environment, preference will be given to multi-funding source projects
- Preference will be given to applications which provide:
 - How specifically RRF's will be used
 - Previous event / project reports that contain the following information:
 - How RRF's were previously used
 - Reporting that demonstrated support for Watford City vendors
 - Vendors used and dollars spent with those vendors
 - Comparative bids when Watford City vendors weren't utilized
 - Strength of community impact statement
 - Community need
 - People served
 - Applicant's mission, values, and other service to community outside project application
- **Applications for initial competitive grant round are due the second Monday of January**
 - The grant will open the first Monday of December and remain open until funds are allocated
 - Competitive grant round will be considered by the RRF committee at the regular January meeting for recommendation to City Council at their regularly scheduled meeting the first Monday of February.
 - In order to be paid the allocated funds, successful applicants are required to submit the required documentation for payment of grant funds within sixty days after their events or prior to the end of the year, whichever is sooner.

BUSINESS MICRO-MATCH GRANT

This fund exists to support businesses with a commercial footprint of 250 sq/ft or less who grow & diversify the local economy and grow the local tax base by supporting new micro- business startups in their first year of business.

Guidelines and Eligibility for Mini-Match Grant Program:

- Application must be made on BUSINESS MICRO-MATCH Grant Program Application Form (1/2024)
- Application requires an initial project consultation and review with SBDC
- Business Startup
 - **UP TO \$ 2,500**
 - **UP TO 1:1 match**
 - Eligible match expenses include: fixtures, fit ups, remodel, signage, rent, equipment
 - Proof of PAID reimbursable receipts required
 - Project is required to operate within city limits or ETA

BUSINESS STARTUP & EXPANSION FORGIVABLE LOAN

This fund exists to diversify & grow the local economy and grow the local tax base for public benefit.

Guidelines and Eligibility for Business Startup & Expansion:

- Application must be made on Business Startup & Expansion Forgivable Loan Application Form (1/2024)

- Application requires an initial project consultation and review with SBDC
- Business Startup & Expansion:
 - Eligible match expenses include:
 - fixtures, fit ups, remodel, signage, rent, equipment
 - Proof of PAID reimbursable receipts required
 - Project is required to operate within city limits or ETA
 - Award amounts of:
 - \$ 5,000, \$ 10,000, \$ 15,000 or \$ 20,000 are determined by Project size
 - Project size is determined by value of PAID receipts submitted:

PROJECT SIZE (DETERMINED BY ELIGIBLE RECEIPTS)	TOTAL AWARD	2/3 AFTER START UP	1/3 AFTER FIRST YEAR BR&E VISIT
\$ 00,000 - \$ 25,000	\$ 5,000	\$ 3,300	\$ 2,200
\$ 25,001 - \$ 50,000	\$ 10,000	\$ 6,600	\$ 3,400
\$ 50,001 - \$ 75,000	\$ 15,000	\$ 9,900	\$ 5,100
\$ 75,001 – Up	\$ 20,000	\$ 13,200	\$ 6,800

- After completion of the first year of startup or expansion project, and upon completion of a business retention & expansion interview with the Long X Development team (Watford City Community Development office, SBDC, or both), the last 1/3 of the grant award will be disbursed
- Expansion is defined as:
 - Expanding goods or services that increase gross sales by a projected 25% or greater of current business (OR)
 - Expanding retail floor space by 25% or greater of current business footprint
- When appropriate, the City will require security for the forgivable loan
- If the applicant is continuing the business in the same or similar manner as stated in the application after 24 months, the loan will be forgiven; if not, the loan will be called due.

BUSINESS FLEX PACE / PACE INTEREST BUYDOWN MATCH GRANT

This fund exists to diversify & grow the local economy and grow the local tax base for public benefit. It is an interest buy-down grant program that matches BND's required local match.

Guidelines and Eligibility for Business Flex Pace / PACE Interest Buydown Match Grant:

- A lead lender who will successfully apply to BND's Flex Pace / PACE Program is required:
 - <https://bnd.nd.gov/business/flex-pace-program/>
- A lead lender commitment letter is required for a complete application to this program
- Application requires an initial project consultation and review with SBDC
- Application must be made on a Business Flex Pace / Pace Match Grant Program Application Form (1/2024)
- The project is required to operate within the city or its ETA

Buy-downs for both Flex Pace and Pace interest are based on total project investment, job creation, and economic growth. BND's program grid scores cap interest buydown participation at:

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

Roughrider Fund interest buydown participation is based on the total of the following

SCORING GRID MATRIX:

Project Size (all investments)	\$ 100,000 to \$499,999	\$ 15,000	\$500,000 to \$999,999	\$ 20,000	\$ 1,000,000 up	\$ 25,000
Estimated jobs	1 - 2	\$ 15,000	3 - 4	\$ 20,000	5 or more	\$ 25,000
Average Annual Salary	up to \$29,999	\$ 15,000	\$ 30,000 to \$59,999	\$ 20,000	\$60,000 and up	\$ 25,000
Property Tax VALUE Increase	YES	\$ 15,000	NO	<ul style="list-style-type: none"> limited to projects within City Limits 		
Sale Tax Collections	YES	\$ 15,000	NO	<ul style="list-style-type: none"> limited to projects within City Limits 		
Community Impact Incentive	Minimum	\$ 10,000	Maximum	\$ 100,000		

BND's interest buydown program for primary sector economic development is PACE.

- 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.

BND's interest buydown program for non-primary sector economic development is FLEX PACE.

- The **non-primary 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.

###



COMMITTEE MEMBER EXPECTATIONS

Thank you for serving Watford City as a member of the Roughrider Fund. In the best interest of serving the committee at the request of the dually elected mayor, there are member expectations. Please notify the city auditor if circumstances preclude you from the following expectations:

- **Notifying the chairman, deputy auditor, or community development director if you are unable to attend a scheduled meeting in advance of the meeting.**
- **Attend meetings and provide input. The mayor appointed you for your thoughts and ideas. Your input and attendance is vital to the success of the Roughrider Fund and its mission of enhancing Watford City.**
- **Declare any financial conflicts that you may have on a project prior to discussion of the project.**
 - **Conflicts are considered substantial and personal financial gain**
 - **If you err on the side of caution in declaring potential conflict, the committee may vote to waive your declared conflict if it is determined to be neither substantial or personal.**

