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# Board of Supervisors Memorandum

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November 18, 2014

**Allocation Request for the Microbusiness Advancement Center's  
Grant Application for Economic Development in Ajo**

Background

In 2013, the nonprofit Microbusiness Advancement Center (MAC) applied for a competitive Rural Business Enterprise Grant (RBEG) from the US Department of Agriculture (USDA) to provide technical assistance to businesses in Ajo. A \$25,000 match for the grant, to be funded by the Board Contingency fund, was approved by the Board of Supervisors on August 6, 2013. Subsequently, the USDA suspended the RBEG program twice due to federal sequestration and other issues, and the allocation from the Board contingency was not disbursed.

MAC was advised last month by USDA that funding for the Ajo program was again available. MAC has a signed contract for the RBEG program and will partner with the International Sonoran Desert Alliance (ISDA) to directly assist in this effort to create jobs and retain businesses in the community. Both organizations have a strong track record of successfully implementing economic development projects in Ajo. MAC and ISDA are already collaborating on aspects of the grant that would assist specifically identified businesses in the community.

Matching funds are required for MAC to utilize the \$25,000 USDA grant. Staff is again requesting \$25,000 from the Contingency Fund to serve as a local share funding match. If the Board approves and the grant application is successful, \$50,000 in direct economic development and business assistance would be made available for the business community in the Ajo region.

Recommendation

I recommend the Board of Supervisors approve an allocation from the Contingency Fund in the amount of \$25,000 for the Microbusiness Advancement Center's Rural Business Enterprise Grant from the US Department of Agriculture for use in Pima County.

Respectfully submitted,

  
C.H. Huckelberry  
County Administrator

CHH/mjk – November 5, 2014

**Attachments**

c: Hank Atha, Deputy County Administrator for Community and Economic Development

**RESOLUTION OF THE PIMA COUNTY BOARD OF SUPERVISORS APPROVING AND AUTHORIZING AN EXPENDITURE NOT TO EXCEED \$25,000.00 TO MATCH A USDA RURAL BUSINESS ENTERPRISE GRANT FOR ECONOMIC DEVELOPMENT IN AJO, ARIZONA SUBJECT TO APPROVAL OF THE GRANT APPLICATION SUBMITTED BY THE MICROBUSINESS ADVANCEMENT CENTER TO THE U.S. DEPARTMENT OF AGRICULTURE**

WHEREAS, the U.S. Department of Agriculture (USDA) intends to allocate funds from the Rural Enterprise Grant Program (RBEG) as part of the department's FY 2013 funding cycle; and

WHEREAS, Ajo, Arizona is a rural Pima County census-designated community which is experiencing an unemployment rate exceeding the State of Arizona's average unemployment rate, is challenged by a poverty rate of close to 23 percent and is in need of business development and jobs; and

WHEREAS, The Microbusiness Advancement Center (MAC) is a non-profit business support organization located within Pima County that has experience in business development, job training, job creation, rural economic development and USDA grant funding; and

WHEREAS, Pima County and MAC have each recognized the need for job creation, job retention and economic development resources in Ajo; and

WHEREAS, Pima County has worked with MAC as partners on economic development issues and projects in the past;

WHEREAS, the Pima County Board of Supervisors finds that economic development is critical the welfare of county residents and supports job creation, job retention and economic development in Pima County; and

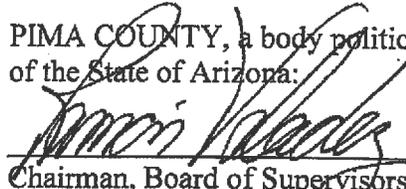
WHEREAS, MAC has submitted a grant application requesting a \$50,000.00 RBEG grant that requires a partner match in funding; and a match from Pima County would leverage dollars for economic development in Ajo at a 2:1 ratio if the grant application is approved.

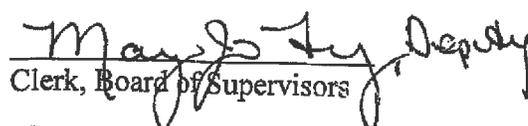
NOW, THEREFORE BE IT RESOLVED by the Board of Supervisors of Pima County that contingent upon MAC's 2013 RBEG application being approved by the USDA, the Pima County Board of Supervisors authorizes the expenditure of a match grant of \$25,000.00 in order to provide economic development services in Ajo, Arizona.

PASSED AND ADOPTED ON August 6, 2013.

PIMA COUNTY, a body politic and corporate  
of the State of Arizona:

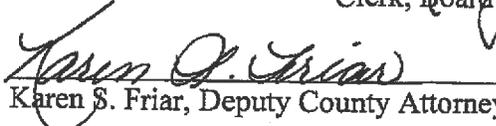
ATTEST:

  
Chairman, Board of Supervisors

  
Clerk, Board of Supervisors

AUG 06 2013

APPROVED AS TO FORM:

  
Karen S. Friar, Deputy County Attorney



September 29, 2014

Patrick Cavanaugh  
Project Coordinator, Economic Development & Tourism  
Pima County Government  
130 West Congress, 8<sup>th</sup> Floor  
Tucson, AZ 85701-1317

RE: USDA Grant Award

Dear Patrick:

As you may recall, in August of 2013, MAC submitted an application for a \$25,000 grant from the USDA Rural Business Enterprise Grant program (RBEG). Our application was supplemented by a letter of support from Pima County Administrator C. H. Huckelberry, dated August 6, 2013. Shortly thereafter, the Pima County Board of Supervisors approved a resolution in which they agreed to match the USDA RBEG with a contribution to MAC of \$25,000.

MAC's RBEG application is based on providing, in cooperation with the International Sonoran Desert Alliance, its hallmark 10 week Business Planning Course together with the associated technical assistance and individual counseling services to nascent entrepreneurs and existing small business owners and managers in Ajo, AZ.

In September 2013, MAC was informed by the USDA that funding for its RBEG program was temporarily suspended. I am pleased to report that funding for the program is now available and last week we were informed that our RBEG application has been approved.

I am respectfully asking that Pima County renew its commitment to contribute \$25,000 to MAC to help fund this important and valuable new economic development program in Ajo. The requested matching grant is essential for funding fully the USDA RBEG program we proposed for Ajo.

Thank you for your continued interest in and support of MAC.

Sincerely,

A handwritten signature in blue ink that reads "Bill".

Bill Leedy  
Executive Director

*The U.S. Small Business Administration (SBA) Cooperative Agreement is partially funded by the SBA. SBA's funding is not an endorsement of any products, opinions or services. All SBA funded programs are extended to the public on a nondiscriminatory basis. Reasonable arrangements for persons with disabilities will be made if requested two weeks in advance. Contact MAC at 520.620.1241.*



October 21, 2014

Patrick Cavanaugh  
Project Coordinator, Economic Development & Tourism  
Pima County Government  
130 W Congress, 8<sup>th</sup> Floor  
Tucson, AZ 85701

**RE: USDA Rural Business Grant MAV Business Planning Course in Ajo Arizona**

Dear Patrick:

Confirming our previous conversation, the USDA has awarded MAC a \$25,000 grant for providing a MAC certain services to a number of existing businesses and nascent entrepreneurs in Ajo and nearby rural communities. MAC is seeking \$25,000 from Pima County to help support the cost of providing these services.

#### Background

In mid-2013, MAC applied for a \$50,000 Rural Business Enterprise Grant (RBEG) from the US Department of Agriculture. Concurrently, in an effort to strengthen MAC's RBEG proposal, MAC asked Pima County for financial support for this program in the amount of \$25,000. The Pima County Board of Supervisors approved a resolution making \$25,000 available to support MAC in its Pima County rural business services. In late 2013, MAC was notified by the USDA that while it deemed MAC's proposal to be worthy of a RBEG, due to Sequestration, funds for such an effort were no longer available. In May 2014, the USDA again contacted MAC and asked if MAC was still interested in providing the previously proposed program providing the amount of the RBEG be reduced to \$25,000. We responded in the affirmative. Shortly thereafter, MAC was again notified that funding for the RBEG program was suspended. This past September, MAC was once again contacted and asked if we were still interested in a RBEG in the amount of \$25,000 to which we responded yes. Since then, MAC has signed a contract with the USDA for a \$25,000 RBEG.

MAC is asking Pima County to renew its support of MAC in its efforts to bring its proven business support and economic development programs to Ajo.

Attached is a copy of the revised RBEG application submitted by MAC dated February 28, 2014. We are considering several modifications to the program which would expand the number of people and businesses we would serve as well as enhance the economic development impact. The principal modification is based on offering our hallmark Business Planning Course sequence which concludes with a business specific plan worthy of securing financing. We are also considering offering, on a space available basis, participation in this program by members of the Tohono O'Odham Tribe in nearby Sells, AZ.

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Thank you for your continued interest in and support for MAC. Please let me know if there is anything else you need.

Sincerely,

*Bill Leedy*

Bill Leedy  
Executive Director



February 28, 2014

Gary Mack  
Business & Cooperative Program Director  
USDA Arizona State Office  
230 N. 1<sup>st</sup> Avenue, #230  
Phoenix, AZ 85003-1706

Re: **Amended and Restated MAC Submission**  
**USDA Rural Business Enterprise Grant CFDA-10-769**

Dear Mr. Mack:

Please accept this letter as an amendment and restatement of our grant proposal made on August 7, 2013, in relation to the Rural Business Enterprise Grant CFDA 10-769. Our submission described in detail the "Business Expansion and Stabilization in Ajo Arizona Project" which provides specific technical assistance that will assist in the creation of jobs, save jobs at risk and stimulate the economy in this rural town.

With consideration of the decrease in federal funding from \$50,000 to \$25,000, MAC *will continue with our commitment to serve this underserved rural area with real world training and individualized one-on-one technical assistance.*

The following is a brief summary of MAC and the Small Business Development Center (SBDC) and Women's Business Center (WBC) programs it hosts. SBDC and WBC activities are partially funded by the Small Business Administration (SBA).

MAC is a 501 (c)(3) tax exempt organization dedicated to providing business related education, personalized one-on-one counseling and financing assistance to aspiring entrepreneurs and business owners in Southern Arizona. MAC and its dedicated staff of 8 full time professionals, together with a select group of contractors and numerous other organizations in Southern Arizona with which MAC collaborates or partners, have been delivering these services in Southern Arizona for more than 20 years. An important focus of MAC is providing these economic development services to underserved individuals, women 18 years and older, military veterans, Native Americans and small businesses owned by one or more of these individuals. In most cases, these services are provided at little or no cost to the individuals served.

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MAC achieved spectacular results in 2013. In summary, MAC, SBDC and WBC collectively in 2013, were a primary force in Southern Arizona in:

- creating or retaining 241 jobs,
- raising more than \$7,650,000 in new business capital,
- contributing nearly \$9,300,000 of new sales, and
- nurturing 37 business start-ups.

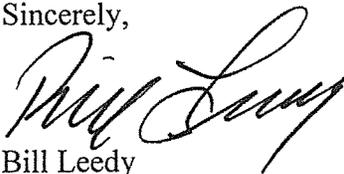
These results are independently verifiable and subject to audit by the SBA. Based on the current pipeline of new clients that have expressed an interest in one or more of the vital services MAC and its partners offer, we look forward to 2014 as producing even greater measurable economic impacts in the Southern Arizona.

MAC receives significant support from a wide variety of government and private resources in Arizona. Currently, 30.8% comes from Federal grants, 7.4 % comes from state and local grants, 28.6 % comes from a variety of corporate and individual donors, 15.1% comes from cash and in-kind contributions from the MAC staff and Board of Directors, 9.0% comes from fees paid by program participants and 9.1% comes in the form of in-kind contributions from local suppliers.

Please accept this letter and the attached as our request for consideration of a \$25,000 Federal grant with respect to USDA Rural Business Enterprise Grant CFDA-10-769. This submission represents an amended and restated version of our submission made previously on August 7, 2013.

Thank you for your consideration.

Sincerely,



Bill Leedy

Executive Director

Microbusiness Advancement Center of Southern Arizona

### Application for Federal Assistance SF-424

**\* 1. Type of Submission:**

- Preapplication  
 Application  
 Changed/Corrected Application

**\* 2. Type of Application:**

- New  
 Continuation  
 Revision

**\* If Revision, select appropriate letter(s):**

**\* Other (Specify)**

**\* 3. Date Received:**

**4. Applicant Identifier:**

**5a. Federal Entity Identifier:**

**\* 5b. Federal Award Identifier:**

**State Use Only:**

**6. Date Received by State:**

**7. State Application Identifier:**

**8. APPLICANT INFORMATION:**

**\* a. Legal Name:**

Microbusiness Advancement Center of Southern Arizona

**\* b. Employer/Taxpayer Identification Number (EIN/TIN):**

86-0661853

**\* c. Organizational DUNS:**

838336527

**d. Address:**

\* Street1: 330 N. Commerce Park Loop  
Street2: Suite 160  
\* City: Tucson  
County: Pima  
\* State: AZ  
Province:   
\* Country: USA: UNITED STATES  
\* Zip / Postal Code: 85745

**e. Organizational Unit:**

**Department Name:**

**Division Name:**

**f. Name and contact information of person to be contacted on matters involving this application:**

Prefix:  \* First Name: Bill  
Middle Name:   
\* Last Name: Leedy  
Suffix:

Title: Executive Director

**Organizational Affiliation:**

\* Telephone Number: 520-620-1241 x-109

Fax Number: 520-622-2235

\* Email: bleedy@mac-sa.org

**Application for Federal Assistance SF-424**

**9. Type of Applicant 1: Select Applicant Type:**

Non Profit organization with IRS 501c3 status

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

\* Other (specify):

**\* 10. Name of Federal Agency:**

USDA Rural development

**11. Catalog of Federal Domestic Assistance Number:**

10-769

CFDA Title:

Rural Business Enterprise Grants

**\* 12. Funding Opportunity Number:**

\* Title:

**13. Competition Identification Number:**

Title:

**14. Areas Affected by Project (Cities, Counties, States, etc.):**

Town of Ajo, located in Pima County, State of Arizona

**\* 15. Descriptive Title of Applicant's Project:**

Business Expansion and Stabilization Project - Ajo, Arizona

Attach supporting documents as specified in agency instructions.

**Application for Federal Assistance SF-424**

**16. Congressional Districts Of:**

\* a. Applicant 3rd

\* b. Program/Project 3rd

Attach an additional list of Program/Project Congressional Districts if needed.

**17. Proposed Project:**

\* a. Start Date: 10/1/2014

\* b. End Date: 09/30/2015

**18. Estimated Funding (\$):**

\* a. Federal 25000.00

\* b. Applicant

\* c. State

\* d. Local

\* e. Other 25000.00 (Pima County)

\* f. Program Income

\* g. TOTAL 50000.00

**\* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

a. This application was made available to the State under the Executive Order 12372 Process for review on

b. Program is subject to E.O. 12372 but has not been selected by the State for review.

c. Program is not covered by E.O. 12372.

**\* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.) Applicant Federal Debt Delinquency Explanation**

Yes

No

21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

\*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

**Authorized Representative:**

Prefix: [ ]

\* First Name: Bill

Middle Name: [ ]

\* Last Name: Leedy

Suffix: [ ]

\* Title: Executive Director

\* Telephone Number: 520-620-1241 x-109

Fax Number: 520-622-2235

\* Email: bleedy@mac-sa.org

\* Signature of Authorized Representative: [Signature]

\* Date Signed: 2/28/2014

## **Business Expansion and Stabilization Project Ajo Arizona**

The Microbusiness Advancement Center (MAC) is requesting economic development funding from the USDA in the amount of \$25,000 to provide specific technical assistance, which will be explained in further detail in this document, to nascent and emerging businesses and entrepreneurs in Ajo, Arizona in order to create jobs, save jobs at risk, and stimulate economic activity in the rural town of Ajo. These funds will be further leveraged with a commitment from Pima County for \$25,000 in matched funding designated specifically for this Ajo project, for a total project budget of \$50,000.

### **THE NEED**

Ajo, Arizona is a census-designated place (CDP) in Pima County, Arizona, with a current population of **3,304**, a 10% decline from the past census. Ajo is currently challenged by an unemployment rate of **11.5%**, exceeding the state unemployment rate of 7.8% by 47.4%. The median income for a household (MHI) in the CDP is \$25,618 as compared to the MHI for Arizona of \$50,448. Ajo's poverty rate fluctuates minimally, and remains close to **23%**. This community is in need of funding for business development for microenterprises and the creation of jobs.

The Kauffman Index of Entrepreneurial Activity ranked Arizona as the third most entrepreneurial state in the country. Small businesses are key drivers of sustainable economic development, are at the forefront of rural America's, specifically Ajo's future. Recognizing the importance of entrepreneurship and small business development is critical to creating sustainable economic development in rural Arizona.

The Microbusiness Advancement Center (MAC) is positioned to assist Ajo with the development of new business opportunities, and saving jobs by strengthening existing business enterprises if funding is provided from the USAD RBEG. The funding opportunity would be dedicated to Ajo's business enterprise development and provide a means to create supplemental income to address some of the poverty and unemployment issues locally.

### **THE BACKGROUND**

This proposal is positioned to work in collaboration with the established International Sonoran Desert Alliance (ISDA) who has been a major force in the economic development of Ajo for many years. ISDA's programs are centered on desert conservation, cultural preservation, and economic development, consistent with the Pima County economic development plan to concentrate on collaborative community efforts in business and job

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Scope of Work

creation, business retention and expansion, increased tourism and enhancing the communities' quality of life.

ISDA has rehabilitated the historic and formerly abandoned "Curley School" in Ajo, into affordable live/work rentals for artists of all media and creative home businesses. MAC and ISDA have previously collaborated to provide technical assistance and business educational planning to the 30 nascent and emerging artists living at the Curley School. The school has become a focal point for Ajo, which is emerging as an art destination for tourists. The school has created a gift shop with local art and is continuing to slowly help stimulate the local economy.

In the summer of 2008, ISDA purchased Ajo's town plaza and began what was a long and rewarding process of restoration and revitalization. The historic plaza was built in phases beginning in 1917 with completion in 1947. At the point of purchase, two-thirds of the plaza's 90,000 square feet of commercial space was vacant. Since then, several new businesses have opened including a cafe and several gift shops featuring arts and crafts. In addition, second-floor studio space has been leased to artists. ISDA is an outstanding collaborative partner for this grant request as they are aligned with the growth and economic development plans for Ajo. In a recent economic impact study conducted by The Center for Creative Community Development at Williams College in Williamstown, Massachusetts, it was estimated that ISDA and its past projects have had a positive economic impact in Ajo of approximately \$1.5 million annually. The total impact in terms of employment in Ajo, Arizona is an estimated 15 jobs.

ISDA has assisted MAC to identify 7 specific businesses in their central plaza that are in need of technical assistance to survive and save jobs. ISDA has also identified the need for two new businesses that the community needs such as a fitness center and a licensed child care home that can receive state subsidies for child care and thus remove the barrier to working families without that option. With MAC's past experience of working with new businesses in Ajo, and having an understanding of Ajo's unique market, we expect to create or save 6 jobs within the central business district, the focal point of which is the historic Plaza.

Ajo is located in the far western section of Pima County, isolated from Tucson the county seat by 2.7 million acres of Native American lands. However, Pima County extends their mission of economic development to Ajo which can be found on the Pima County website: Economic development mission for Pima County is to enhance the economic welfare of the Pima County citizens and businesses. Program Goals and objectives are:

- Coordinate Pima County's economic development resources to concentrate on collaborative community efforts in business and job creation, business retention and expansion, increased tourism and enhancing the communities' quality of life.

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Scope of Work

- Effectively coordinate all public resources to produce a sustaining positive business development climate.
- Create a unique awareness of Pima County through branding to increase business and leisure travel.
- Develop a more comprehensive marketing plan in partnership with the MTCVB with the following initiatives: increase Mexican tourism to the attractions, create a destination special event department in Tucson, develop a marketing assistance grant program for the area attractions, assist in the development of new air routes to Tucson, and increase the number of film and video production utilizing Pima County as their base shooting and production headquarters.
- Increase cultural and heritage awareness of Pima County
- Develop optional use concepts for County land for Pima County Fairgrounds, Leased Property Attractions and environmental friendly businesses.
- Develop a partnership approach to County Involvement in all public and private organizations involved in economic and tourism development

Additionally, The Pima County Small Business Commission in their annual report published June 2012 and in line with the County's Economic Development Plan, is seeking to develop programs to help small businesses in outlying unincorporated Pima County, naming Ajo as one of those areas. The Business Expansion and Stabilization Project in Ajo Arizona presented herein are in complete sync with that specific Economic Development Plan objective.

The economic development work currently being done in Ajo by ISDA, and the grant program proposed within this grant request are consistent with the economic goals for Pima County and Ajo cited above.

## **APPLICANT EXPERIENCE**

MAC is a nonprofit 501 (c) 3 organization that helps individuals start, fund and grow their business. MAC drives the development of small businesses in Southern Arizona by providing clients with counseling, training, resources, and microloans. MAC's work and mission is aligned with the needs of Ajo as well as the goals of the RBEG Program for providing in-depth, substantive, outcome-oriented business services to new and existing entrepreneurs, a representative number of which are socially and economically disadvantaged. Over the years, MAC has successfully worked in other Pima County rural communities in Arizona such as Nogales, Sells on the Tohono O'odham reservation, and Ajo from 2007-2010.

MAC carries out its mission by providing:

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Scope of Work

- Real-world training to individual Microbusiness entrepreneurs in a supportive group atmosphere.
- Individualized one-on-one technical assistance for economic impact results
- Additional services to qualified individuals who have specialized needs or face particular barriers to Microbusiness success such as women, the disabled, low-income clients and non-English speakers, and rural markets.

MAC is the only comprehensive business planning provider in Southern Arizona, who also makes its course material and training available in Spanish. Additionally, MAC provides office space to Tucson's most active microlender, Acción, who while working with MAC and has funded over \$1,376,590. in new loans to small businesses both nascent and existing in Southern Arizona. All of this experience and services will be made available to the assisted businesses in Ajo based upon need and direction of the business' plan.

MAC opened its doors in 1991; for 19 years it has created jobs and self-sufficiency for individuals through microenterprise development services. Historically, MAC has served over 10,000 clients and created over 3600 new companies. MAC is the only agency of its kind delivering these vital services to underserved residents of Southern Arizona. MAC's objective is to move socially and economically disadvantaged individuals out of poverty to become economically self-sufficient. They do this through strong leadership, effective community partnerships and relevant curriculum and funding support, including a long history of federal grant funding. MAC's long term training course for Business Planning is well established and is known throughout Southern Arizona for its effectiveness, attracting hundreds of participants to our programs annually.

In 2006 and 2010, MAC received a Hewlett Packard Micro-Enterprise Technology Assistance Grant, providing the means for MAC to deliver needed technology business education. This prestigious award provided initial funding and equipment for MAC to implement and integrate our technology training into our existing education for business owners seeking development assistance in this area. Technology programs are significantly important to assisting businesses in rural communities who often market and learn through technology enhancement. These tools also provide a means for businesses to learn applied skills for accounting, client management, marketing, and communication that is delivered through individual support through personal technical assistance.

MAC's organizational capacity is well established through its 19 years of operation and the support of three SBA Federal Grants for Microenterprise, supplemented by various small community foundations and corporate support. MAC has a demonstrated record of delivering training and technical assistance to disadvantaged and rural entrepreneurs through the following grant awards throughout our history:

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Scope of Work

1. SBA Women's Business Center grant awarded in 2000, and 2005; 2010 through present day
2. PRIME grant awarded in 2001 and 2004, and 2010 through present day
3. **Rural Business Development Grants awarded in 2000, 2001 and 2003**
4. City of Tucson CDBG grants – for Business of Childcare training - 2006, 2008
5. Community Foundation of Southern Arizona awarded in 2005, 2008
6. United Way – Mentorship Funding 2006, 2008 and 2009
7. Women's Foundation of Southern Arizona –entrepreneurship training to low-income Latina women. 2004-2008 Women's Business programming 2013
8. Hewlett Packard Micro-technology Grant 2006 and 2010
9. SBA Small Business Development Center 2010- present

## THE PROGRAM

RBEG funds will be used to provide professional contractors to deliver specific technical assistance to the selected businesses and entrepreneurs in the Ajo Central Business District with the goal of saving existing jobs at risk, and adding jobs through planned growth. It is the goal of this program to assist 7 carefully selected existing businesses within the Central Business District displaying need for stability, and two emerging businesses who will receive intensive technical assistance on a regular basis over a 12 month period from this grant. It has been generally accepted in MAC's practice of business consultation that a business needs a minimum of 27 hours of professional assistance before economic impacts can emerge. With that experience guiding this program, and the amount of funds requested, MAC will provide 27 hours of one-on-one technical assistance to each business selected to benefit from the grant funding.

The first step of the program will require that each selected business participate in an assessment of need to determine the strengths and weaknesses of the business and the business owner, the history of the business and a review of the financial condition in order to determine the specific technical assistance will be most effective to stabilize the business or bring about healthy growth. These assessments will be one hour sessions conducted in Ajo, by the project director hired within the budget of this grant funding. This appointment will be followed by 30 minute planning sessions to establish an action plan unique to each business to provide the most needed and effective tools for each individual business to improve. Work may include business planning, feasibility analysis, obtaining small loans for start-up and growth, marketing plans, social media, cost analysis, pricing analysis, cash flow analysis, accounting software, and licensing.

Based upon the assessment, the action plan for each business to be assisted will include the type of business consultant needed to move the business to success. MAC' Project Director for the RBEG will contract with additional individual consultants necessary to deliver all of

Microbusiness Advancement Center  
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Scope of Work

the uncovered needs to make these businesses move to a higher level of success and thrive. MAC intends to use local consultants when possible to inject money into local economy from this grant public funding, but will also reach out to the diverse business network it already uses within Tucson for additional expertise. Most technical assistance will be provided one-on-one unless topics are best served by classroom structure for learning purposes.

The remaining 25.5 hours of consultation will be devoted to providing the specific technical skills by professional consultants hired to meet the needs of these companies. The intended outcome of this service after 27 hours of consultation is for each company to be displaying signs of stability and planned growth, and the retention and creation of jobs. MAC is committed to retaining and or creating a minimum of 6 jobs in Ajo with the \$50,000 of federal funding requested.

The remaining consultation will be provided for two emerging business that the Community has identified as a needed within the central business district: 1) a restaurant 2) a fitness center, 3) and possible a day care center able to take subsidized child care payments. Two emerging entrepreneurs have come forth for the restaurant expansion of the local café, and a fitness center. MAC will work with ISDA to seek out entrepreneurs who may aspire to opening a new business child care and work with a private consultant to create it as a start-up company.

This program overall will be administered and overseen by the Executive Director of MAC, supervising the part time Project Director. The Project Director will be conducting the business assessments and will work with the Executive Director to identify the additional contractors needed to provide adequate technical assistance as promised in this scope of work. Funds will be managed according to the planned budget submitted as a part of this proposal, managed and overseen by the MAC executive Director.

Organizational documents for MAC have been made a part of this proposal and include the agency's IRS certificate of 501 (c) 3 nonprofit status, Articles of Incorporation, Arizona Corporation Commission certificate of Good Standing, resume of MAC Executive Director Michael Landy who is overseeing the project, Agency's audited financial statement for 2012, Project Budget, and Pima County Board of Supervisors Resolution #2013-69 for confirmation of matching funds. MAC does not use an indirect cost rate and therefore we have not attached an indirect cost rate agreement.

A project budget is attached, with narrative of anticipated costs for set up and operating the program, with the specific activities and costs itemized for payment from the federal and leveraged funds. MAC is able to implement the program instantly without delay or any significant set up costs or time delays for set up because it is MAC's primary line of business

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Scope of Work

and the infrastructure and operational requirement are already in place. The corresponding time line is detailed in the table below:

**PROGRAM TIME LINE**  
Business Expansion and Stabilization Project Ajo Arizona

Notice of Award and Receipt of Funding	Initial contacts made to selected businesses to get them prepared and set some expectations of the program
Hiring of Project Director PT	Executive Director will begin search and hiring process, followed by orientation of program expectations
Business Client Assessments	Project Director will begin travel to Ajo and set up meetings with each participating business to conduct a thorough business assessment of needs in order to define the skills needed for the business to grow.
Hiring and coordination of additional specialists and consultant needed to deliver appropriate technical assistance.	Performed by the Project Director in coordination with the Executive Director based upon findings from businesses that were assessed during the assessment phase.
Weekly Business Consultations	Selected Ajo businesses and potential business entrepreneurs will begin working with business consultant over 10 months to receive 27 hours of specific professional business consultation.
Progress Reviews	On-going to track progress and technical assistance results or additional needs
Evaluation and Reporting	At program conclusion done in conjunction with assisted business owners.

**FUNDING SUPPORT**

Pima County funds were requested as additional support and leverage for this grant in the amount of \$25,000. A letter of support is included with this application indicating that the request was recommended and would appear on the Pima County Board of Supervisors Agenda August 6, 2013. A copy of that agenda for August 6 is provided in the supporting documents section. On August 6, at the Pima County Board of Supervisors Meeting, funds

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Scope of Work

in the amount of \$25,000 for a supporting contribution to MAC to support their RBEG grant request was approved, providing a 50% match for this request. A copy of Pima County Board of Supervisors Resolution #2013-69 is included in this proposal, providing evidence of the approval of funding for MAC in the amount of \$25,000.

**SCORING**

- A. Population Ajo =3304 in 2010 Under 5000 15 points**
  
- B. Economic Conditions**
  - 1. Unemployment rate Ajo 11.5% (47% of Arizona rate) 20 points**  
**Unemployment rate Arizona 7.8%**
  
  - 2. Project located in area where median income (Ajo=\$28,947) is greater than the Poverty line, (\$23,050) and less than 85% of State's MHI (MHI= \$50,448) 53.7% 15 points**
  
- C. Experience (20 years- see scope of work for MAC experience) 10 points**
  
- D. Other**
  - 1. MAC has aligned with 6 businesses in Ajo needing technical assistance for planning and funding to start, or grow to create new jobs, or stabilize and retain jobs from these nascent businesses. Six Business Questionnaires are provided for written evidence of these commitments. (See attached, 6 completed questionnaires) 25 points**
  
  - 2. Grant request of \$25,000, with committed non-federal funds From Pima County for the RBEG grant program of \$25,000 Constituting 100% non-federal component 15 points**
  
  - 3. (N/A) 0 points**
  
  - 4. Proposed project will create and or save a minimum of 6 jobs with the commitment of \$25,000 in USDA grant funds: \$4,166 per job created or retained 10 points**
  
  - 5. Pima County economic development plan states that a**

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	Scope of Work
<b>collaborative community efforts in business and job creation, business retention is their mission for economic development (see background section of scope of work) consistent with the program scope for this funding request.</b>	<b>5 points</b>
<b>6. Grant requested funds \$25,000 Less than \$100,000</b>	<b>25 points</b>
<b>7. The project will assist a small and emerging private business as described. (N/A)</b>	<b>0 points</b>
<b><u>Total points prior to discretionary points</u></b>	<b><u>140 points</u></b>

**Microbusiness Advancement Center of Southern Arizona - BUDGET NARRATIVE**  
 USDA Rural Business Enterprise Grant Ajo, Arizona 2014-2015

Line Item	Narrative/Description	Total Charged to Grant
<b>Personnel</b>		
Project Coordinator	0.30 FTE, Coordinates all consultants and 9 clients for Small Business development and Technical Assistance services in Ajo	\$16,400
Executive Director, AOR	.05 FTE Management of Total Program, Board of Director relations, oversees all administrative functions	\$3,750
Bookkeeper	.05 process all payroll, disbursements, allocations and reconciliations	\$1,250
<b>Personnel Subtotal:</b>		<b>\$21,400</b>
<b>Fringe Benefits</b>		
Fringe @8.73	Fringe benefits calculated at FICA-6.2%, Medicare-1.45%, Unemployment-0.503%, Workers Comp-0.58%=9%	\$1,519
Medical and Dental	MAC provides \$250 per full time employee towards health care benefits. .50 FTE	\$750
<b>Fringe Benefits Subtotal:</b>		<b>\$2,269</b>
<b>Travel</b>		
Gas mileage reimbursement	Travel to Ajo @ 300 miles 2x monthly at \$0.565 per mile for 12 months (24x300x.565) local mileage to meet with clients	\$2,034
Daily Meals and overnight Meals	Daily Meals (24 @ \$15), Over night stays add Dinner @ \$15 (3x12x15)	\$720
Lodging	12 overnight stays in Ajo @ \$99	\$1,188
<b>Travel Subtotal:</b>		<b>\$3,942</b>
<b>Supplies</b>		
Office Supplies	General Office supplies (paper, pens, binders, legal pads, binding supplies)	\$1,310
	Ink Jet cartridges for printer 2 @ \$50 and 3 @ \$73 = \$369. Laser Cartridges for Curriculum printing 3 @ \$128 = \$384. Educational supplies for clients = \$2000	\$2,753
<b>Supplies Subtotal</b>		<b>\$4,063</b>
<b>Contractual</b>		
Consultants	Marketing, Financial Analysis, Social Media, Business Planning consultants for one on one technical assistance, 7 existing clients and 2 emerging. Total hours will be 27 hours per client @ rate of \$60 (243x60)	\$14,580
<b>Contractual Subtotal:</b>		<b>\$14,580</b>
<b>Other</b>		
Cell Phone Expense	Reimburse Cell phone expense for project coordinator	\$1,080
Occupancy for .50 FTE	Portion of rent, telephone, copier, computer, internet	\$2,665
<b>Other Subtotal:</b>		<b>\$3,745</b>
<b>Total Expense</b>		<b>49,999.86</b>