

Pullman & Comley Law ALERT



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DECD Small Business Express Program

As the economy continues to put pressure on Connecticut's business community, particularly the small business community, Connecticut's Department of Economic and Community Development (DECD) designed its **Small Business Express Program (SBEP)** to support small businesses, spur job creation and encourage growth by issuing loans and grants quickly. The SBEP includes the following:

- The **Small Business Express Revolving Loan Fund** provides loans from \$10,000 to \$100,000 for such investments as acquisition of machinery and equipment, construction, relocation within the state, working capital, or other business-related expenses authorized by the DECD Commissioner. Interest rates range from zero to four percent, and the loan term is five years.
- The **Small Business Job Creation Incentive Program** provides deferred loans from \$10,000 to \$250,000 to cover training, marketing, working capital, or other business-related expenses authorized by the DECD Commissioner. "Deferred" means that DECD may forgive all or part of the loan if the business attains certain job creation goals.
- The **Small Business Creation Matching Grant Program** provides grants from \$10,000 to \$100,000 for such things as acquisition of machinery and equipment, construction, training, working capital, relocation within the state, or other business-related expenses authorized by the DECD Commissioner. The grant is a matching grant, so the recipient must match the grant funds on a 1-to-1 ratio.

To be eligible for the SBEP, a business must have fifty or fewer employees, be Connecticut-based with operations in the state, have been registered to conduct business in the state for at least one year, and not be in default of any state or local taxes. Given the current success of the program, the General Assembly is currently evaluating whether to broaden the program to businesses with 100 or fewer employees. DECD will give priority to an "economic base business," as defined in Connecticut's General Statutes, which includes but is not limited to, precision manufacturing, business services, green and sustainable technology, bioscience, and information technology.

DECD is making an effort to streamline its application process. The SBEP application is only one page and in addition to the usual paper option, it can be filled out as a Web-based form on DECD's Web site. Certain information must be submitted separately, however, such as the applicant's financial information, the project's description, and a financing plan and budget. DECD will strive to have an application reviewed, processed, and approved within thirty days of

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DECD's receipt of a complete application. For applicants who are interested in applying for this program, the application can be accessed on the DECD's Web site at <http://www.ct.gov/ecd/cwp/view.asp?a=3931&q=489790>.

Please feel free to contact any of our attorneys in this practice area for additional information.

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