



*“Promoting Sustainability, Profitability and Innovation in
Maryland Agricultural and Resource-Based Business”*

Application for the Maryland Wood Products Industry Equity Incentive Program

Program Description

MARBIDCO recognizes the importance of the forests products industry from economic, environmental and consumer perspectives, and thus seeks to assist in growing a strong and diversified wood products industry in Maryland. MARBIDCO also has a desire to assist Maryland’s forestry businesses with improving operations and efficiency, increasing productivity and employment opportunities, and supporting new markets development.

The forests products industry has been in decline for several years for various reasons, and the COVID-19 Pandemic exacerbated the economic distress. By helping to sustain and grow a healthy forestry industry, investment now will yield substantial longer-term benefits for Marylanders. Recognizing this, during the 2022 session the Governor and Maryland General Assembly authorized \$500,000 in funding for MARBIDCO to establish the Maryland Wood Products Industry Equity Incentive Program (WPIEI).

The WPIEI Program offers up to a 25% matching grant, up to \$50,000, for the purchase of equipment or facilities improvement. An ancillary objective of this program is to complement the financial services offered by private commercial lenders by leveraging funds to facilitate larger scale projects which will enable industry growth. This program will help Maryland wood fiber harvesters, processors and manufacturers engage in increased production and utilization of locally sourced wood fiber, improve business operations and efficiency, and pursuit of new markets opportunities.

Eligible applicants may apply for incentive grants for a wide range of equipment and capital asset purchases of specialized forestry and logging equipment and small- and large-scale wood processing equipment. Eligible projects include tangible equipment purchases and facilities improvement costs.

Eligible applicants include commercial timber harvesters, and primary or secondary wood products processors. Applicants can include sole proprietorships, partnerships, cooperatives, corporations, and LLCs. Grant funds and matching funds must be used for equipment and capital asset purchases that have a useful life of seven years or more. MARBIDCO is seeking applications for projects or purchases that will improve operations and/or efficiency, increase productivity and/or workforce expansion, or aid in the pursuit of new markets. This should be evident in the project description and business plan.

More specifically, commercial wood processing enterprises may apply for equipment and facilities project incentive grant funding to process or manufacture the following primary and secondary forest products: lumber, pilings, logs, firewood, mulch, pellets, shavings, veneers, flour, sawdust, plywood, millwork, CLT, and furniture (using Maryland wood). Forest harvesters are also eligible to apply.

MARBIDCO will match up to 25% of total project cost, with a maximum grant award not to exceed \$50,000. All equipment purchases must be made (and facility improvement contracts let) by no later than January 31, 2023. (Please note too that any equipment or capital asset purchase made before November 18, 2022 are ineligible for this program.)

A competitive evaluation of the grant requests is possible. There is a strong possibility that there will be more eligible requests than there are funds available to distribute in FY 2023. Therefore, applicants should be sure to highlight in their applications how the utilization of their grants would serve to increase the production and utilization of locally sourced wood fiber, improve business operations and efficiency, create/retain jobs, and/or aid in serving new markets. Innovation is also a consideration.

The application submission deadline is November 18, 2022. Applicants will be notified by mid-December if they have been approved. **Electronic submissions of applications are encouraged.** Applications received in the U.S. Mail and postmarked no later than November 18, 2022, will also be accepted.

Eligible Expenses: Grant funds and matching funds must be used for equipment projects and capital asset purchases that have a useful life of seven years or more. Examples include, but are not limited to, the following:

- Wood processing equipment and facilities
- Sawmills
- Dry kilns
- Skidders and in-woods chippers
- Primary and secondary wood processing equipment
- Optimization systems for maximizing fiber yield recovery
- Shavings, pellet mills, and sawdust dryers
- Other capital equipment that is designed specifically for use in the forest products industry

Ineligible expenses may include, but are not limited to the following:

- *Any expense incurred prior to **November 18, 2022***
- Tractors, trucks, vans, or any over-the-road motorized vehicles
- Feedstock or timber purchases
- Property acquisition costs
- Mortgage refinancing
- Costs of borrowing (e.g., points and other fees)
- Site plan and construction permits
- Wages paid to applicant or employees, or applicant or employee training costs
- Solar or wind energy projects
- Furnishings, fixtures, or equipment considered personal (non-business) property,
- Machine storage, ancillary workshops, housing, classrooms, etc.
- Any portion of expense for which the applicant pays a contractor in merchandise or service in lieu of cash
- Attorney's fees and consultants' fees
- Fees and/or costs not consistent with eligible costs
- Computer equipment

Application requirements

- Submit a completed and signed application form and all required attachments.
- Written Business Plan (see page 9 of application for detail on what information must be included)
- Project Budget - list of equipment or facilities to be acquired
- Tax Returns for the preceding year (latest available, 2020, or 2021)
- Business Operation Financials (including a balance sheet, and 2021 income statement)
- Evidence of matching funds (e.g., copy of bank statement or bank loan commitment letter)

Maryland Wood Products Industry Equity Incentive Grant Program Conditions

Minimum Amount of Grant:	\$5,000
Maximum Amount of Grant:	\$50,000
Maximum Percentage of Grant:	MARBIDCO will match up to 25% of the cost of the project with a \$50,000 cap for each project.
Matching Funds Required:	Yes. This can be in the form of cash (equity), a bank loan, or a MARBIDCO loan (please see the MARBIDCO website for information on the MRBIF and Forestry Loan Programs).
Application Deadline	Application deadline: November 18, 2022 (electronic submissions are encouraged).
Disbursement of Funds	Applicants should expect to purchase or order equipment by no later January 31, 2022. Funds will be disbursed on a reimbursement basis (proof of payment required) or MARBIDCO can directly pay vendors with submission of approved invoices.
Send Completed Applications to:	Electronically to scriste@marbidco.org or mail to: MARBIDCO Wood Products Industry Equity Incentive Grant c/o Sierra Criste 1410 Forest Drive, Suite 21 Annapolis, MD 21403

APPLICANT INFORMATION

1) Legal Name of Entity Applying for Grant (Grantee): _____

Address _____ City _____

State _____ Zip Code _____ County _____

Primary Telephone: _____

Other Telephone: _____

Email Address _____

2) Contact Name: _____

Address _____ City _____

State _____ Zip Code _____

Primary Telephone: _____

Other Telephone: _____

Email Address: _____

3) Additional Industry Information:

Forest Product Operators License #: _____

Other Government Permit/ ID#: _____

(Describe _____)

4) Business Structure:

Year & State Established/Incorporated: _____

Proprietorship Partnership Agricultural Cooperative LLC Corporation

5) Management/Ownership

Name: _____ Title: _____ % Ownership: _____

Date of Birth: _____ Last 4-digit SSN#: _____

Address: _____ City: _____

State _____ Zip Code _____

Primary Telephone: _____ Other Telephone: _____

Email Address: _____

Name: _____ Title: _____ % Ownership: _____

Date of Birth: _____ Last 4-digit SSN#: _____

Address: _____ City: _____

State _____ Zip Code _____

Primary Telephone: _____ Other Telephone: _____

Email Address: _____

Name: _____ Title: _____ % Ownership: _____

Date of Birth: _____ Last 4-digit SSN#: _____

Address: _____ City: _____

State _____ Zip Code _____

Primary Telephone: _____ Other Telephone: _____

Email Address: _____

6) Employment Data

of Current Full-time Jobs: _____

of Current Part-time Jobs: _____

of New Full-time jobs projected within 36 months: _____

of NEW Part-time jobs projected within 36 months _____

PROJECT INFORMATION

7) Project Type (Check all that apply)

<input type="checkbox"/> Timber Harvesting
<input type="checkbox"/> Primary Wood Processing
<input type="checkbox"/> Secondary Wood Processing
<input type="checkbox"/> Biomass /Energy Project
<input type="checkbox"/> Other (Describe)

8) TOTAL PROJECT COST: \$_____

9) Requested Grant Funds Amount: \$_____ **Matching Funds: \$**_____

10) List of Equipment to be Purchased:

List of Equipment to be Purchased	Amount

(Provide detail on a separate sheet if necessary)

11) Brief Summary Project & Business Summary:

Provide Brief Description of Project, including a description of applicant’s need for eligible equipment and facility improvements and how grant funds will positively impact your business. Include details relative to current position, future growth, business capacity, and market development, as well as anticipated new labor needs. **Describe in detail how the grant will help improve business operations and efficiency, and/ or pursue new markets.** (Provide detail on a separate sheet if necessary)

12) Physical Facilities:

If Owned:

Size(acres) _____ Location(s) _____

Type/# of Buildings _____

If Leased:

Size(acres) _____ Location _____

Type/# of Buildings _____

OTHER (COMMERCIAL EQUIPMENT)

Please provide description of existing machinery, approximate Age, Estimated Value.
(Provide detail on a separate sheet if necessary)

List of Major Plant / Equipment Owned	Approx. Age	Est. Value

DECLARATIONS

If answering “yes” to any of these questions, please provide an explanation on a separate sheet and attach.

Has the business or any of the top management personnel ever declared bankruptcy?	Yes _____	No _____
Does the business or any of the management personnel owe any taxes for prior years?	Yes _____	No _____
Have any managers or owners received a felony conviction?	Yes _____	No _____

AUTHORITY TO COLLECT PERSONAL INFORMATION

Certain personal information requested by MARBIDCO is necessary in determining your eligibility. Failure to disclose this information may result in the denial of these benefits or services. Availability of this information for public inspection is governed by the Maryland Public Information Act, General Provisions Article, Sections 4-101 et seq. of the Annotated Code of Maryland (“PIA”). This information will be disclosed to appropriate MARBIDCO staff and committees, public officials, and MARBIDCO’s auditors for purposes directly connected with approval of the proposed financing and administration of the program for which its use is intended. Such information can also be shared with State, federal, or local government agencies, and any financial assistance that you receive from MARBIDCO is subject to public disclosure. Proprietary business information is generally not disclosable to the General Public under the Maryland Public Information Act*.

*(*The PIA protects certain confidential information from disclosure. Please note that information is not confidential if the information (1) was already known to MARBIDCO, (2) is or later comes into the public domain through no fault of MARBIDCO, (3) is independently developed by MARBIDCO, or (4) comes to MARBIDCO from a third-party which is not in violation of any obligation of confidentiality to Applicant or MARBIDCO.)*

You authorize MARBIDCO to obtain any additional information, including financial information, concerning the applicant from any source which MARBIDCO reasonably requires in order to determine whether to make the requested grant, including credit histories, credit reports, and credit scores.

CERTIFICATIONS

1. I/we have the right to submit this application.
2. All information in this application and any attachments and addendums is true and complete to the best of my/our knowledge, information, and belief and is submitted so that MARBIDCO and its committee can decide whether to offer financial assistance.
3. I/we agree not to engage in employment practices which deny equal employment rights to persons by reason of (i) political or religious opinion or affiliation, marital status, race, color, creed or national origin; (ii) sex or age, except when sex or age constitutes a bona fide occupational qualification; or (iii) physical or mental disability of a qualified individual with a disability. I/we also agree to comply with the State’s policy on maintaining a drug and alcohol-free workplace.
4. I/we hereby authorize all involved in the financing of this project to exchange freely without further authorization and consent, any and all information, including financial information, and reports provided in connection with this application.

Signatures provided by facsimile or other electronic means, for example, and not by way of limitation, in Adobe .PDF sent by electronic mail, shall be deemed to be original signatures.

Signature _____ Signature _____

Printed Name _____ Printed Name _____

Date _____ Date _____

Signature _____ Signature _____

Printed Name _____ Printed Name _____

Date _____ Date _____

GRANT APPLICATION CHECKLIST

Please provide the following for a complete application to be reviewed for funding.

- Submit a completed and signed application form and all required attachments.
- Written Business Plan: (*See detailed description on next page regarding business plan expectations)
- Project Budget and timeline – itemized list of equipment to be acquired with cost estimates, quotes etc.
- Business operation tax return for the preceding (1) year (latest available, likely 2021) including all schedules. Sole proprietors should submit (2021) personal tax return including all schedules.
- Business Operation Financials (including balance sheet, income statement)
- Evidence of matching funds (e.g., copy of bank statement or bank loan commitment letter).

***BUSINESS PLAN MUST INCLUDE THE FOLLOWING INFORMATION:**

1. What specific changes the business is making with this project to adjust to current market conditions and how will grant funds be used to make business adjustments.
2. How the grant will help improve operational efficiency, production, and/or pursue new markets. Please be sure to highlight any innovations that might result from the use of the grant funds.
3. History of the applicant forestry operation or enterprise.
4. The experience of the principal operators.
5. The existing business operation and the planned continuing, additional, or modified businessproduction/harvesting/processing activities.
6. The existing and new labor needs anticipated to be needed for the enterprise.
7. Any currently required or new materials (inputs) and any special equipment that will be needed.
8. The plan should also briefly explain the sales and marketing activities of the business enterprise (current and going forward).
9. Please provide any expense and sales/revenues projections if they are available.

*Note: MARBIDCO agrees to hold Recipient's Application and Financial Reports in confidence to the extent reasonably permitted by Title 4 of the General Provisions Article of the Annotated Code of Maryland. Notwithstanding the foregoing, MARBIDCO shall not be obligated to maintain in confidence any information: 1) which was already known to MARBIDCO; or, 2) which is or comes into the public domain through no fault of MARBIDCO; or, 3) which is independently developed by MARBIDCO; or, 4) which comes to MARBIDCO from a third party which is not in violation of any obligation of confidentiality to Applicant or MARBIDCO.