Madison Heights Downtown Development Authority
"Open the Door" Rental Assistance Grant Program
Guidelines & Application

Program Goal & Description: The City of Madison Heights Downtown Development Authority (DDA) "Open the Door" Rental Assistance Program is intended to attract new customer-oriented businesses into the DDA District. The program is intended to reduce initial costs of opening a storefront, assisting property owners in filling vacancies or underutilized commercial spaces. Subject to funding availability, the DDA may approve and provide reimbursement of up to 50% of base rent for 12 months for a total not to exceed $10,000.

Applicant Eligibility & Eligible Use of Funds: Property owners and/or businesses meeting

- The business must be organized and operated as a for-profit business.
- The applicant must be an owner, officer, manager, authorized member, or designated representative of the business.
- The building shall be located within the Madison Heights DDA District (see map).
- The proposed business use must be permitted at the location and capable of obtaining all required permits, licenses, inspections, certificates, and approvals necessary for lawful operation.
- Award funds can cover up to 50% of base rent for up to 12 months or up to 25% for two years, once the business is open to the public.
- Security deposit and other documented occupancy costs may be considered on a case-by-case basis and only if expressly approved within the grant agreement.
- Property owners must be in compliance with all City Ordinances and current on all taxes and utilities.
- Must be a new business to the DDA Area opening their first or second location in Madison Heights.
- Existing Madison Heights businesses expanding into a vacant DDA area storefront.
- Businesses who have a signed lease agreement or have a landlord's approved letter of intent.
- Property/Landlord must provide a minimum three (3) year lease agreement with established rental rates for the duration of the lease.
- Businesses who are customer-facing, that promote pedestrian activity within the district including niche retail, dining, personal service businesses and other uses permitted on a case-by-case basis.
- The location of the property for the business must be a ground floor commercial storefront along within the DDA area.
- The project must be consistent with the purpose and intent of the grant program.

Ineligible Businesses & Use of Funds:

- Child Family Day Care Homes
- Contractor's Offices

- Essential Public Utility Services
- Financial Institutions
- Professional Services Offices (ex. Real estate, legal, finance, accounting, and insurance office uses).
- Hair Salons/Barbers
- Medical services or offices
- Foster Care Family Home
- Auto sales, repair, or services
- Nonprofit organizations
- Liquor stores
- Gas Stations
- Smoke shops and vape shops
- Religious institutions and places of worship
- Private clubs and membership-only facilities
- Government offices and public agencies
- Mobile, temporary, seasonal, kiosk, and pop-up businesses
- Residential or live work uses
- Office only or back-office uses that don't provide meaningful customer-facing activity.
- Existing downtown Madison Heights businesses seeking improvements at their current location.
- Businesses or uses determined by the City to be inconsistent with the purpose and intent of the Program.
- Costs incurred prior to written grant approval.
- Taxes, fines, penalties, debt repayment, payroll, inventory or general operating expenses.

Application Submission Deadline: Applications will be accepted on an ongoing basis. Only complete applications will be accepted.

Approval Criteria: Applications will be considered on a first-come first-served basis and approval of applications shall be based on the availability of funds. The DDA board will evaluate applications based on the positive impact the business will have on promoting an attractive pedestrian friendly downtown environment. The DDA Board uses discretion in awarding these grants and reserved the right not to approve any application for any reason. Funding priorities for this grant include:

- Currently vacant spaces.
- Bsuinesses that fill a demonstrated market gap.
- Concepts that are likely to generate regular foot traffic in the district.
- Evening/weekend activity
- Quality storefront presence and compatibility with neighboring uses
- Business experience and financial feasibility.

How to Apply & Approval Process:

1. <u>Submit your complete application and include the following information:</u>
    - Proposed location

- Business Plan
- Lease Agreement or Landlord Letter of Intent.
- Rent Schedule
- Project/Buildout budget & financial information.

2. Staff Review. Application is reviewed for completeness and compliance with local ordinances by the DDA Director to verify location, vacancy, use and compliance.

3. Economic Vitality Recommendation & DDA Board Consideration. Application is then sent to the Economic Vitality Committee for review & recommendation. This recommendation and any requested revisions are provided to the applicant and included in the agenda item presented to the full DDA board meeting for consideration.

4. DDA Board Consideration. DDA board members will consider an application at a meeting open to the public and either approve, deny, or send the application back for revisions. Applicants are encouraged to attend this meeting to answer any questions.

5. Grant Agreement is Fully Executed Prior to Lease Commencement or Eligible Costs. Any costs incurred prior to the full execution of the Grant Agreement are ineligible for reimbursement. The Grant Agreement establishes eligible rent reimbursement duration, schedule and maximum grant award.

6. Submit Proof of Paid Rent and Operating Status for Reimbursement. Proof of paid rent and operating status must be submitted to the DDA Director for reimbursement. Acceptable forms of proof of payment must be established within the Grant Agreement.

Reimbursement: All grant payments are reimbursements, unless expressly provided within the Grant Agreement. Acceptable forms of proof of payment for reimbursement are required and must be established within the Grant Agreement. Applicants must provide a W-9 and any required vendor/payment documentation. The DDA may reduce or deny any award if it does not meet program objectives.

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1. Business Name: _____
2. Business Contact Person: _____
3. Mailing Address: _____
4. Business Phone Number: _____
5. Downtown Building Address: _____
6. Building Owner: _____
7. Building Owner's Address: _____
8. Building Owner's Phone Number: _____
9. Total Grant Amount Requested: _____
10. Square Footage of Space to be Leased: _____
11. Please describe your business, including products/services offered and a brief history of operations

12. Please list any previous experience you have with starting or running a business. If you do not have direct experience, please describe any business coaching, mentorship, or educational programs you have participated in

13. Why are you interested in locating or expanding your business in Downtown Madison Heights?

14. Why are you applying for these funds?

15. How will this grant encourage the economic growth of your business?

16. How does your business add to the diversity of businesses within Downtown Madison Heights?

17. If you are awarded funding, how will you cover your portion of rent each month?

Required Attachments

- Application Form
- Business Plan
- Proforma income statement (financial projections for business)
- Lease Agreement or Landlord approved Letter of Intent
- EIN/Form SS4

Please submit all documentation in person at Community & Economic Development Office Madison Heights City Hall, 300 W 13 Mile Rd, Madison Heights, MI 48071 or via email gtucker@madisonheightsmi.gov.

Applicant & Property Owner Agreement & Signatures

The Undersigned Applicant Affirms and Understands That:

- The information submitted herein is true and accurate to the best of my knowledge, and I understand that any intentional misrepresentation disqualifies my business from this grant.
- I have read and understand the "Open the Door" Rental Assistance Grant Program Guidelines and agree to abide by these conditions.
- I understand that I am not guaranteed funding through this program.
- I understand that all grant funds awarded are reimbursements for full lease payments for commercial space within the DDA area and that any award/reimbursement is based on actual proof of payment.
- I understand that grant funding approval from the DDA does not constitute application or approval for a City of Madison Heights Building Permit.
- I understand that any costs incurred prior to the Grant Agreement being fully executed are ineligible for reimbursement.

Applicant Signature _____Date_____

The Undersigned Property Owner Affirms and Understands That:

- I agree to provide the above tenant/applicant at minimum three year (3) lease agreement with rental payments not subject to change for the duration of the agreement.
- I understand that grant approval for the tenant/applicant does not obligate any rental payment to the property owner and that all grant funds awarded are reimbursements for full lease payments for commercial space within the DDA area and based on actual proof of payment.
- I understand that grant funding approval from the DDA does not constitute application or approval for a City of Madison Heights building permits, certificate of occupancy or business licensing require of all new businesses in Madison Heights.

Applicant Signature _____Date_____