

04/03/15

DOWNTOWN KALAMAZOO INCORPORATED

DOWNTOWN KALAMAZOO INNOVATION PROGRAM GUIDELINES

The Program

The purpose of Downtown Kalamazoo Incorporated's (DKI) Downtown Kalamazoo Innovation Program is to create vibrancy and wealth in downtown Kalamazoo by supporting new commercial businesses to the TIF district. (See attached map.)

The Downtown Kalamazoo Innovation Program (DKIP) is a program offered to new retail, restaurant, service organization or office tenants. Emphasis will be placed on tenants and established businesses, however, start-up businesses may apply with a formal business plan. The applicant can be the property owner or tenant. The funds shall be in direct benefit to the tenant. They may choose any location consistent with the DDA's 2009 Comprehensive Plan, as long as the landlord agrees to the terms and conditions of the program.

The program is offered through Downtown Kalamazoo Incorporated's Business Recruitment and Retention Committee. DKI administers the program.

Business Benefits

The Downtown Kalamazoo Innovation Program has a total amount of \$10,000 in its fund for up to two potential grants per year. Businesses that become part of DKI's Downtown Kalamazoo Innovation Program are eligible for and may receive the following benefits:

- **Subsidized rent** (follows the general guidelines of the Business Incubator Program)
- **Tenant space improvements** (follows the general guidelines of the Business Incubator Program/Business Recruitment and Retention Incentive Program)
- **Monthly employee parking** (applies to employee parking only)

Business Requirements

The business agrees to the following conditions, which are required in an effort to ensure success:

1. All applicants shall provide a letter describing their business model. Businesses shall be required to provide a small business plan.
2. Retail Businesses shall, at a minimum, be open for business 55 hours per week, 6 days per week.
3. New start-up businesses shall obtain the services of a bookkeeper, attorney and CPA acceptable to DKI.
4. Additional Criteria
 - a. The maximum **rental subsidy** over 18 months shall be a maximum of \$10,000.
 - i. Month 1-6 50% subsidy or \$830/month maximum
 - ii. Month 7-12 33% subsidy or \$560/month maximum
 - iii. Month 13-18 17% subsidy or \$275/month maximum
 - b. Grants for permanent **tenant space improvements** will be determined by the following:

The grant amount shall be based on the length of occupancy and the amount of space occupied by the business. Grant amounts shall be calculated as follows:

- i. \$.60 per square foot of space occupied, per lease year (initial term only) will be offered to businesses new to the TIF District (see attached map).
 - ii. For businesses purchasing property, a lease term of 5 years shall be used for purposes of calculating eligible grant funds.
- c. Grants for **monthly employee parking** are based on a special need to assist the business.
 - d. Businesses that take part in the DKIP Program shall not be eligible for other Business Recruitment & Retention Funds until 3 years after opening for business.
 - e. Useable square foot measurement shall be based on BOMA standards.
 - f. Business shall remain in continuous operation within the TIF district for 3 years from date of opening. Businesses who relocate outside the TIF district before this time shall repay all or a portion of the rent subsidy.
 - g. Priority shall be given first to established businesses expanding to downtown, then new start-up businesses.

Application Process

1. Applicant submits application and all required attachments to DKI (see application for required documentation).
2. Business Recruitment & Retention Committee meets to review application and make a recommendation to the DKI Board of Directors. BRRRC meetings occur on the second Tuesday of each month. Application must be received two weeks prior to the BRRRC meeting.

Application approval and potential award amount is based on the following criteria:

- **Likelihood for success**
- **Downtown impact/promoting growth**
- **Job growth**
- **Economic strength**
- **Downtown market need**
- **Fit the 2009 Downtown Comprehensive Plan**

3. Applicants are encouraged to attend small business training support provided by local agencies like the Small Business Development Center and SCORE.
4. Applicant signs a lease within the TIF district.
5. DKI Board reviews application, committee recommendation and lease and takes action. DKI Board meetings occur on the third Thursday of each month; the signed lease or purchase agreement must be received one week before the DKI Board meeting.
6. Business has 180 days from DKI Board approval to be open and operational or grant may be rescinded.
7. Once start-up business is open and operational and for the first two years the business will meet biannually with DKI staff and or BRRRC to review business status and progress.
8. The BRRRC Committee and the DKI Board has the final decision on the allocation of funds and repayment of grant dollars.
9. Grant applications will be accepted and reviewed based on a first come, first serve basis and dependent on available funds.

KALAMAZOO DOWNTOWN DEVELOPMENT AUTHORITY

DOWNTOWN KALAMAZOO INNOVATION PROGRAM

2015

Application & Checklist

Applicant Name:	
Applicant Address:	Applicant Phone:
Business Name:	Proposed Location:
Email Address:	

Anticipated Date of Lease Agreement: _____ Anticipated date of Occupancy: _____

Required Attachments:

- Business Summary
- Signed Copy of Lease or Intent to Lease
- Resume/s
- Formal Grant Funding Request Letter

Private Estimate:	Estimated Open Date:
Usable SF:	Lease Term:

I / We certify that all information set forth in this application is a true representation of the facts pertaining to the proposed business for the purpose of obtaining funding under the DKI Downtown Kalamazoo Innovation Program. I / We understand and acknowledge that any willful misrepresentation of the information contained in this application could result in disqualification from the program, requiring any funds already disbursed to be repaid in full to Downtown Kalamazoo Incorporated.

The applicant further certifies that he/she has read and understands the DKI DKIP Guidelines. If a determination is made by DKI staff that program funds have not been used for eligible program activities, the Applicant agrees that the proceeds shall be returned, in full, to DKI and acknowledges that, with respect to such proceeds so returned, he/she shall have no further interest, right, or claim. It is understood that all DKI funding commitments are contingent upon the availability of program funds.

The applicant further certifies that, as of the date of this application, there is no signed lease or purchase agreement on the property between the tenant/purchaser and landlord/seller.

Signed this _____ day of _____, 20____ By: _____

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To Be Completed by DKI Staff:

New/Underserved business

Application Received: _____ BRRC Agenda: _____

BRRC Recommendation on Concept:

Site Selected:

Address: _____ Monthly Rent: _____

Business Plan Received: _____

Sub Committee Recommendation on Full Plan:

DKI Board Approval: _____

Referral _____

Signed Lease & Addendum: _____ Signed Agreement: _____

Open Date: _____