

Kalamazoo Downtown Development Authority

Business Recruitment & Retention

Incentive Program Guidelines

The Program

The purpose of the Business Recruitment and Retention Incentive Program (BRRIP) is to create vibrancy in downtown Kalamazoo by supporting the businesses that choose to locate here. The incentive is available to property owners and prospective property owners to assist new, relocating and expanding businesses within the TIF District (see attached map) for related expenses, such as:

- Permanent Tenant Improvements
- Broker Commission

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

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:

NEW BUSINESSES

\$.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).

EXPANDING BUSINESSES

\$.40 per square foot of new space (over and above what is currently occupied), per lease year (initial term only) will be offered to expanding businesses already existing in the TIF District (see attached map).

RELOCATING BUSINESSES

\$.20 per square foot of space occupied, per lease year (initial term only) will be offered to businesses already existing in the TIF district which are relocating within the TIF district.

For businesses purchasing property, a lease term of 5 years shall be used for purposes of calculating eligible grant funds.

Additional Criteria

1. Maximum grant award shall be \$5,000. A business shall be eligible for a grant no more than once every 3 years. All grants are subject to the availability of funds.
2. Useable square foot measurement shall be based on BOMA standards.
3. Applications shall be made as a New Business, an Expanding Business or a Relocating Business; no business shall be eligible under more than one category at one time. Businesses participating in the Retail Incubation Program shall not be eligible for funds under this program for three years after opening for business. Multiple businesses owned by the same person(s) may not be eligible for multiple grants at the same time.
4. Priority shall be given first to New Businesses, then to Expanding Business, and finally to Relocating Businesses. Lease term will also be considered when determining priority.

5. DKI may require proof that all proposed tenant improvements have been completed and that all contractors have been paid before dispersing funds.
6. Only the building owner or purchaser may apply under this program. Only one grant shall be awarded for each business project.
7. If the business relocates outside of the DDA district boundaries within three years of receiving the grant, the building owner may be required to repay a pro-rata portion of the grant.
8. A startup business, defined as any business that has been in operation for less than one year, may be required to meet the following additional criteria:
 - a. Provide a business plan, including financial projections (see outline attached).
 - b. Receive grant funds over time: 50% once open for business; 25% after 6 months in operation; 25% after 12 months in operation.
9. Other factors may be taken into consideration, including whether or not the project is consistent with the DDA's Comprehensive Plan or the City of Kalamazoo's Development Plan and Tax Increment Financing Plan, and the amount of private investment in the project. The DDA also reserves the right to deny a grant application for any reason allowable by law.

Application Process

1. Applicant submits application and all attachments to DKI (see application for required documentation).
2. Business Recruitment & Retention Committee ("BRRC") meets to review application and make a recommendation to the DDA Board. BRRC meetings occur on the second Tuesday of each month. Application must be received one week before the BRRC meeting.
3. Applicant submits signed lease or purchase agreement within 120 days of BRRC meeting. Lease or purchase agreement must be executed after the date of the BRRC meeting.
4. DDA Board reviews application, committee recommendation and lease or purchase agreement and takes action. DDA Board meetings occur on the third Monday of each month; the signed lease or purchase agreement must be received one week before the DDA Board meeting.
5. Once the grant is awarded, the applicant must enter into a contract with the DDA that states the terms and amount of the grant, and a commitment to carry out the project.
6. Grant payout occurs upon occupancy of the business identified in the application and verification that the business is open and operational.
7. Business has 180 days from DDA Board approval to be open and operational.

KALAMAZOO DOWNTOWN DEVELOPMENT AUTHORITY
BUSINESS RECRUITMENT & RETENTION INCENTIVE PROGRAM
Application & Checklist

Applicant: _____

Applicant Address: _____

Applicant Phone: _____

E-Mail: _____

Business Name: _____

Proposed Location: _____

Required Attachments:

- Signed Letter of Intent Letter of Support Proof of Taxes Paid Floor Plans

Jobs Created: Temporary/Permanent _____ / _____

Private Investment: _____

Estimated Project Completion Date: _____

Useable SF: _____

Lease Term: _____

I / We certify that all information set forth in this application is a true representation of the facts pertaining to the subject property for the purpose of obtaining funding under the DDA Business Recruitment & Retention Incentive 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 the Kalamazoo Downtown Development Authority.

The applicant further certifies that he/she has read and understands the DDA Business Recruitment & Retention Incentive Program Guidelines. If a determination is made by DDA staff that program funds have not been used for eligible program activities, the Applicant agrees that the proceeds shall be returned, in full, to the DDA 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 DDA 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: _____

To Be Completed by DKI Staff:

Start Up New to TIF Agency Disclosure

Applicant: _____

Applicant Address: _____

Applicant Phone: _____

Business Name: _____

Eligible BRRIP Amount: _____

Application Received: _____

BRRC Agenda: _____

Business Plan _____

BRRC Recommendation: _____

Signed Lease: _____

DDA Board Approval: _____

Signed BRRIP Contract/Agreement: _____

Open Date: _____

First Payment: _____

Second Payment: _____

Third Payment: _____

Notes:

Exhibit A Tax Increment Finance District

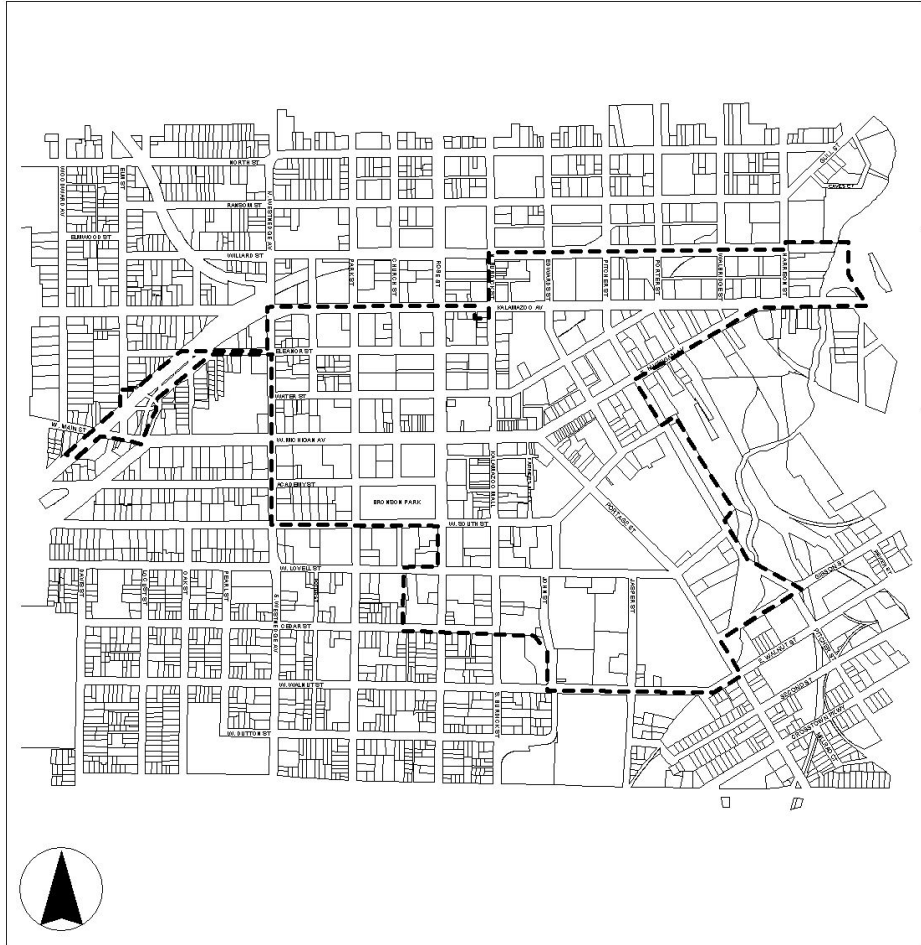
Legend

-  TIF District
-  Parcels

Properties within the TIF District
are eligible for the Business Revitalization
and Business Recruitment Incentive Programs



Source: DRI
Mapfile: c:\arcgis\workspace\0101_02\mxd\tax
Date: November 2004



KALAMAZOO DOWNTOWN DEVELOPMENT AUTHORITY
BUSINESS RECRUITMENT & RETENTION INCENTIVE PROGRAM
Business Plan Summary

Here is an outline for a business summary. This is a straightforward tool for you to use to think through your idea and help us to get a sense of the project. Any business that has been in operation for less than one year must submit a business plan with the following information:

- I. The Executive summary
 - a. The highlights from the whole plan
- II. The Company
 - a. Business Description
 - b. Background of your business (if existing)
 - c. Business strategy – How will you be successful
- III. The Marketing Plan
 - a. Industry
 - b. Customers
 - c. Competitors
 - d. Products and Services
 - e. Pricing strategy
 - f. Advertising and promotion strategies
 - g. Location
- IV. The People Plan
 - a. Organization and management
 - b. The Financial Plan
 - c. Financial projections
 - d. Explanation of financial projections
- V. Attachments (extras that you think help to explain the business)
 - a. Full financial statements
 - b. Financial assumptions
 - c. Map of location
 - d. Location renderings
 - e. Resumes or backgrounds