



CITY OF ALPENA DOWNTOWN DEVELOPMENT AUTHORITY

DOWNTOWN ALPENA RENTAL INCENTIVE PROGRAM

PROGRAM INFORMATION & APPLICATION

City of Alpena Downtown Development Authority

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PROGRAM OVERVIEW

The City of Alpena Downtown Development Authority (the “DDA”) established its Rental Incentive Program to support the **creation of businesses within Downtown Alpena and fill existing vacancies within the DDA district**. Business owners are eligible to apply for rental assistance through the program in partnership with the owner of the property they are leasing. Applications are reviewed on a rolling basis. Funding renews each July 1 and is based on availability as determined by the DDA Board of Directors.

The proposed business should meet at least one of the following goals:

- Support the creation and growth of economically viable businesses located within the DDA district
- Add to the diversity of businesses located within the DDA district
- Fill first-floor vacancies within the DDA district

FUNDING STRUCTURE

Each applicant must apply in partnership with their landlord and agree to the following rental splits with a 3-year minimum lease. Rental rate must be fixed for 3 years.

	Months 1-12	Months 13-24	Months 24 & beyond
Building Owner	40%	20%	
Business Owner	40%	70%	100%
DDA	20%	10%	

The DDA has the option to cap its monetary contribution per month based on budget availability.

NOTE: The landlord may not also be the tenant/new business locating within his/her own property. Tenant means any business in which the landlord is a owner/stockholder/member/manager/operator/employee or otherwise.

ELIGIBILITY

Applicants must be:

- An owner of an existing business looking to relocate or expand into the DDA district
- An owner of a new business looking to launch in the DDA district

New businesses must:

- Provide a business plan for approval by the DDA Economic Development Committee
- Demonstrate some business experience OR participate in business mentorship, coaching, or educational programs offered through the Alpena Chamber of Commerce or Small Business Development Center
- Agree to a 3-year minimum lease with fixed-rate rent for duration of the lease



- Agree to repay the DDA if they leave downtown before 2 years

The following businesses will receive priority for funding:

- Food & Drink: full-service restaurant, farm-to-table restaurant, lunch place, café, breakfast spot, deli, bakery, tasting room
- Food retail: locally owned grocery store, organic market
- Retail storefronts: unique and specialty goods

The following businesses are ineligible to apply for funding:

- Professional offices, including finance, accounting, attorney, real estate, and insurance companies
- Medical related services or offices
- Hair salons

APPLICATION PROCESS

1. Pre-Application Meeting

Interested applicants should contact the DDA Executive Director before beginning the application and set up a time to review the program guidelines and discuss the business's, creation, expansion or relocation into Downtown Alpena. Any opinion shared by the Executive Director regarding the suitability for a grant award is not binding and should not be relied upon by the applicant as a final determination of award status before official review has occurred.

At the Pre-Application Meeting if it seems that the proposed project may fit within the guidelines of the program, the potential applicant will be encouraged to complete the application.

2. Prepare & Submit Application

The applicant must submit the following:

- Application Form
- Business Plan
- Completed Rental Matrix
- Proforma income statement (financial projections for business)*
- Lease Agreement (3 year minimum, fixed rate)

The application and all required materials must be submitted to the DDA Executive Director in either print or digital form. Applications are reviewed on a rolling basis. Applicants are encouraged to submit materials as soon as completed.

**The DDA Economic Development Committee may request additional financial information before a grant award is determined to ensure the financial viability of the business.*

3. Committee Review

The DDA Economic Development committee will review all submitted applications and make a recommendation on an award. The committee will review each application with regards to the following criteria:

- Completeness of application
- Type of business
 - Preference will be given to businesses that add to the diversity of businesses downtown and align with the DDA's strategic priorities, including:
 - Food & Drink: full-service restaurant, farm-to-table restaurant, lunch place, café, breakfast spot, deli, bakery, tasting room
 - Food retail: locally owned grocery store, organic market
 - Retail storefronts: unique and specialty goods
- Proposed location in Downtown Alpena
 - Preference will be given to sites identified by the DDA as a priority
- Economic viability of business's creation or expansion into Downtown Alpena

4. Board of Directors Approval

All recommendations will be placed on the next DDA Board of Directors meeting agenda. The applicant will be invited to attend the meeting and address the DDA Board regarding their application. The DDA Board meets regularly on the first Tuesday of the month at 3:00 pm.

5. Grant Award & Agreement

Following the approval of an award from the DDA Board, the applicant will be notified in writing. A grant agreement will be sent to the applicant for signature. Any rent paid before the Grant Agreement is signed is ineligible for reimbursement or payment.

Grantee must supply quarterly income statements/financial reports to the DDA for review during Year 1 and semi-annual reports during Year 2.

6. Grant Payment

The DDA will pay its contribution directly to the building owner. Payments may be issued monthly or quarterly based on the building owner's preference.

COMPLIANCE WITH APPROVED APPLICATION

Following the award of a Rental Incentive Program grant, if the applicant desires to make any changes or modifications from what was approved in their application, the applicant must submit to the Economic Development Committee for review:

- Written description of the changes proposed



Failure to obtain approval for any changes in relocation activities after awarding of the original grant will result in the disqualification of the applicant from the program and the loss of the entire grant funding.

If the business leaves downtown before the 2-year term is complete, the business will be responsible for paying back the DDA any grant funds received through this program.

CONFLICT OF INTEREST

Members of the DDA Board of Directors or any of its committees who are in a position to influence decisions regarding grants awarded under this program shall not have a financial interest, either directly or indirectly, in any person or entity applying for a grant through this program, unless that interest has been fully disclosed in writing and the board member/committee member involved has removed him/herself from the decision-making process, including all deliberations. For purposes of this provision, “financial interest” includes any ownership interest, stock, membership interest, partnership interest, lease, financial obligation, right or option to purchase, or share in profits, or employment relationship by the board member/committee member or a family member of such board member/committee member with the person or entity applying for the grant.

“Family Member” includes the following relatives of the Board Member or Committee member: spouse, children, spouse(s) of children; parent(s)/guardian(s); sisters and brothers of self or spouse; and the spouse(s) of brothers and sisters of self or spouse, nieces, and nephews of self or spouse. All laws of the State of Michigan and all policies of the City of Alpena with respect to Conflicts of Interest shall apply to the interpretation of this provision.



**DOWNTOWN ALPENA RENTAL INCENTIVE PROGRAM
APPLICATION FORM**

Application Date: _____

Business Name: _____

Type of Business: _____

Downtown Alpena Property Address: _____

Property Owner Name: _____

Property Owner Phone: _____

Square Footage of Space to be Leased: _____

Mailing Address (if different): _____

Contact Name: _____

Role at Business: _____

Contact Email: _____

Contact Phone: _____

NARRATIVE QUESTIONS

1. Please describe your business, including products/services offered and a brief history of operations.



2. 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.

3. Why are you interested in locating or expanding your business in Downtown Alpena?

4. Why are you applying for these funds?



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

6. How does your business add to the diversity of businesses within Downtown Alpena?

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



RENTAL MATRIX

	Months 1-12 Rental rate=		Months 13-24 Rental rate=		Months 24 on Rental Rate=
Building owner 40%		Building owner 20%			
Business owner 40%		Business Owner 70%		Business Owner 100%	
DDA 20%		DDA 10%			



ATTACHMENTS

- Application Form
- Rental Matrix
- Business Plan
- Proforma income statement (financial projections for business)
- Lease Agreement

Please submit all documentation:

In person: DDA Office, 124 E Chisholm St., Alpena, MI 49707

Via email: Anne Gentry, anneg@alpena.mi.us

APPLICANT AGREEMENT & SIGNATURE

As the owner of _____, I agree to the following terms of this program:

- Agree to a three-year graduated lease and pay my required portion
- Agree to re-payment of DDA rent support if I do not fulfill the two-year requirement
- Demonstrate some business experience OR agree to mentorship or business consulting programs as required by the DDA
- Notify the DDA Economic Development Committee if programs arise.

Applicant Signature _____ Date _____

As the owner of _____, I agree to the following terms of this program:

- Initially reduce the previously established rent and follow the gradual rent increase per the attached lease matrix
- Agree to a three-year lease with fixed-rate rent
- Cooperate with the DDA regarding terms of the lease with the tenant.

Landlord Signature: _____ Date _____