

Open Door Dearborn Business Grants

DOWNTOWN DEARBORN

Funded by the East & West Dearborn Downtown Development Authorities

Application & Guidelines (updated July 2020)

OVERVIEW

The East & West Dearborn Downtown Development Authorities (DDDA) were created to promote and enhance the commercial core of the community, to preserve public investment and to improve the viability of businesses within the DDDA Districts. The Dearborn DDA has allocated \$40,000 for each downtown district.

Our grant Open Door Dearborn Business Grant (ODDBG) program provides funding to property owners and new businesses moving to the DDDA Districts or existing businesses within the district.

Grant Types and Levels Include:

- Level 1 - Design Incentives Available Up to a maximum of \$2500
 - Exterior Design Assistance
 - Signage Improvement
- Level 2 - Business Start-Up Incentives Available Up to a maximum of \$5,000
 - Retail Start-Ups
 - Arts, Culture and Creative Businesses
 - Incubators
 - Pop Ups
- Level 3 - Design Incentives Available Up to 50% of Costs, Not Exceeding \$10,000 Reimbursement
 - Facade Improvement
 - Expansion/Development

{Expansion is defined as: Adding square footage to an existing building, acquisition of neighboring property, addition of outdoor seating or service areas that thereby add taxable value to the property; or moving to a larger facility within the district. }

Businesses must meet the following eligibility criteria.

ELIGIBILITY

- Owners or new tenants that are moving to the DDDA Districts
- Owners or tenants of property currently located within the DDDA Districts that are expanding or looking to improve their building/business
- Tenants must apply jointly with property owners

CONDITIONS OF ELIGIBILITY

The property owner must be current on all City, County and State property and income taxes and all other City accounts.

Approved applicants shall additionally sign an “Agreement to Comply with the Commencement and Completion Timetable” as a condition of approval for any funding and shall be subject to all program guidelines and all amendments thereto. The commencement and completion dates will be mutually determined and acceptable to the applicant and DDA.

- Levels 1 & 2 - All work must commence within 60 days and be completed within six (6) months from the date the grant is awarded. At its discretion, the DDA reserves the right to cancel or extend the commitment.
- Level 3 - In the event that actual physical construction on a project has not commenced within 60 days of the DDDA funding commitment date, or if a project has not been completed and has not been granted a Certificate of Completion within one year (365 days) of the DDDA funding commitment date, The DDDA will evaluate the status of that project. At its discretion, the DDDA reserves the right to cancel or extend the commitment.

Maximum grant funding given to one business cannot exceed \$10,000.00. New applicants will be given priority over applicants that have previously received grants from the DDDAs. If a commercial building under one ownership is a multi-tenant building, each separate unit with an individual storefront façade and an independent ground floor entry shall be eligible. However, funds shall not exceed \$30,000 for the entire building. If the owner or tenant of a building occupies more than sixty (60) feet of a storefront, the DDDA Boards may award additional funds at its discretion.

This is a competitive grant process and projects with a higher ratio of private to public investment will be given preference.

Grant proposals must provide the DDDAs with photographs of aesthetic improvements before and after the completion of work. Photographs must be taken from the same vantage point. These photographs will be used by the DDDAs for marketing purposes.

When applying for the program, please meet with the City to review all permit requirements and other options for other funding. Grant awards are contingent on permits.

The Property Owner or Tenant must be working towards a Certificate of Occupancy (COO) or have a current COO in place. Contractors shall be licensed, submit permits for all work and have proof of permits.

Applicants **must provide the DDA three detailed contractor quotes** for each aspect of the project (design, engineering, signs, construction...).

Grants will not be awarded for physical improvements and work completed prior to grant application date, except for pre-authorized exploration of viability of historical or existing character on building materials that informs the budget proposal.

All work must comply with all applicable laws, ordinances, building codes, and zoning ordinances and the contractor or owner must secure proper permits prior to commencement of work.

Once a grant is awarded, grant recipients must display the DDDA Grant Award Signage in the window on the pedestrian side, in plain view of the public. Signage must remain in place a minimum of 90 days after the completion of the funded project.

Within a 5 (five)-year period, a property address may not apply for funds more than twice for the same store unit unless a change in business ownership occurs

- The total amount awarded to a property and tenant for the same store unit address, during a 5 (five)-year period, may not exceed \$10,000.
- Whenever the property ownership changes, the new owner is eligible for funds. When a change of ownership of the property occurs, the DDDAs may consider factors such as prior improvements and transfers of corporations as long as any outstanding payments on the previous loan have been received by the DDDAs.
- Further eligibility shall be at the sole discretion of the DDDA Boards. A new 5 (five) year timetable and \$10,000 maximum would apply to the new owner without concern for the application of guidelines to the former owner, and provided all other guidelines are adhered to.
- Whenever the business tenant changes, a new tenant becomes eligible for funds. A

new 5 (five) year timetable and a maximum of \$10,000 would apply to the new tenant without concern for the application of guidelines on the previous tenant and provided all other guidelines are adhered to. If the new tenant is a transfer of business ownership, consideration will be given and treated as a new applicant as long as any outstanding payments on the previous loan have been received by the DDDAs.

At the DDDA discretion, an exception to any guideline may be granted in the event of special conditions or situations.

All projects are subject to audit by the City of Dearborn.

All Design and Facade Improvements Grants must adhere to the DDA Design Guidelines ([https://www.downtowndearborn.org/wp-content/uploads/2019/07/DearbornDesignGuidelines- JuneAdopted-lowrez.pdf](https://www.downtowndearborn.org/wp-content/uploads/2019/07/DearbornDesignGuidelines-JuneAdopted-lowrez.pdf)). The DDDAs will use these Design Guidelines and the City of Dearborn codes to judge grant awardees..

Projects will be funded to the extent that budgeted funding is available.

Applicants must submit a current copy of their business plan and be available to attend a DDDAs grant sub-committee meeting. Applicants are also invited to attend the DDDA monthly meeting at which their grant is brought to the DDDA Board. The DDDA Director will contact you regarding appointment times.

Businesses or property owner must be in good standing with the City of Dearborn,, State of Michigan and Internal Revenue Service. Businesses must be formed or incorporated before applications are submitted.

ELIGIBLE COSTS FOR LEVEL 1 DESIGN IMPROVEMENTS

- Professional design fees (Architectural, interior design or landscape)
- Exploratory research and costs related to historically significant buildings
- Restoration of historically significant signage
- Signage design
- New signage installation
- Signage lighting and electrical

ELIGIBLE COSTS FOR LEVEL 2 BUSINESS START-UPS

- All items in Level 1
- Repair, replacement or addition of windows, doors, walls, or other appropriate architectural elements.
- Interior painting
- interior lighting
- Conversion of storefront

- Restoration of historic elements (both interior and exterior)
- Construction or installation of interior partition walls, flooring and ceiling systems
- Construction or installation of ADA facilities
- Construction or installation of bathrooms
- Installation or upgrades to energy efficient heating and cooling systems
- Installation of fixed artwork
- Installation of bike racks
- All materials and labor for work performed in association with above-mentioned improvements

ELIGIBLE COSTS FOR LEVEL 3 DESIGN IMPROVEMENTS

Applicant can apply for level 2 & 3 simultaneous with one application.

- All items in Level 1
- Repair, replacement or addition of roofing, windows, doors, walls, or other appropriate architectural elements
- New or replacement of HVAC systems.
- Total exterior or complete single facade painting
- Awnings or exterior canopies
- Exterior or interior lighting
- Masonry repair, cleaning or paint removal
- Conversion of storefront
- Restoration of historic elements (both interior and exterior)
- Removal of historically inaccurate facade treatments
- Exterior landscaping, outdoor cafés or seating areas
- Construction or installation of ADA facilities
- Installation of fixed artwork
- Installation of bike racks
- All materials and labor for work performed in association with above-mentioned improvements
- New construction

INELIGIBLE COSTS

- Appraiser or attorney fees
- Expenses incurred prior to application date
- Property acquisition, mortgage, land contract financing or loan fees
- Building permit fees
- Routine Annual Maintenance items related to roofs, building systems, parking lots, electrical or mechanical work, painting, etc.
- Interior renovation or work that is not associated with expansion

- Interior signage of any kind
- Furnishings, trade fixtures, display cases, counters, computers, equipment or other items taxed as personal property

NOTE: These eligible and ineligible costs are not all-inclusive. Final determination of eligibility requirements are governed by the DDDA Boards.

GRANT PAYMENTS

DDDA grants are awarded to recipients as reimbursements. Applicant pays contractor up front for all invoicing

All work must be in compliance with the aforementioned requirements and original paid receipts for work performed must be provided in order to receive reimbursement.

In order to receive grant reimbursement, the establishment must be open for regular business.

Grant payments must be personally guaranteed by the business owner through signing the provided personal guarantee agreement.

Level 3 Grants Only - To receive reimbursement, the property owner must sign an agreement to maintain the improvements funded for the building as rehabilitated for a period of at least 3 years for a reimbursement total of \$1 - \$4,999, and at least 5 years for a reimbursement total over \$5,000. This agreement shall provide for a lien against the property in an amount equal to the reimbursement amount. For reimbursements totaling over \$5,000, twenty (20) percent of said lien for improvements shall be forgiven annually on the anniversary date of the Certificate of Completion. For reimbursements totaling \$4,999 or below will have thirty-three and one-third percent (33.3%) of the lien forgiven

annually on the anniversary date of the Certificate of Completion. Should the property be sold or refinanced prior to the full forgiveness of the lien, the remaining amount of the lien shall be paid to the DDDAs upon sale, or closing of the refinancing loan. The agreement shall be filed with Wayne County Register of Deeds and transferred upon sale of the property.

PROJECT PRIORITIES

DDA Grants are competitive, meaning that the most viable projects will be selected for grant funding. The more documentation (photographs, renderings, sketches, estimates) you are able to provide about your project will increase your chances of receiving grant funding. Applications containing the following characteristics will have priority in the appropriation of DDA funding:

- Projects containing a high ratio of private to public dollars
- Projects designed to resolve deteriorated, inappropriate or unsightly conditions that have existed for many years (boarded windows, deteriorated electrical fixtures, unsightly storefronts, etc.)
- Projects that enhance pedestrian movement from the rear to the front of buildings
- Projects designed to restore the historic condition of the building facade
- Projects that will complete the improvement of a block or portion of a block (ex. replacement of an inappropriate facade that exists on a block containing many appropriate, well-preserved, or improved facades)

Projects which contain the following types of businesses will be given priority over others for grant award consideration as established by the adopted Downtown Dearborn Strategic Plan and the DDDAs Recruitment Strategy:

- Various types of restaurants and entertainment establishments
 - Coffee Shops
 - Breweries/Wineries/Meaderies
 - Restaurants that meet the Recruitment Strategy & Current Inventory Gaps
- Merchandising & retail stores
 - Women's accessory stores, ie: jewelry, handbags, shoes
 - Kitchen supplies and utensils
 - Wine/craft beer/cheese
 - Specialty grocers and bakeries
 - Games and Electronics
 - Upscale second hand store/boutique
 - Specialty gift/merchant stores
 - Indie Boutiques
 - Upscale antique/vintage store
 - Book/record/music store
 - Men's Fashion and accessories
 - Recreation equipment and Athletic wear
 - Art Galleries, Markets and Studios
- Makers and Innovators
- Incubators
- Pop-Up Experiences
- Boutique Hotel

GRANT TIMELINE

Open Door Dearborn is an open application process, therefore, applications may be submitted at anytime of the year. Applications will be reviewed within 30 days. Applicants may attend a Design/Economic Vitality Committee to present its initial desires prior to application. Applicants will be required to attend a

Design/Economic Vitality Committee meeting in order to have their application reviewed and processed. If application is complete, meets the guidelines and criteria, and recommended for funding by the Design/Economic Vitality Committee, then it will be sent to the DDDA Boards for approval. Applicants must also be available to attend the DDDA Joint Board meeting and present their final application. Applications may take up to 90 days for processing depending on the applicants readiness. Work cannot begin without DDDA Board approval.

Grant payments will be made within 30 days upon receipt of all paid invoices and approved City of Dearborn building inspection and/or occupancy permit.

APPLICATION

Application Date ____/____/____

Business

Name_____

Property Address_____

Business Owner_____

Business Owner
Address_____

Business Owner_____

Business Owner Phone_____ Email_____

Property Owner_____

Property Owner Address_____

Property Owner Phone_____ Email_____

Is this business currently located within the DDA District? Yes No

Is this business expanding? Yes No

Amount of square footage to be added to building_____

Is this an existing or a new business? New Existing

If relocating, when was this business established?_____

If relocating, please list current address_____

Estimated start date of project ____/____/____

Estimated completion date of project ____/____/____

Total cost of project \$_____ Amount requested \$_____

APPLYING FOR:

- Level 1 Grant
- Level 2 Grant
- Level 3 Grant

By signing this grant application, I understand that grant payment must be personally guaranteed. If my business does not remain open for 6 consecutive months after grant payment, the grant funding must be repaid in full to the DDDAs.

Signature of Applicant

Date

MANDATORY CHECKLIST

Please submit with your application the following 4 attachments (required):

- Narrative describing in detail how this project will benefit the DDDA Districts and a description of your project
- Architectural plans, renderings, sketches or illustrations depicting the work to be performed
- Breakdown of the costs associated (estimates) with your project. Please include the entire project cost and the amount you are requesting
- Copy of your company's business plan (Level 2 only)

NOTE: All decisions concerning aspects of the grant application process, including eligibility and/or containing eligibility for grants are within the sole discretion of the DDDA Boards. Incomplete applications will not be reviewed and make sure to retain a copy for your records.

SUBMIT

Please return grant application and supporting documentation to:

Dearborn Downtown Development Authorities

13615 Michigan Avenue, Suite B-2

Dearborn, MI 48126

info@downtowndearborn.org

313-943-3141

For more info about Downtown Dearborn events and projects visit www.downtowndearborn.org.