

Downtown Midland Business Incubator Program Guidelines

The Incubator Program:

The purpose of the Downtown Midland Business Incubator Program (Program) is to create vibrancy and business success in downtown Midland by supporting new retail, restaurants, entertainment and business concepts. The Program is available to and will focus on ground floor **for profit** businesses new to the Midland Downtown Development Authority (DDA) Tax Increment Finance (TIF) district. (See the attached map.)

The Business Incubator is a program, not a space. For profit business owners may choose any location consistent with the DDA's adopted plan, as long as the landlord agrees to the terms and conditions of the Program.

The Program is offered through the DDA and will be administered by the DDA's Economic Restructuring Committee (ES).

Businesses that become part of the Program will receive the following benefits:

1. Eighteen (18) months of subsidized rent on the following schedule:
 - a. The maximum rental subsidy over 18 months shall be \$10,000.
 - b. Month 1-6 50% subsidy (\$830/ month maximum)
 - c. Month 7-12 33% subsidy (\$560/ month maximum)
 - d. Month 13-18 17% subsidy (\$275/ month maximum)
 - e. Participants in the Program are also encouraged to apply for assistance from the DDA's Façade Program.

2. Training in the following disciplines:
 - a. Merchandise Management
 - b. Marketing
 - c. Human Resources
 - d. Financial Management
 - e. Customer Service

3. Mentoring program will be with successful downtown businesses and/or staff of the Michigan Small Business & Technology Development Center.

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

1. The business owner shall participate in the training and mentoring programs offered by the DDA and its partners.

2. The business owner shall, at a minimum, be open for normal business hours at least six (6) days per week.
3. The business owner shall obtain the services of a properly credentialed bookkeeper, attorney and CPA.
4. The business owner shall meet once every quarter with a mentor, who shall have access to financial statements and all other pertinent information one (1) week prior to the meeting.

Additional Criteria

1. The DDA may exclude businesses whose uses, proposed building façade and/or location are not consistent with the DDA's current adopted plan and the City of Midland Zoning Ordinance.
2. The business owner shall remain in continuous operation within the TIF district for three (3) years from the date opening. The DDA reserves the right to require repayment of any or all incubator subsidies paid to any business that fails or goes out of business prior to the completion of the three (3) year program requirement.
3. Business owners who do not attend required training, mentoring sessions, maintain a minimum number of operational hours, maintain bookkeeping, attorney and CPA services may be found in default of the Program and shall repay all of the rent subsidy paid to date and forfeit any future rent subsidy.
4. Priority will be given to business owners providing new or underserved products in the TIF district. Priority will also be given to business types identified as being leaked from the community in the Community ID Final Report, Midland, MI October 2008 Buxton (http://www.macc.org/index.php?submenu=CommercialDevelopment&src=gencocs&ref=Buxton_Retail_Development_Study&category=CommercialDevelopment) and/or businesses or business types identified as desirable in the Downtown Midland Where Community, Business & History Meet, MBA Project by Lisa Vincent. (www.downtownmidland.com)
5. For purposes of the Program, retail is defined as a business in which a majority of the floor space must be dedicated to the display of products available for sale on the premises. The DDA shall determine the minimum amount of floor space to be dedicated to restaurant or entertainment businesses on a case by case basis.
6. Consideration shall be given to new businesses by first-time business owners, new concepts by existing downtown retailers and expansion of existing retail operations from outside the TIF district.
7. Franchise and chain business establishments are eligible to participate in the Program.

Application Process

1. Applicant submits application and all attachments to the DDA Director, ~~300 Redd St. Suite 201-333 W. Ellsworth~~, Midland, Michigan 48640.
- ~~1-2.~~ The DDA Director and the Incubator and Façade Subcommittee of the ES conduct an initial review of the application.
- ~~2-3.~~ The ES meets to review the application and make a recommendation to the DDA Board. The ES meets on the second Tuesday of each month. Applications must be received at least two (2) weeks prior to the scheduled meeting.
- ~~3-4.~~ Applicant attends training deemed appropriate and provided at the Small Business and Technology & Development Center. During this training the applicant develops a detailed business plan. The ES may waive this training where the applicant can present a sufficiently detailed business plan for the ES to assess the potential success of the proposed business and can demonstrate sufficient prior training in the training disciplines offered.
- ~~4-5.~~ The applicant secures an unexecuted lease within the TIF district.
- ~~5-6.~~ DDA Board reviews the application, committee recommendation, and lease and takes action. The DDA Board meets the second Wednesday of each month, the signed lease or purchase agreement must be received at least two (2) weeks prior to the meeting date to be included on the agenda for consideration.
- ~~6-7.~~ Businesses have a maximum of one hundred eighty (180) days from the DDA Board approval to be open and be operational unless another time has been agreed upon between the parties.
- ~~7-8.~~ The rent subsidy shall not begin until the business receives a certificate of occupancy from the City of Midland and the business is open to the public.
- ~~8-9.~~ Ongoing training and mentoring will continue once the business is open and operational for the entire period.
- ~~9-10.~~ The DDA Board reserves the right to reject any application that in the opinion of the DDA does not meet the criteria of the Program.
- ~~10-11.~~ The Program is subject to change by the DDA Board.