



# 2018 PROGRAM GUIDELINES

## DTSB INTERIOR IMPROVEMENT GRANT

The Downtown South Bend, Inc. (DTSB) **Interior Improvement Grant** exists to encourage the growth of a vibrant and thriving retail climate and further enliven the pedestrian realm in downtown South Bend by supporting new or relocating retail, creative arts, entertainment and food & beverage based businesses who chose to occupy ground-floor<sup>1</sup> commercial locations within the target area (see map of [target area](#) and list of [eligible business types](#) in section A: Program Criteria).

The **Interior Improvement Grant** is designed to enable new businesses to locate in the target area by helping to bridge the financial gap between property owner and tenant by providing financial assistance (up to \$5,000) on qualified improvements to the interior of a tenant’s space. Existing businesses with a current location outside the target area who wish to move or open an additional location within the target area are also eligible. Property owners opening a new business may also apply.

This grant is administered on a **first-come-first-served basis**. As such there is a rolling deadline; however, all applications for 2018 funds must be received no later than October 1, 2018 with work completed by no later than December 14, 2018.

### CONTENTS

PROGRAM CRITERIA .....2

    Grant Boundaries / Target Area .....2

    Award Amount .....3

    Business Eligibility.....4

    Who May Apply .....4

    Eligible Business Types .....4

    Application Deadline .....4

    Work Completion Deadline .....5

    Improvements Eligible for Reimbursement .....5

    Applying for Multiple Grants from DTSB .....5

APPLICATION & GRANT PAYMENT PROCEDURES .....6

SELECTION CRITERIA.....9

---

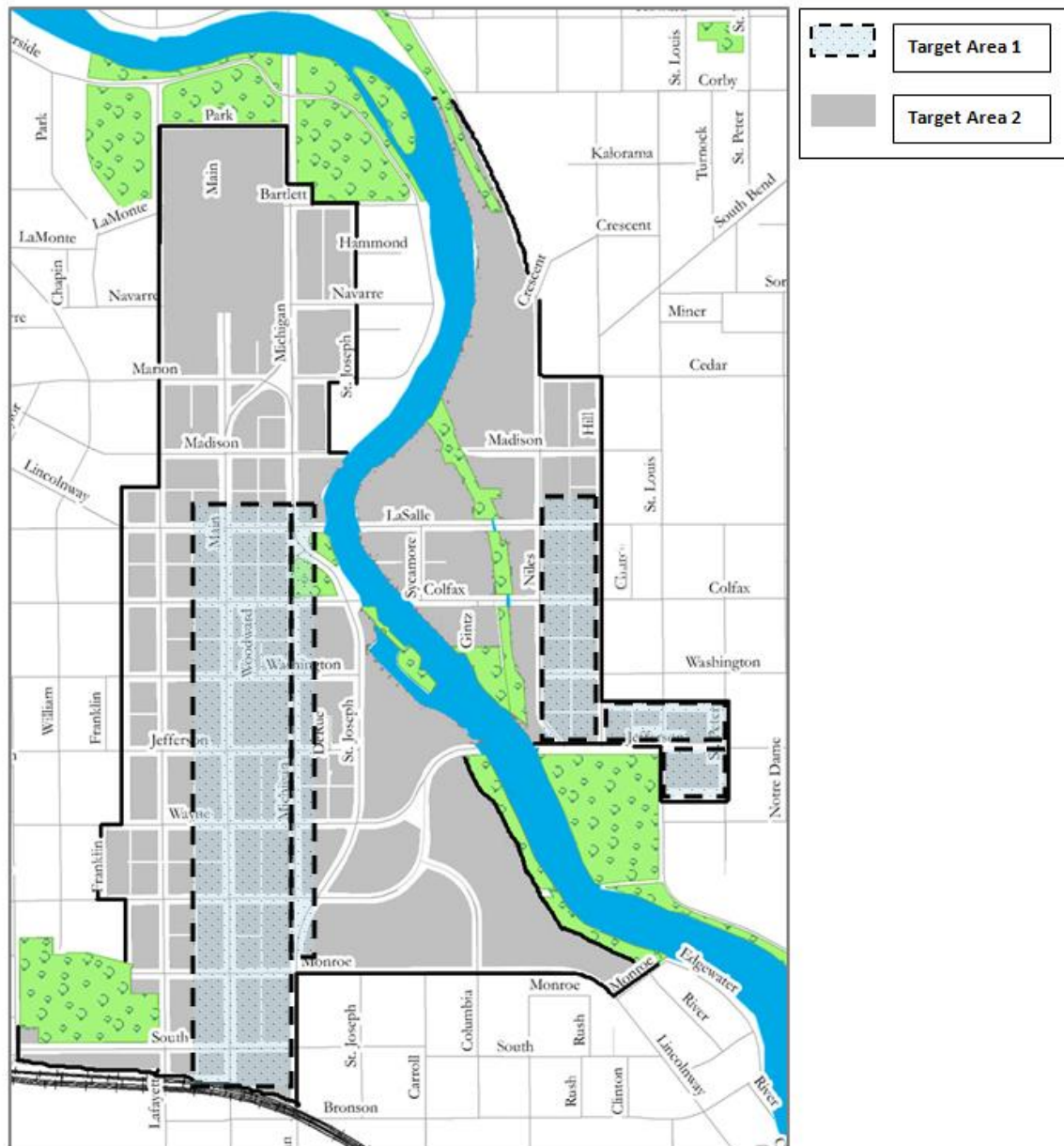
<sup>1</sup> Provided there are available funds, an exception may be made on a case-by-case basis for establishments that otherwise fall within the guidelines and stated rationale of the grant but who may occupy a space other than the ground-floor.

# PROGRAM CRITERIA

## Grant Boundaries / Target Area

The **Interior Improvement Grant** is available to a new or existing business moving into the ground floor<sup>2</sup> of a building located within the boundaries of the target area (see map below). Applications for projects located in historic (pre-WWII) buildings will be given priority. Note that there are two tiers within the target area. Priority is given to locations within the Central Business District having the greatest concentration of available retail space.

## Map of Grant Boundaries / Target Area



See footnote 1.

### Award Amount

The award amount will be based upon the following: length of occupancy, the amount of space occupied by the business, the location, and whether or not the building is historic (Pre-WWII). The maximum grant award in 2018 will be \$5,000. All grants are subject to the availability of funds. Grant amounts shall be calculated as follows:

#### **BUSINESSES LOCATING IN TARGET AREA 1 OR IN A HISTORIC (PRE-WWII) BUILDING**

\$.70 per square foot of space occupied<sup>3</sup>, per lease year (initial term only) will be available to qualified applicants within target area 1 on a first come first served basis.

	<b>1-Year Lease</b>	<b>2-Year Lease</b>	<b>3-Year Lease</b>	<b>4-Year Lease</b>	<b>5-Year Lease</b>
1,000 SF	\$700	\$1,400	\$2,100	\$2,800	\$3,500
1,500 SF	\$1,050	\$2,100	\$3,150	\$4,200	\$5,000
2,000 SF	\$1,400	\$2,800	\$4,200	\$5,000	\$5,000
2,500 SF	\$1,750	\$3,500	\$5,000	\$5,000	\$5,000
3,000 SF	\$2,100	\$4,200	\$5,000	\$5,000	\$5,000
3,500 SF	\$2,450	\$4,900	\$5,000	\$5,000	\$5,000
4,000 SF	\$2,800	\$5,000	\$5,000	\$5,000	\$5,000
4,500 SF	\$3,150	\$5,000	\$5,000	\$5,000	\$5,000
5,000 SF	\$3,500	\$5,000	\$5,000	\$5,000	\$5,000

#### **BUSINESSES LOCATING IN TARGET AREA 2**

\$.30 per square foot of space occupied, per lease year (initial term only) will be available to qualified applicants within target area 2 on a first come first served basis.

	<b>1-Year Lease</b>	<b>2-Year Lease</b>	<b>3-Year Lease</b>	<b>4-Year Lease</b>	<b>5-Year Lease</b>
1,000 SF	\$300	\$600	\$900	\$1,200	\$1,500
1,500 SF	\$450	\$900	\$1,350	\$1,800	\$2,250
2,000 SF	\$600	\$1,200	\$1,800	\$2,400	\$3,000
2,500 SF	\$750	\$1,500	\$2,250	\$3,000	\$3,750
3,000 SF	\$900	\$1,800	\$2,700	\$3,600	\$4,500
3,500 SF	\$1,050	\$2,100	\$3,150	\$4,200	\$5,000
4,000 SF	\$1,200	\$2,400	\$3,600	\$4,800	\$5,000
4,500 SF	\$1,350	\$2,700	\$4,050	\$5,000	\$5,000
5,000 SF	\$1,500	\$3,000	\$4,500	\$5,000	\$5,000

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

<sup>3</sup> Useable square foot measurements will be based on BOMA standards.

## Business Eligibility

The grant is intended to assist:

- A new business locating within the target area
- An existing business relocating to the target area from outside the target area
- An existing business opening an additional location within the target area

The grant is not intended to assist:

- Existing businesses within the target area and who wish to change locations<sup>4</sup>
- New construction

## Who May Apply

Program applicants can be property owners or tenants of commercial buildings. However, property owners and affected tenants must both sign the Grant Application in order to participate in the program.

## Eligible Business Types

To support a compelling mix of retail, restaurant, and cultural tenants for the Central Business District, certain business and tenant types will be given priority:

- Retail, restaurant, and cultural establishments (such as movie theaters and live music performance venues) with both daytime and evening operating hours.
- Arts related businesses
- Bookstore / music store
- Quality apparel / shoes / accessories
- Sporting goods / active lifestyle
- Drugstore or pharmacy
- Convenience market / sundries
- Home goods, accessories, furniture
- General merchandise stores
- Small variety and specialty stores
- Pet store
- Food related ventures such as grocery stores, restaurants, coffee/tea shops, ice-cream parlor, bakeries, produce markets, butcher, health food stores and other specialty food operations

## Application Deadline

The applicant must apply for the grant within a year of signing the lease. Funds are awarded on a first-come-first-served basis. As such there is a rolling deadline; however, all applications for 2018 funds must be received no later than October 1, 2018.

---

<sup>4</sup> Businesses in this category are eligible to apply for the DTSB Exterior Enhancement Grant or the Business Assistance Mini Grant.

### Work Completion Deadline

All work must be completed and reimbursement paperwork submitted to DTSB within 60 days from the date the grant agreement is signed (unless a construction schedule is submitted for consideration by the committee) or by no later than December 14, 2018.

### Improvements Eligible for Reimbursement

Under the **Interior Improvement Grant** program, eligible expenses include:

- Interior design and décor
- Historic restoration of interior features
- Compliance with the Americans with Disabilities Act (ADA)
- Plumbing, mechanical, electrical & HVAC
- Hazardous materials abatement, such as asbestos removal
- Demolition and shell reconstruction
- Bar / Cash wrap
- Flooring
- Windows/Doors
- Lighting

### Improvements NOT Eligible for Reimbursement

Ineligible expenditures include, but are not limited to the following:

- Furniture such as tables, chairs, couches, display racks and other similar fixtures
- Temporary or moveable cubicles or partitions to subdivide space
- Office equipment including computers, telephones, copy machines and similar items
- Renovating space on a speculative basis to attract new tenants
- Moving Expenses
- Working Capital
- Inventory
- Permits
- Inspections

### Applying for Multiple Grants from DTSB

A downtown business is typically eligible for only one grant per year. However, while applicants cannot apply for the Business Assistance Mini-Grant at the same time applying for the Interior Improvement Grant, **a new business locating downtown may apply for both the Interior Improvement Grant and the DTSB Exterior Enhancement Grant at the same time.** Grant recipients of the **Interior Improvement Grant** will have to wait a minimum of one year before they are eligible to apply for the Business Assistance Mini-Grant.

## APPLICATION & GRANT PAYMENT PROCEDURES

Funds for the **Interior Improvement Grant** Program shall be allocated by the DTSB Board of Directors at the beginning of each year as part of the annual budget approval process. Please note that annual funds for this grant are limited, and applicants for the Grant will be considered on a first come, first served basis.

Funds will only be awarded after all proposed improvements have been completed and proof that all contractors have been paid has been provided (contractor's Final Waiver of Lien).

The application process is described in full in the steps below.

1. Complete and submit the **Interior Improvement Grant Pre-Application** form (available at [www.downtownsouthbend.com](http://www.downtownsouthbend.com)) along with digital photographs of your project. This application can be emailed to [lpinson@downtownsouthbend.com](mailto:lpinson@downtownsouthbend.com), delivered in person, or mailed to the DTSB office at 217 S. Michigan, South Bend, IN 46601.

An optional pre-application meeting or phone call can be scheduled to review the program guidelines and procedures. Call Leslie at 574.968.7291 or email [lpinson@downtownsouthbend.com](mailto:lpinson@downtownsouthbend.com).

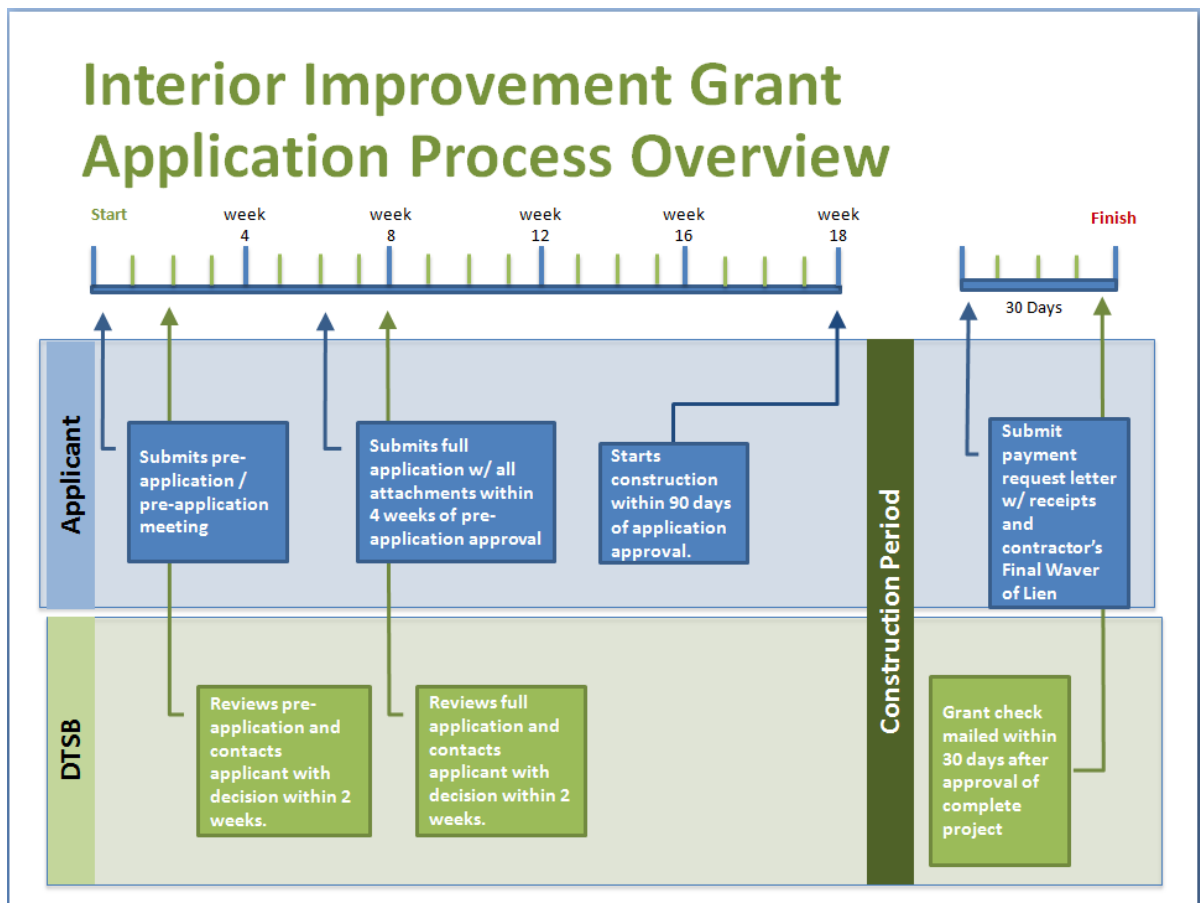
2. The Pre-Application will be reviewed by the Director of Business Engagement to verify qualification and consult with the Interior Improvement Grant Committee. Within two weeks of submitting the Pre-Application, DTSB will contact you and discuss if a meeting is necessary prior to filling out the full application.
3. If a meeting is necessary, representative(s) from DTSB may meet you at the project site, or you may be requested to present information to the Interior Improvement Grant Committee at the DTSB offices, before the application is submitted<sup>5</sup>.
4. If the project qualifies, you have 4 weeks to complete and submit the full application along with all required attachments to DTSB. Each grant applicant must follow all grant application procedures. The cost to prepare the application, if any, is the sole responsibility of the applicant. The following documents should be included as attachments to the application:
  - a. Business plan (for new/not yet established businesses)
  - b. Letter of Intent or copy of signed lease
  - c. At least 2 bids from a licensed contractor<sup>6</sup>
5. The **Interior Improvement Grant** Committee will review the application. Fully and properly completed grant applications will be approved or denied within 2 weeks of receipt by DTSB. **The project must be approved by DTSB PRIOR to construction commencement. DTSB must be notified if time constraints necessitate an acceleration of the application process.**

---

<sup>5</sup> All services and comments by any of the Interior Improvement Grant Committee members or DTSB staff, whether in private or public, in no way represent the delivery of professional design services, and are only offered to facilitate the owners understanding of the grant program and process. DTSB does not provide design assistance for projects. The assistance of the Interior Improvement Grant Committee is limited to questions about the funding for applicable portions of the project, along with making suggestions based on expected outcomes.

<sup>6</sup> To find out if your contractor is licensed, call the City of South Bend Building Department at 574-235-9554 and they will let you know if your contractor is listed.

6. DTSB will notify the applicant of design approval or denial and grant amount (if approved) by letter. **Construction on improvements must begin within 90 days of approval of the application. The grant recipient must provide a construction schedule for the work associated with the Grant. Failure to provide and/or begin the project within the scheduled amount of time without a formal request in writing and approval of an extension by DTSB will constitute a breach of the contract and funding will be withdrawn.**
7. Once improvements are complete, (all authorities having jurisdiction have provided final certification of compliance) the applicant shall submit to DTSB: a grant payment request letter, accompanied by appropriate proof of expenses, proof that project was completed in-keeping with the scope of work originally approved by the committee, code compliance final review and approval, and proof of payments. At this time you should also fill out a W-9 form from DTSB so we can send you a 1099 if applicable. This step is not required if you are incorporated.
8. Grant monies will be paid at the completion of the project and once a copy of the contractor's Final Waiver of Lien has been provided. Grant check will be mailed to recipient within thirty (30) days of the opening of the new business.



**Note:** The project must be approved by DTSB PRIOR to construction commencement. DTSB must be notified if time constraints necessitate an acceleration of the application process.

**Note:** All contractors hired by program participants must be licensed contractors pre-qualified by the DTSB Interior Improvement grant committee. Applicants may call the City of South Bend Building Department at 574-

235-9554 to determine whether their contractors are licensed. Grant applicants shall submit a completed **Contractor Pre-Qualification Review** form (Attachment C) for each prime contractor they propose to hire to perform the work covered by the grant.

Neither DTSB nor the City of South Bend shall have any liability for workmanship, design, or schedule delays related to the project receiving grant funds under this Program.

Any member of the DTSB **Interior Improvement Grant** Program Committee must notify the DTSB staff person of any association with any projects coming before the Committee for review or funding. Said members will excuse themselves in voting for the approval for any such projects.

**The Applicant awarded any of DTSB Grants, (Exterior Enhancement, Interior Improvement, or Retail Mini) will be required to become a Community Partner of Downtown South Bend, INC. as long as the business operates in the Downtown South Bend boundaries. The following amounts represent the levels of Community Partnerships (Contribution per year):**

**Founders Alliance - \$10,000 and above**

**Downtown Diplomat -\$5,000-\$9,999**

**Core Supporter - \$1,000 - \$4,999**

**Urban Pioneer - \$100 - \$999**

**Benefits of each Community Partner Level can be described in the Community Partner Pledge Form which can be found on the DTSB website.**



## SELECTION CRITERIA

The application will be reviewed and scored by DTSB and the **Interior Improvement Grant** Review Committee<sup>7</sup>. The following criteria will be taken into consideration when reviewing the grant application:

### Financial Considerations (20%)

- Estimated project cost
- Financial position of applicant (including other funding sources)
- Past grant awards (has the applicant received funding for the same or different building?)

### Overall Impact of Project (50%)

- Desirability of proposed project (business type, proposed hours of operation: i.e. does the operator plan for weekend and/or evening hours, reputation as quality operator, etc.)
- Visual Impact. (Do the applicant's designs, renderings, or merchandise represent a quality build?)
- Location of Project (located on the ground floor, located in Target Area 1 or 2, located in a historically significant building.)
- Scope of Work

### Completeness of Application (10%)

- Accuracy and completeness of each section
- Thoroughness of information provided
- Timeliness and promptness of information provided
- Use of pre-qualified prime contractors

### Other Considerations (20%)

- Business experience / obtaining technical assistance from organizations such as the Small Business Development Center or the Woman's Entrepreneurship Initiative<sup>8</sup>
- Business plan
- Energy efficiency and use of other sustainable design concepts
- Unique architectural features

---

<sup>7</sup> The DTSB Interior Improvement Grant Committee and the DTSB Board reserve the right to, in their sole discretion, limit participation in the grant program subject to available funding, location of the project, or for any other reason allowable by law.

<sup>8</sup> Businesses receiving technical assistance from The Small Business Development Center, the Saint Mary's College Women's Entrepreneurship Initiative, the University of Notre Dame Mendoza School of Business, or similar entity may be given priority.