

**City of Hillsdale
Tax Increment Finance Authority
\$25,000 Restaurant Attraction Grant Guidelines**



Purpose

The City of Hillsdale Tax Increment Finance Authority Restaurant Attraction Grant was established to:

- Promote economic viability and community revitalization by providing an incentive for new business and property owners to attract full service restaurants to the TIFA district.
- Encourage business and property owners to occupy storefronts with restaurants.

Eligible Applicants/Properties

The City of Hillsdale Tax Increment Finance Authority Business Attraction Grant is available to:

- Building owners who want to improve their building prior to securing a restaurant tenant.
- Property owners or leaseholders of new restaurant businesses. Ground floor preferred.
 - Alcohol availability preferred.
 - Must serve dinner
 - Must maintain regular business hours, at least 24 hours/week
- Leaseholders with written permission of the property owner to apply for grant funding.
- Current building owners who bring a new restaurant into a vacant storefront building.
- Current restaurant owners who move from a lease space to an owned space
- Tax exempt properties are not program eligible.

Program Funding

The City of Hillsdale TIFA will allocate funds each fiscal year, commencing July 1, for the Restaurant Attraction Grant.

- Funds are for Repair/Rehabilitation projects - a 1:1 matching grant of up to a maximum of \$25,000.00 for eligible expenses is available per new restaurant business;
- A minimum grant award of \$1,000.00 applies.
- All project work must be pre-approved by TIFA before funding.
- Restaurant Attraction Grant available to each TIFA building once every three years starting from date of issuance of previous grant reimbursement.
 - \$10,000 Façade Improvement Grant may also be available to Restaurant Attraction Grant recipients.
- Funds may be spent on any non-removable building improvement such as infrastructure, permanent partitions, flooring, wall covering, mill work, light fixtures and other building renovations.
- No work performed prior to TIFA approval may be included in the project application.
- Ineligible costs: acquisition costs, lease deposits, furniture, equipment, removable shelving & fixtures, legal fees, design fees, engineering costs.

Application and Funding Award Process

Interested applicants must submit their application and supporting documentation to the Zoning Administrator at least ten days prior to the regularly scheduled meeting of the TIFA Board for consideration of approval at that time.

The TIFA Program Review Committee will meet to study the proposals and may request additional or clarifying information in support of any application. Written recommendation regarding each proposal is then presented to the full TIFA Board which is solely responsible for the official approval or denial of all applications. The TIFA Board, upon review, may send the proposal back to the applicant with requests for modifications.

Program Review Committee

- In addition to the completed Restaurant Attraction Program Application, the following information must be included for preliminary review:
 - Brief narrative explaining the scope and concept of the project.
 - Proposed project timeline.
 - Preliminary cost estimate(s).
 - Sample menu.
 - Hours of operation.
 - Proof of building ownership, purchase agreement or letter of permission from property owner stating their approval of the application for assistance and proposed improvements.
 - Preliminary building plans and documents
 - Five year Business Plan
- Project work which has already begun may be considered if the work was commenced and the application for the Restaurant Attraction Grant was received after the last meeting of the full TIFA Board and after the Program Review Committee has agreed to recommend to the full TIFA Board for approval. TIFA will only consider work which was begun after these requirements; there is no guarantee that work which has already commenced will be approved.
- Grant work given preliminary approval by Committee may be started prior to TIFA Board final approval at applicant's own risk.

Incomplete applications will not be reviewed.

TIFA Board Review

- The following information **MUST** be included for final review:
 - Five year business plan.
 - Proof of building ownership or letter of permission from property owner stating their approval of the application for assistance and proposed improvements.
 - Building plans and documents from a professional architect or engineer.
 - Proposed project timeline.
 - Detailed cost estimate(s) from licensed contractor(s). Funding preference will be given to local contractors.
- Applicants will be notified in writing of their acceptance or rejection of the proposal.

- A Restaurant Attraction Grant Agreement shall be executed by the TIFA Board and the applicant for all approved applications.
- Upon execution of the Restaurant Attraction Grant Agreement, work on the project may commence.

Project Reimbursement

Reimbursements will be made in one lump sum at the completion of all project work.

All work must be completed and all required documentation submitted for reimbursement before June 30th (6/30) of the fiscal year for which the grant funds have been allocated. Any request for an extension must be submitted in writing to the TIFA Board. TIFA checks may be written for work which is completed by the contractor and paid by the applicant, upon receipt by TIFA of “paid in full” invoices showing work complete.

For improvements performed prior to a signed lease, funds will not be released for reimbursement until an acceptable five year business plan is approved and a five year signed lease between the restaurant tenant and the building owner is received by TIFA. Prior to reimbursement, the following items must be received:

- “Paid in full” invoices and the corresponding cancelled checks, credit card or cash receipts for each contractor or supplier to whom they have made payment.
- Proof that the improvements have passed any local or state building code or safety requirement, if applicable.
- Reimbursement will not be made for any project work without specific TIFA Board approval or execution of the Restaurant Attraction Grant Agreement.
- Reimbursement may be withheld for all or a portion of completed work if the applicant has deviated from the originally approved scope of work.
- Building Owners/Business Owners and their immediate family shall **NOT** be reimbursed for their own labor.

General Requirements

- Five year business commitment; if leased, five year lease required.
- All property taxes and assessments owed to the City and all City service accounts, and assessments must be current at the time of approval and funding.
- Applicant is responsible for ensuring that contractors performing work are properly insured and licensed.
- All work must be performed by licensed and insured contractors.
- All project work must be pre-approved by TIFA before funding.
- Any changes to the originally approved scope of work must be approved in writing by the Program Review Committee **PRIOR** to construction or installation.
- All work must be performed in accordance with all applicable local, state and federal codes. This includes obtaining any necessary permits through the City of Hillsdale Code Enforcement Office, Department of Public Safety or Public Services, or the Hillsdale County Building Inspection Department and other applicable permits.
- Applicant is responsible for all construction management during the course of project including relationships with contractors or suppliers.

- Code deficiencies or violations related to the work being performed in connection with the Restaurant Attraction Grant must be corrected as part of the renovation.
- It is the responsibility of the applicant to ensure compliance with the requirements of any state or federal historic tax credit program for which they may be seeking project funding.
- All work should follow Secretary of the Interior Guidelines (SHIPO).

Eligible Improvements/Activities

The TIFA reserves the right to determine the eligibility for all items in a project's scope of work. This determination shall be conclusive and final. Building code related improvements are all eligible. The building features eligible to be improved with grant dollars include, but are not limited to, the following:

- Improvements which are permanent and fixed in type or nature.
- Interior masonry repairs, tuck pointing, if structural in nature.
- Window and door replacement for ADA compliance and/or emergency egress.
- Electrical improvements.
- HVAC improvements.
- Plumbing improvements.
- Structural upgrades and restoration.
- Energy efficiency improvements.

Ineligible Improvements/Activities

- Property acquisition, mortgage, land contract, or financing of loan fees.
- Permit fees for a building permit, sign permit, and/or other construction permits.
- Architectural, engineering or design fees.
- Appraiser, attorney, or accountant fees.
- Wages paid to the business owner or building owner, or to those immediate family members residing in the same household as the applicant or building owner for work associated with the Business Attraction project.
- Furnishings, trade fixtures, display cases, counters, or other items taxed as personal property.
- Sidewalk repair unless necessary to comply with ADA requirements for handicap accessibility.
- Grant awards are not transferrable.

Program Amendments

The City of Hillsdale TIFA has the authority and may, at its discretion exceed any of the guidelines it has established and disregard any of the restrictions it has imposed in any case where the TIFA Board determines that the program purpose will be best served by doing so. Any such action or change to the guidelines must be approved by vote of the City of Hillsdale TIFA Board.

Preservation of Historic Buildings

In order to be as sensitive as possible to the historic nature of the TIFA district and its buildings and to provide a design guide for the applicant and/or their contractor, architect, or designer, the TIFA Board has chosen to adopt the Secretary of Interior's Standards for Preservation.

1. A property will be used as it was historically, or be given a new use that maximizes the retention of distinctive materials, features, spaces, and spatial relationships. Where a treatment and use have not been identified, a property will be protected and, if necessary, stabilized until additional work may be undertaken.
2. The historic character of a property will be retained and preserved. The replacement of intact or repairable historic materials or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.
3. Each property will be recognized as a physical record of its time, place, and use. Work needed to stabilize, consolidate, and conserve existing historic materials and features will be physically and visually compatible, identifiable upon close inspection, and properly documented for future research.
4. Changes to a property that have acquired historic significance in their own right will be retained and preserved.
5. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.
6. The existing condition of historic features will be evaluated to determine the appropriate level of intervention needed. Where the severity of deterioration requires repair or limited replacement of a distinctive feature, the new material will match the old in composition, design, color, and texture.
7. Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.
8. Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.

Contributing Buildings on the National Register of Historic Places must be restored or rehabilitated according to the Secretary of Interior Standards for Rehabilitation of and Guidelines for Rehabilitation of Historic Buildings. These standards can be accessed at:

<http://www.nps.gov/history/hps/tps/standguide/index.htm>.