



Midland Downtown Development Authority BUSINESS INCUBATOR Guidelines

The Incubator Program:

The Midland Downtown Development Authority (DDA) administers the Business Incubator Program to create vibrancy and business success in downtown Midland. The incubator program supports new retail, restaurants, entertainment and business concepts.

The Incubator program is available to:

- ground floor
- for-profit businesses
- retail, restaurant or entertainment businesses that are
- new to the Midland Downtown Development Authority (DDA) Tax Increment Finance (TIF) district. (see the attached map.)

The Incubator program is a **program**, not a space for new businesses to occupy.

For-profit business owners may choose any location within the DDA boundaries.

The property owner, in a leasing situation, must agree to the terms and conditions of the incubator program.

The Incubator program is offered through the DDA and administered by the DDA's Economic Sustainability Committee (ES).

Businesses that become part of the Incubator program will receive the following benefits:

1. The maximum rental subsidy over 18 months shall be \$10,000
2. Eighteen (18) months of subsidized rent on the following schedule:
 - a. Month 1-6 50% subsidy (\$830/ month maximum)
 - b. Month 7-12 33% subsidy (\$560/ month maximum)
 - c. Month 13-18 17% subsidy (\$275/ month maximum)
3. Participants are strongly encouraged to establish mentoring relationships with successful downtown businesses and/or staff of the Michigan Small Business & Technology Development Center (MiSBTC).

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

1. The business owner shall, at a minimum, be open for normal business hours at least six (6) days per week.
2. The business owner shall obtain the services of a properly credentialed bookkeeper, attorney and CPA.
3. Active participation in bi-monthly Midland Downtown Business Association All Business meetings and an active presence on the downtown website, www.downtownmidland.com

Additional Criteria

1. The DDA may exclude businesses whose uses and 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 DDA 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. For purposes of the Incubator 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.
4. Consideration shall be given to new businesses, new concepts by existing downtown retailers and expansion of existing retail operations from outside the DDA district.
5. Franchise and chain business establishments are eligible to participate in the program.
6. The incubator program may be used along with the façade grant and loan program.

Application Process

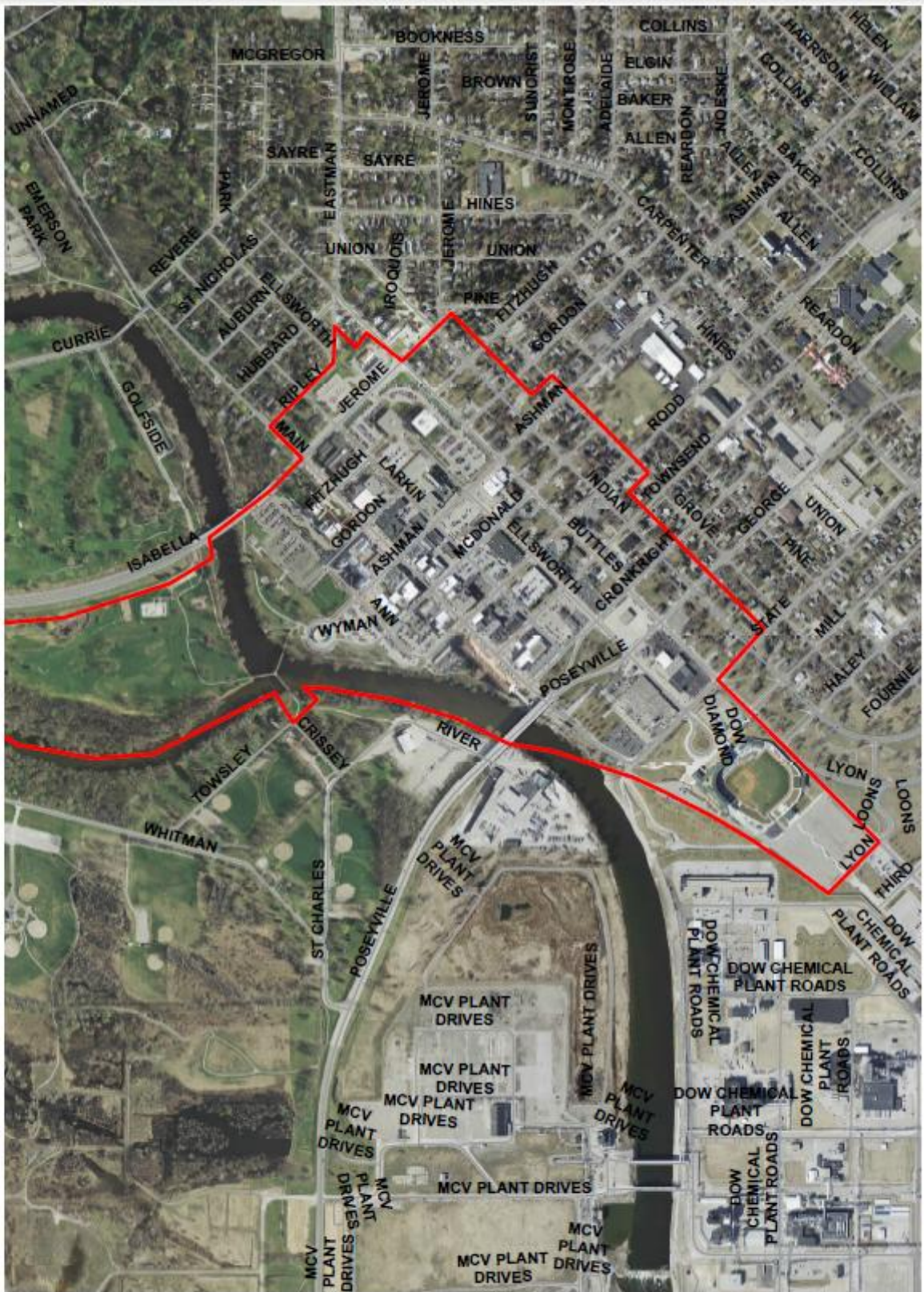
1. The Business Owner/Operator applies for the incubator program and submits completed application and ***all attachments*** to the DDA Director, 333 W. Ellsworth, Midland, Michigan 48640.
 - a. Application must include a lease within the DDA district
 - b. Application must include a written business plan or a completed executive summary;
 - c. Application must include completed MiSBTDC Counseling Information Form

**** Applications will not be processed until ALL required attachments are submitted ****

2. Once the complete application packet is submitted, the DDA director, DDA's Economic Sustainability Committee and Michigan Small Business and Technology Center director (MiSBTC) conduct an initial review of the application.
3. The Economic Sustainability Committee makes recommendation to the DDA Board for final approval of the application.
4. Once the incubator application is approved by the DDA Board, DDA director and applicant finalize incubator payment process which begins the month after DDA approval, the month the business opens for operation and/or upon issuance of certification of occupancy where applicable.
5. The business owner/operator will receive the monthly incubator funding.

Additional Information

1. The applicant has one hundred eighty (180) days from the DDA Board approval to be open and be operational, unless other arrangements have been made.
2. Incubator subsidy payments shall begin the month that the approved incubator business is scheduled to open.
3. Incubator payments will cease upon completion of program or closure of the business unless alternate and agreed-upon arrangements have been made with the DDA office prior to closure of the business.
4. The business owner/operator is the intended beneficiary of incubator lease subsidy.
5. The DDA Board reserves the right to reject any application that, in the opinion of the DDA, does not meet the criteria and intent of the program.
6. The program is subject to change by the DDA Board.



 Midland DDA Boundary



**Midland Downtown Development Authority
BUSINESS INCUBATOR
Application**

Date: _____

Name of Business Owner/Operator (APPLICANT):

Name of Proposed Business: _____

Applicant's Address: _____

Address of Proposed Business: _____

Property Owner: _____

Please complete for the best way to contact applicant:

Applicant's Home Phone: _____

Applicant's Business Phone: _____

Applicant's Cell Phone: _____

Applicant's E-Mail Address: _____

Phone Number of Proposed Business (if available): _____

Please detail the type of business being proposed and product(s) sold, public served:

Will the proposed business be a for-profit business: Yes____ No____

Will the proposed business have a 501C3 not-for-profit business status: Yes____ No____

Does this business already have a written business plan developed? Yes____ No____

____ If yes, please submit a copy of the business plan with the application;

____ If no, please complete the Executive Summary document included in the incubator packet and submit with application.

Anticipated hours of operation (hours/day; days of week):

Monday _____

Tuesday _____

Wednesday _____

Thursday _____

Friday _____

Saturday _____

Sunday _____

Please list the names of persons your business will be working with in the capacities of:

Attorney: _____

CPA: _____

and/or Bookkeeper: _____

Please verify that the items below are included with your completed application:

- A copy of a draft lease agreement including lease amounts and term of lease (an unexecuted agreement is acceptable)
- Your Business Plan (if already developed) or the completed Executive Summary
- A completed Executive Summary for your business

Business Owner Signature: _____

Printed name _____

Date _____

Property Owner Signature: _____

Printed name _____

Date _____

FOR DDA OFFICE USE

Date of Receipt: _____

Date forwarded to I&F for review: _____

Scheduled Agenda Date for ES Committee Review: _____

Approval from Michigan Small Business and Technology Center that the applicant has sufficient business background and a reasonable business plan to continue. Date _____

Approval of Business Incubation Contract and Lease agreement by Downtown Development Authority Board _____

Terms:

First Subsidy Level: Amount \$ _____ Begins: _____ Ends: _____

Second Subsidy Level: Amount \$ _____ Begins: _____ Ends: _____

Third Subsidy Level: Amount \$ _____ Begins: _____ Ends: _____

Date of completion of three-year lease obligation and release of incubation obligations _____