

Downtown Chapel Hill Small Business Relocation Grant Program

Summary

About

The Town has unallocated ARPA funds to direct towards economic development activities benefitting Chapel Hill businesses and has partnered with The Chamber for a Greater Chapel Hill-Carrboro to administer and market this grant program. This program offers grants to small businesses occupying storefronts in Downtown Chapel Hill facing relocation due to redevelopment. Grant funds may be used for revenue-generating space improvements, moving/relocation costs, lease payments, and gap financing for the purchase of commercial space.

Grant awards shall be disbursed in increments of \$20,000, not to exceed a total of \$100,000 per recipient. Award amounts will be based on demonstrated need, with funds dispersed as reimbursements.

Purpose

The redevelopment of Rosemary and Franklin Streets and the retention of commercial use is crucial to maintaining an economically strong Downtown; a commercial area where the image, appearance, and environment encourage walkability and attract shoppers.

Recognizing that small, local businesses are crucial to the cultural fabric of a community, this grant program is intended to help Downtown storefront businesses mitigate the impact of redevelopment on economically viable local businesses. The purpose of the Small Business Relocation Grant Program is to help defer the costs of physically moving an existing business to a vacant storefront in Downtown.

Eligible businesses must be a for-profit business, physically located and operating within Downtown Chapel Hill, with no more than 50 full-time employees and revenues less than \$5M. Franchises are only eligible if franchisor is independent and locally owned.

Application Deadline

Staff will begin accepting applications on July 1, 2023. The Grant Subcommittee will review and score applications, and grant awards will be announced in October 2023.

For further details on the grant program, please refer to the Program Guidelines and Application. Questions may be directed to Katie Bowden, Economic Development Manager for the Town of Chapel Hill at katie.bowden@townofchapelhill.org or (919) 682-2742.

Downtown Chapel Hill Small Business Relocation Grant Program

Guidelines

Eligible businesses must be a for-profit business, physically located and operating within a Downtown Chapel Hill storefront, with no more than 50 full-time employees and revenues less than \$5M. Franchises are only eligible if franchisor is independent and locally owned. Preference will be given to business types which complement the walkability and economic vitality of Downtown and those businesses which maintain a storefront at the street level.

Ineligible businesses include:

- Office-Based Businesses
- Membership-Only Businesses (e.g. businesses that do not allow walk-in customers or businesses that primarily serve membership-holding clients)
- Home-Based Businesses
- Banks and Financial Institutions
- Multi-level Marketing Organizations
- Real Estate Investment Company
- Non-profits/ Religious Institutions
- Businesses in which Chamber of Commerce, Town, or County Staff have a financial interest of at least 25%
- Businesses in which Town or County elected officials have any financial interest

Grant awards shall be disbursed in increments of \$20,000, not to exceed a total of \$100,000 per recipient. Award amounts will be based on demonstrated need, with funds dispersed as reimbursements. For space-related improvements, reimbursement requests may be submitted on a rolling basis as work progresses.

Eligible Expenses:

- Gap Financing for Property Acquisition
- Rent Stipend – To be determined by base commercial rent, not to exceed \$50,000 over a 12-month period.
- Improvements & Other Space-Related Needs – Includes such facility improvements as architectural or project plans and relocation-related expenses. Such expenses may include:
 - Moving costs (truck rental or professional mover)
 - Facility rental
 - Connection and transfer of new utility services
 - Installation costs of equipment required for the business, but not the equipment itself

- Interior remodeling of new location
- Exterior signage
- Professional, engineering, architectural and permit fees

Ineligible expenses:

- Salaries
- Fundraising expenses, including entertainment, reception or hospitality expenses
- Payments to students or interns whose employment is tied to class credit
- Other operating costs besides rent
- Purchase of gifts, awards, cash prizes, scholarships, contributions or donations
- Existing debts, fines, contingencies, penalties, interest or litigation costs
- Travel costs
- Taxes, liens, judgments, or collections

Relocation Area

Eligible businesses must be physically located within a Downtown Chapel Hill storefront and relocating to a vacant storefront within the boundaries of the Chapel Hill Municipal Service District. (See Exhibit A.)

Process/ Timeline

The Town has partnered with The Chamber for a Greater Chapel Hill-Carrboro to market and administer this grant program. Awards will be announced in October 2023, and funds administered by the Town. Staff will begin accepting applications on July 1, 2023.

Applications will be reviewed for completeness before forwarding to the Grant Subcommittee for scoring. Award amounts will be based on demonstrated need, with funds dispersed as reimbursements, subject to actual expenditures and submittal of appropriate receipts/documentation.

Grant Subcommittee

The Grant Subcommittee (Subcommittee) will review all applications and make grant recommendations. The Subcommittee will have the following responsibilities:

- Review grant applications and, determine which applications meet eligibility requirements and whether an eligible application will be approved, approved with conditions, returned to the applicant for more information, or denied funding.

· Periodically review status of awarded grants to determine if funds are being used in the way they were intended and recommend appropriate corrective action where needed.

- Provide an explanation of why the grant was not approved, if requested.

Should a permanent source of grant funding be identified, the subcommittee would also:

- Evaluate grant application requirements and make appropriate adjustments as needed to accomplish the objectives of the program.
- Conduct annual review of grants and their impact on the Town's business investment environment.

Subcommittee members will include a representative from the following groups:

- The Chamber for a Greater Chapel Hill-Carrboro
- Black Business Alliance
- Orange County Economic Development
- Banking community
- Downtown Chapel Hill business community

Scoring Metrics

	Application does not meet intended purpose	Application meets some of the intended purpose	Application meets the intended purpose
Downtown Vitality – Application maintains or grows the overall economic vitality of Downtown	0 points	10 points	20 points
Business Retention – Application responds to imminent relocation pressures	0 points	10 points	20 points
Project Readiness – Application is imminent & financially sound	0 points	7 points	15 points
Business Health – Application allows the business to maintain economic sustainability	0 points	7 points	15 points
Business Growth – Application responds to future growth needs of the business	0 points	5 points	10 points
Community Benefit – Application provides a community benefit(s). For	0 points	5 points	10 points

example, preserves a “legacy business”, fills a vacant storefront, employs disadvantaged residents, etc.			
Amplifies Resources – Application utilizes other resources and/or implements cost-saving measures	0 points	5 points	10 points
Total			100 points

Upon Approval

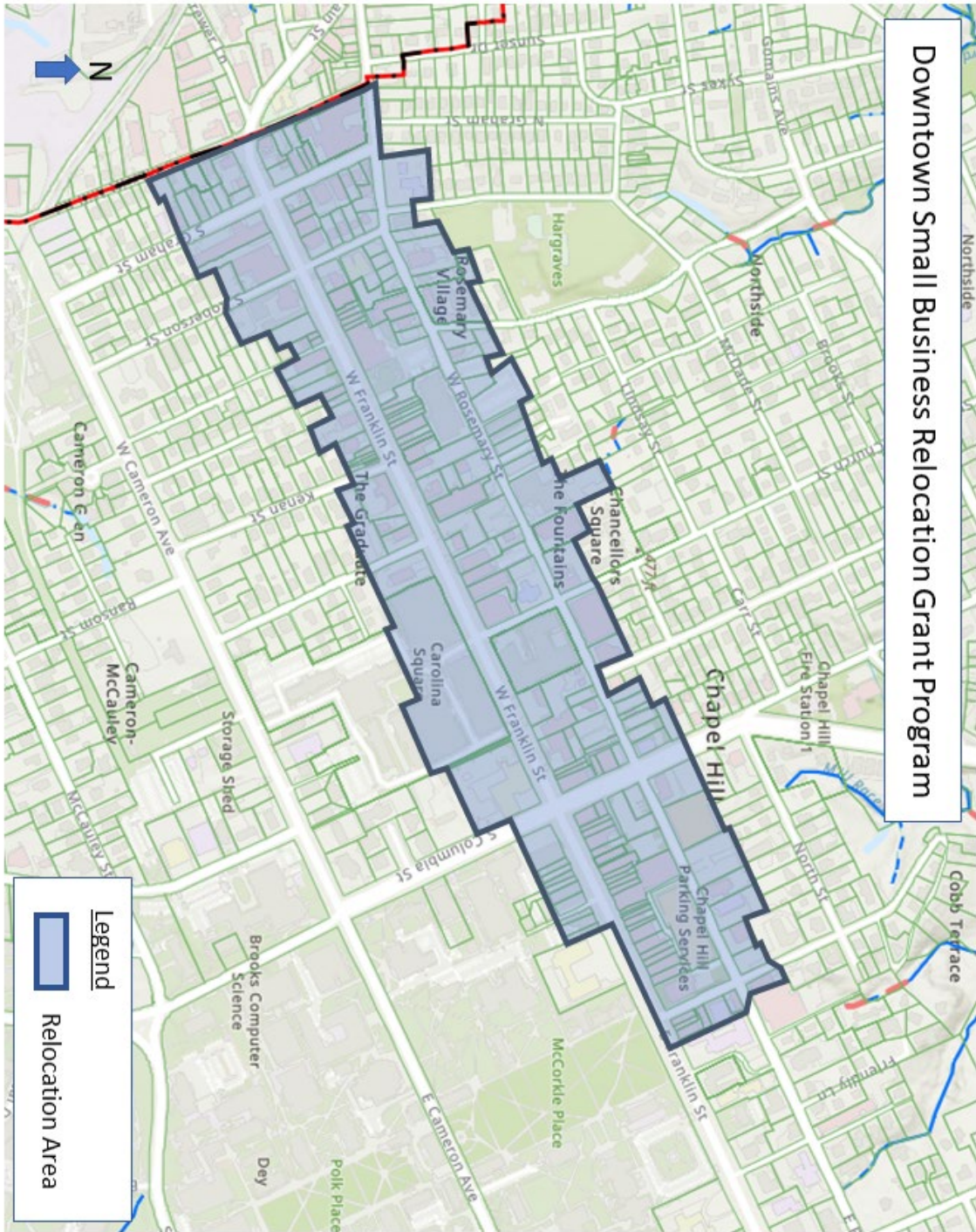
Grant recipients will be reimbursed for all qualifying expenses after expenses have been incurred. The grantee must submit proof of costs and payment, in the form of paid invoices, to obtain reimbursement. Reimbursements are provided on a set payment schedule of 30 days after the grantee has submitted sufficient documentation to verify expenses. It is expected that grantees have the capabilities to fund these activities upfront and have demonstrated a stable financial history to carrying out these activities.

The commitment of grant money for a proposed project expires 12 months from the approval date as noted on the application. For reasonable project delays, the expiration date may be extended by the Town upon written request by the applicant.

Disqualifying Factors

Improvements shall not qualify for a grant if the applicant or property owner has applied for or been approved for building permits or began construction prior to the award of the grant. Other disqualifying factors include delinquency in the payment of any taxes, assessments, fees, or other debts owed to the Town of Chapel Hill, Orange County, or State of North Carolina.

Exhibit A



Downtown Chapel Hill Small Business Relocation Grant Program

Application (Google form)

Applicant's Contact Information

Applicant's Name

Applicant's Role in the Enterprise

Please describe Applicant's gender

Please describe Applicant's race and/or ethnicity

Applicant's mailing address (Applicant mailing address OR Enterprise mailing address must be in the city limits of Chapel Hill)

Applicant's email address (must respond to grant communication promptly to be eligible for funding)

Applicant's cell phone

Business Information

Enterprise's legal name (if incorporated)

Enterprise's corporate form (if incorporated, Sole Proprietor, LLC, C-Corp, S-Corp, Coop, 501(c)3, 501(c)6 etc. or "not yet formed")

Enterprise's Operating Name

Is your business physically located within the Downtown Chapel Hill Relocation Area? Yes or No

Enterprise's Physical Address

Enterprise's Mailing Address

Enterprise's Employer Identification Number

Enterprise's Website

Enterprise's Social Media Handles

Describe your enterprise (280 characters)

How long has your enterprise been in business? (choices)

- Less than 6 months
- Less than 2 years
- 2-5 years
- 5+ years

How many other people work for, or are employed by, the enterprise? Are any of these employees remote workers? If so, how many?

Grant Application

Total Grant Funds Requested

How do you plan to spend the grant money, should you receive it? (500 characters)

Why should the Town of Chapel Hill award you a small business relocation grant? (750 characters)

Why is this grant important to your continued success? How will you use these funds to support your continued growth? (500 characters)

Should you receive a grant award, what is the likelihood your business will stay and grow in Chapel Hill? (0-100 scale)

To date, what is the estimated amount of capital you have invested in your business?

Has your enterprise received funding from the Town of Chapel Hill in the last two years, and if so, how much?

Has your enterprise received any funding from Orange County in the last two years, and if so, who, how much?

Has your enterprise received any funding from any state or federal agency in the last two years, and if so, how much?

Are you a locally owned business? Meaning, is at least one owner, or 35% of board members, a resident(s) of the Town of Chapel Hill? (a "No" answer is not disqualifying.)
Yes or No

Please upload a copy of valid/unexpired driver's license or other government-issued identification.

Please upload a copy of your business formation documents and/or partnership agreements.

Please upload copies of the following financial documents:

- Last two years of business tax returns
 - Balance sheet for last two years must be provided if business filed on a Form 1040 – Schedule C
 - If prior year's tax returns are not filed:
 - Filed extension for the prior year
 - Prior year Profit and Loss Statement
 - Prior year Balance Sheet
 - Last two years of personal tax returns
 - If prior year personal tax returns are not filed:
 - Filed extension for the prior year
- Interim Balance Sheet and Profit and Loss Statement for the current year, dated within 60 days of application
- Debt schedule
- Most recent business bank statement

Please upload a letter of agreement from the Property Owner or designated agent/representative (only applicable if the business is not the property owner) demonstrating a long-term lease for a property within the Relocation Area. If the business owner is the property owner, please upload Proof of Ownership for the property within the Relocation Area.

Do you have an existing relationship with a recognized training partner (SCORE, SBTDC, Launch Business Accelerator, 1789 Venture Lab, Empowerment Business Incubator, Durham Tech Small Business Center) or other similar organization that is helping to advance the effort? Y/N and if so, who?

Are you, your spouse, or a person you live with or any other owner a member of the Chapel Hill Town Council or Orange County Board of Commissioners? Yes or No

Are you, your spouse, or a person you live with or any other owner a Senior Staff Member or Department Head for the Town of Chapel Hill, the County of Orange or the Chamber for a Greater Chapel Hill Carrboro? Yes or No

Are you, or any owner or principal, involved in a pending bankruptcy been disbarred or suspended from doing business in North Carolina? Yes or No

Do you agree to comply with Chapel Hill's Non-Discrimination Policy and to hire, select vendors, and serve customers without regard to age, sex, race, color, religion, nonjob-

related disability, national origin, sexual orientation, gender identity, gender expression, or marital status? Y/N

Do you meet the rest of the “Qualifications” outlined in the Small Business Relocation Grant Program Guidelines? Yes or No

OTHER TERMS & CONDITIONS

The Town reserves the right to request documentation and applicant must respond in 72 hours.

If requesting funds in the form of down payment assistance or gap financing, the applicant must demonstrate a high degree of project readiness, including detailed cost estimates for the acquisition and a detailed deal structure, including proof of financing for the remaining amount of funds needed for purchase.

If requesting funds to make physical improvements to an eligible commercial space, the applicant must demonstrate a detailed site development and construction budget, an identified project team with contractors, and a project timeline. The applicant must demonstrate how the proposed project will comply with Town codes and ordinances.

If requesting funds to cover relocation-related expenses, such as moving costs, the applicant must produce receipts or proof of payment.

All enterprises MUST complete and submit a W-9 form as part of the application process. The form can be completed online at <https://www.irs.gov/pub/irs-pdf/fw9.pdf>. All unincorporated individuals seeing funds must complete a Federal Form 990. Email the completed W-9 or 990 form to katie.bowden@townofchapelhill.org. Applications received without a properly completed W-9 or 990 (including signature) WILL NOT be considered for funding.

CERTIFICATION

By submitting this application, you are (1) CERTIFYING that all information provided in this application is true and accurate; (2) GRANTING us permission to contact your primary bank, mortgagor or landlord (as applicable), any owner of the Applicant or otherwise verify information included in your application if determined helpful in assessing your application; and (3) AGREEING to cooperate and assist in the verification of information provided in this application and to provide additional information if requested. Applicant further understands that should the Applicant herein be awarded assistance and there is a subsequent determination that misleading or false information was provided in this

application or otherwise provided to obtain the assistance, the Applicant may be subject to civil or criminal penalties.

DISCLAIMERS *

1. Application for the Small Business Relocation Fund DOES NOT GUARANTEE award of funding. 2. The total amount awarded will be based on funds available. 3. All enterprises receiving funding MUST complete a W-9 form prior to receipt of funding (and individuals with an organization a Federal Form 990). 5. It is the sole responsibility of the Applicant to determine or to seek independent advice to determine the tax implications to the Applicant and its Owners associated with any funds received by the applicant. Please confirm your understanding of these disclaimers by clicking "Yes".

Yes

No

CERTIFICATION *

By typing your full name in the space below, you are certifying that all the information provided in this application is true and accurate. You are granting us permission to contact your primary bank, landlord (if applicable), and the owners of the Applicant if determined helpful in assessing your application. You are also agreeing to assist in the verification of information provided in this application and to provide additional information, if requested.
