

Downtown Chapel Hill Small Business Relocation Grant Program

Summary

About

The Town of Chapel Hill (The Town) has unallocated ARPA funds to direct towards economic development activities benefitting Chapel Hill-based businesses and has partnered with [The Chamber for a Greater Chapel Hill-Carrboro](#) (The Chamber) 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 down payment assistance 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, except as otherwise noted.

Purpose

The redevelopment of Rosemary and Franklin Streets and the retention of local businesses 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 reduce the costs of physically moving an existing Downtown business to a new location in the Downtown.

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

Application Deadline

Staff will begin accepting applications no sooner than July 1, 2023. A Grant Review Committee 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.

Downtown Chapel Hill Small Business Relocation Grant Program

Guidelines

Eligible businesses must be a rent-paying, for-profit business with a store front physically located and currently operating within the Downtown Chapel Hill municipal service district, with no more than 50 employees (FTEs) and annual revenues less than \$5M. Franchises are only eligible if franchisee is independent. 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 not open to the public
- Home-Based Businesses
- Banks and Financial Institutions
- Multi-level Marketing Organizations
- Real Estate Investment Companies
- Non-profit Organizations
- Businesses in which The Chamber, Town staff, or their immediate family members, have a financial interest of at least 25%
- Businesses in which Town 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. Applicants may request upfront disbursement of cash for the purposes of down payment assistance only.

Eligible Expenses:

- Down Payment Assistance for Property Acquisition
- Rent Assistance– To be determined by base commercial rent, not to exceed \$50,000 over a 12-month period.
- Improvements & Other Space-Related Needs – Including facility improvements, architectural or project plans, and relocation-related expenses. Such expenses may include:
 - Moving costs
 - 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, and/or architectural plans and permit fees

Ineligible expenses:

- Salaries
- Fundraising expenses, including entertainment, reception, or hospitality expenses
- 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 a storefront business physically located within the Downtown Chapel Hill Municipal Service District and relocating to a storefront also within the Chapel Hill Municipal Service District. (See Exhibit A.)

Process/ Timeline

The Town of Chapel Hill has partnered with [The Chamber for a Greater Chapel Hill-Carrboro](#) to market and administer this grant program. The first set of awards will be announced no later than October 2023, and funds distributed by the Chamber. Grants applications may be submitted after July 1, 2023.

Applications will be reviewed for completeness before forwarding to the Grant Review Committee for scoring. Award amounts will be based on the strength of the application, a scoring system established by the Grant Review Committee and sharing with applicants.

Grant Review Committee

The Grant Review Committee (Committee) will review all applications and make grant recommendations. The Committee 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 Committee 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.

Committee members will include a representative from the following groups:

- Downtown Chapel Hill business community
- Black Business Alliance
- Orange County Economic Development
- Chapel Hill Economic Development (non-voting participant)
- Banking community
- Additional member at large to be selected by the Committee

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 example, fills a vacant storefront, employs disadvantaged residents, etc.	0 points	5 points	10 points
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. (An exception to this rule applies only if the purpose of the grant award is for down payment assistance, in which case the grantee must submit additional documentation demonstrating a high degree of project readiness and proof of financing.)

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 Grant Administrator 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.

