



OWOSSO OMS/DDA REVOLVING LOAN AND GRANT PROGRAM

MANUAL AND PROCESS DESCRIPTION

This manual and process version will be applicable from July 1, 2022 through June 30, 2023

INTRODUCTION

This program is available to B1 – B4 zoned for-profit businesses, landowners, and corporations within the city limits.

Monies are available by the OMS/DDA until the \$250,000.00 reserve is reached.

OMS/DDA administers the program as authorized by the city council.

The program is administered on a year-by-year basis.

The Revolving Loan Fund Committee of OMS/DDA leads the program and is responsible to recommend updates to the program on a fiscal year basis.

The fiscal year is from July 1st of the current year through June 30th of the subsequent year, however due to change in staff, year 2022 will be inconsistent to normal standards and protocol will resume on July 1, 2022.

The OMS/DDA Board will approve or reject the recommended changes at the April Board meeting from the RLF Sub-Committee.

With or without changes, this Program Process and Manual will be approved by the OMS/DDA Board and made available for use by July 1st of each year.

All loans and grants will require a \$350.00 processing fee if awarded.

All loans will be made at 3% fixed rate per year.

Loan length will be ten years or less; dependent on lease agreement.

Loan maximums are up to \$50,000 per project.

Grant maximums are up to \$50,000 per project. Only (4) grants per year will be rewarded.

Loans and/or grants may be made on the same project.

Loans are paid prior to project start; grants are paid upon project completion.

Repayment of loans will begin one month after the City of Owosso's Financial Department releases the check.

Loans and/or grants cannot be issued to projects that have either started or have been completed prior to approval of program application.

All loans require a business plan if business has been in operation for less than one year.

All upper-story residential grants or loans require permits to be submitted with the application(s).

ELIGIBLE PROJECT TYPES

1. Building access improvements including elevators – loans or grants
2. Preservation of historic buildings
3. Upper story housing development
4. Retail space build outs and upgrading
5. Acquisition and improvement of blighted properties
6. Signage purchase or restoration
7. Environmental studies
8. Small Business start-up costs (working capital only): {Examples of eligible working capital include: purchase of a point-of-sale system, marketing expenses, or inventory of retail goods. }
9. Match on Main approved projects
10. Removal or repair of underground vaults.

INELIGIBLE PROJECT TYPES

1. Re-financing of debt owed to private sector entities such as banks, credit unions, etc.
2. Projects or part of projects unrelated to the scope described in the program application
3. Employee wages or benefits, rent, mortgage payments, utilities, machine leases, vehicle leases, taxes and insurance, professional fees, credit card processing fees and other soft costs.
4. Payment of taxes, utilities, or other similar obligations

APPLICATION PROCESS STEPS

THIS PROCESS CAN TAKE UP TO (3) MONTHS

1. Contact OMS/DDA Director, Beth Kuiper, at beth.kuiper@ci.owosso.mi.us for a preliminary meeting to discuss the program's scope.
2. Obtain and complete the application form from the OMS/DDA website (downtownowosso.org)
3. Submit by email the application form to: beth.kuiper@ci.owosso.mi.us
4. The RLF subcommittee of the OMS/DDA Board will review at their next meeting and advise applicant whether your application was accepted for further consideration. If an application is not accepted, you will be provided a rationale for the decision and steps to re-apply.
5. If your application was for a grant or loan and approved by the OMS/DDA RLF subcommittee, the OMS/DDA Board of Directors will approve or deny the application at their next meeting.
6. If your application was for a grant or loan is approved by the OMS/DDA Board of Directors, the application will then be submitted to the Owosso City Council at their next meeting.
7. Upon approval by the Owosso City Council, a loan will require a promissory note, personal guarantee, and ACH automatic payments.
8. The City of Owosso's financial department will release a check and create a coupon book for loans once all proper and completed paperwork is submitted. Invoices will not be mailed.
9. The City of Owosso's financial department will release a check for grants once all paid invoices are provided.

CRITERIA FOR ELIGIBLE PROJECT TYPES

1. Building Access Projects

- A. The building must be multi-story and have 4,000 or more square feet per floor
- B. For shared elevator projects, adjoining building floor size can be included to achieve 4,000 square feet if necessary
- C. Projects may include barrier free lavatories, aisle and doorway widening, and ramps
- D. Architectural services for building access are eligible for a grant of up to \$5,000
- E. Elevators for building access are eligible for a grant of up to \$25,000

2. Preservation of Historic Buildings

- A. If applicable, the project plan must be approved by the Historic District Commission prior to submission to the loan committee

3. Upper Story Housing Development

- A. The upper story must have a minimum of 800 square feet; “micro loft/studio” projects will be considered
- B. Air conditioning and internet access in each room except bathrooms must be included
- C. Fire suppression must be included, and the fire suppression plan must be approved by the city building inspector **prior submission** to the loan committee
- D. Fire suppression is eligible for a grant of *up to* \$12,500 per unit for projects with upper floor residential units
- E. Architectural services are eligible for a grant of up to \$1,500 for each residential unit, with a maximum grant of \$12,000 per project
- F. Elevators for upper story housing development are eligible for a grant of up to \$25,000

4. Retail Space Build Outs and Upgrading

- A. Projects may include mechanical and electrical systems, roof work, partitions, windows, doors, painting, and sign repair
- B. Architectural services are eligible for a grant of up to \$3,000 per project

5. Acquisition and Improvement of Blighted Properties

- A. A description of the plans for the property must be included with the application form
- B. If preliminarily approved by OMS/DDA, a detailed plan with timing must be submitted to OMS/DDA for further review prior to submission of the application to the loan committee

6. Signage Purchase or Restoration

- A. Building must be 50 years or older
- B. If in the historic district, the plan must be approved by the Historic District Commission prior to submission to the loan committee

7. Environment Studies

- A. The building or site must have a brownfield plan
- B. The building or site must be contaminated or suspected of being contaminated
- C. Phase I and Phase II studies are eligible

Pre-existing Revolving Loans:

- A. Existing RLF loan payments maybe deferred up to 6-months
 - Deferrals will be issued on a case-to-case basis depending on the Emergency Response circumstance.
 - All deferrals must be approved by the OMS/DDA Board and City Council

- Loan deferments must be requested by the loan holder in written form via letter or email, providing reasoning for deferment. Other information may be requested by the Revolving Loan Committee to aid in their determination.
- Requests for deferment should be reviewed by the Revolving Loan Subcommittee.
- Upon review from the Loan Committee, if recommendation is determined, the loan request will be sent to City Council for final approval.
- Program-wide deferments can be considered during city, state, and/or country-wide Emergency Response declarations. Program-wide deferments require both OMS/DDA and City Council approval.

CONCLUSIONS, QUESTIONS, AND CONTINUOUS IMPROVEMENT

The Owosso Main Street Board of Directors will determine subcommittee members.

The subcommittee consists of a city council representative, business owners, property owners, representatives from traditional lending institutions, and Owosso Main Street volunteers.

The subcommittee will make approval decisions based on criteria established by the committee as applicable to the project description.

If the subcommittee does not grant project approval, it will submit rationale to OMS/DDA.

OMS/DDA may then approve the project and is empowered to work with the applicant to determine and apply and necessary conditions and/or documents to assure project success.

Questions on the program manual, process, or any other aspect of the program may be directed to the OMS/DDA office at 989-277-1705 or beth.kuiper@ci.owosso.mi.us

Each year, led by the RLF subcommittee, the OMS/DDA Board will update and republish the manual and process based on continuous improvement input and recommendations.