



OWOSSO OMS/DDA REVOLVING LOAN AND GRANT PROGRAM

MANUAL AND PROCESS DESCRIPTION

This manual and process version will be applicable from July 1, 2020 through June 30, 2021

INTRODUCTION

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

Owosso Main Street/Downtown Development Authority (OMS/DDA) is available to apply for loan dollars for projects within the district.

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

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

The Economic Vitality (EV) 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.

If applicable, the EV committee will present recommendations for updates to the OMS/DDA Board each year at the March OMS/DDA Board meeting.

The OMS/DDA Board will approve or reject the recommended changes at the April Board meeting.

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 will be made at 3% fixed rate per year.

Loan length will be ten years or less.

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

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

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 upon project completion.

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. Emergency Response Implementation

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

1. Obtain the application form from the OMS/DDA website (downtownosso.org) and complete it
2. If there are questions about completing the form, contact the OMS/DDA office at 989-494-3344
3. Submit by email the application form to: downtownosso@gmail.com
4. The EV committee of the OMS/DDA Board will review at their next meeting and advise applicant whether your application was accepted for further consideration.
5. If your application was not accepted, you will be provided with the rationale for the decision and if applicable, things to do to make the application acceptable to move forward
6. If your application was for a grant, approval determination is by the OMS/DDA Board
7. If your application was for a loan, preliminary approval determination is by the OMS/DDA Board
8. Upon preliminary approval by the OMS/DDA Board, the application is sent to the loan committee
9. Upon review, the loan committee will request additional information as they deem necessary
10. If approved by the OMS/DDA Board for grants, and the loan committee for loans, a project plan with timing will be submitted to OMS/DDA
 - A. all projects must be completed in two years or less
 - B. the OMS/DDA EV committee will monitor project progress
 - C. if projects are not completed in two years, loans payment will begin regardless

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 800 square feet or more; "micro loft" projects will be considered
- B. Air conditioning and cable wiring 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 \$25,000 for projects with two or more 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

8. Emergency Response Implementation

Business & Property Owner Aid:

- A. These funds will be issued in temporary, 6-month durations Initiated by local, state, and/or national emergencies (natural or economical) - beyond the control of local business & property owners
- B. Eligible loan purposes include rent, utilities, payroll, and site restoration
- C. Loan amounts allowed up to \$5,000.00. ****Applications greater than \$5,000.00 can be reviewed.****
- D. Loans can be awarded to meet the emergency need of up to 3 months of eligible expenses
- E. Loan interest will be 0% if paid back within 12-months of award. Interest of 3% will start accumulating **after** the twelfth month.

Pre-existing Revolving Loans:

- F. Existing RLF loan payments maybe deferred up to 6-months

CONCLUSIONS, QUESTIONS, AND CONTINUOUS IMPROVEMENT

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

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

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

If the loan committee 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 989-494-3344 or downtownowosso@gmail.com.

Each year, lead by the OMS/DDA EV committee, the OMS/DDA Board will update and re-publish the manual and process based on continuous improvement input and recommendations.