

June 24, 2010

Jackson Downtown Development Corporation

Rent/Lease Incentive Program for New Businesses



Purpose

The goal of the New Business Incentive Program is to provide a financial incentive to targeted businesses that are new to the Central Business District (CBD) zone in downtown Jackson (map attached). This aid is provided to help reduce the initial monthly lease rates that the business would pay to aid them through the first few months of operation. These early months are generally the months that businesses incur the greatest costs with the least income. The new Business Incentive Program helps a targeted new business cover a portion of the rent while they establish their customer base in a new location.

Funding

Funding for this program is provided by the Jackson Downtown Revenue Finance Corporation (JDRFC) and administered by the Jackson Downtown Development Corporation (JDDC). It is contingent upon funds availability and is distributed as reimbursement. Funding for this Program will be available beginning July 1, 2010 for businesses who locate in the CBD zone in downtown Jackson after July 1, 2010. Applications to apply will be available beginning July 1, 2010. Electronic copies of the application will be available on the JDDC website at www.downtownjackson.com , or you may contact the JDDC office at 731-427-7573 to request an application. Program funding is limited and applications will be addressed on a first come first serve basis for eligible businesses.

Basic Criteria:

- Preference and/or priority will be given to businesses in the following order, retail, restaurant, entertainment, and/or service businesses that serve other downtown businesses.
- Preference will be given to businesses that are unique and unique to the downtown area.
- Preference will be given to businesses based on the number of employees.
- Preference will be given to street level businesses and upper floor retail, restaurant and entertainment businesses.
- The business must be located in the CBD zone in downtown Jackson.

- The business is a conforming use for the CBD per the current zoning regulations of the City of Jackson.
- The business must be a for profit business.
- The building Owner and the Business must become members of JDCC at a minimum level of \$250.00 per year.
- The business must have a developed business plan in place.
- The business must be a business that is new to the CBD in downtown Jackson, relocating / expanding from another community to the CBD, and/or relocating / expanding from outside the CBD zone in Jackson.
- The business must lease a space that is comparable to current market rate leases for this type of business space.
- The property owner may not lease the space to themselves for their own business.

Performance Criteria:

- The business must have employees other than the owner of the business.
- The business must provide an estimate of future revenue generation at this location and demonstrate future profitability including a “pro forma” cash flow analysis.
- The business or business owner must demonstrate successful credit history.
- The business must add to the unique atmosphere of the downtown area.
- The business will enhance the overall economic vitality of downtown Jackson.
- If the owner of the business is a first time business owner (and all businesses are encouraged to participate) they must commit to working with the Jackson Area Chamber of Commerce’s West Tennessee Business Resource Center (free service) for the first year of business operation. All businesses must submit a business plan indicating their ability to cash flow the downtown location.
- The business must be open for business in order to continue to receive grant funds.
- The business must be open at times convenient to downtown and other Jackson customers.
- The business must open within sixty (60) days after receiving approval of the grant.

The Program:

A business meeting the eligibility criteria may receive up to \$4800.00 of grant assistance in the first year of operation of the business. Review of qualifying businesses will be completed by the JDDC Economic Restructuring Committee to ensure compliance with the qualifications and goals stated above. In the event demand exceeds available funding, the JDDC Economic Restructuring Committee will choose those applicants that best meet the JDDC'S goals established by the above criteria for recommendation to the JDDC Board for final approval. JDDC reserves the right to reject any application.

The funds, once approved by the JDDC Board and the JDRFC Board, will be provided for up to the first year of operation on the following basis: These funds will be a percentage of rent expense with the maximum amount of \$0.50 per \$1.00 match of rent expense. In other words, for each \$1.00 the business pays in rent the grant will pay up to \$0.50 up to 50% of the monthly lease or rent amount and up to a maximum of \$400.00 per month for a total maximum annual grant amount of \$4800.00. These funds will be distributed as a reimbursement in arrears based upon the business providing a receipt of payment within thirty (30) days of the expense for the months lease or rent. JDDC reserves the right to determine both the percentage of the lease / rent (up to 50%) to be granted and the length of time for the grant (not to exceed one year).

Applicants should allow for approximately ninety (90) days for the approval process.