

Downtown Battle Creek Real Estate Improvement Fund



Program Guidelines

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Executive Summary

Recent months have seen a momentum surge in downtown Battle Creek, with new apartments, restaurants, offices and brewpubs. Some have already arrived; others are following close behind. However, some entrepreneurs, property owners and existing business owners continue running into two major hurdles: (1) challenge finding the right space, and, (2) even when space is identified, issues with historic buildings, blighted facilities and vacant spaces. Problems with building code compliance and other obstacles put the cost and scope of projects out of reach for many.

This grant initiative helps address those gap-financing issues. The program offers businesses easier access to resources imperative for long-term success. By making eligible improvements to fixed assets/structures, prospective tenants, entrepreneurs and property owners can contribute to the continued transition in downtown Battle Creek.

Projects will also spur job creation – including for low to moderate income (LMI) individuals in the census tract. Downtown undertakings can benefit related demographics through growth of construction and buildout jobs, and ongoing direct and indirect jobs. Moreover, the Real Estate Improvement Fund will serve LMI and other individuals by improving public spaces that are in a general state of deterioration. Awarded projects will emphasize charitable purposes, including support of LMI housing, and advancement of minority and women-owned businesses or other related ventures.

The W.K. Kellogg Foundation (WKKF), Battle Creek Unlimited (BCU) and the City of Battle Creek (City) are committed to ensuring the grant resources are meaningfully and properly deployed to last for generations to come. To help meet these and other challenges, the grant focuses on fixed assets to rehabilitate vacant properties and storefronts along the downtown corridor.

Revitalizing vacant properties and abandoned/blighted buildings in tandem with new business developments make sense for downtown Battle Creek, helping to reduce blight, improve vacancy rates downtown, improve code compliance, address structural and mechanical issues, and provide other upgrades. The program narrows the gap between value and costs of construction, which have previously been barriers to downtown economic vitality.

Eligibility Rules

Eligible Recipients

- Property owners that own real estate located within the program boundaries described on the following page may apply to the Battle Creek Downtown Real Estate Improvement Fund.
- All types of properties, including, but not limited to: commercial, industrial, residential, office, warehouse and co-working spaces will be considered.
- For-profit corporations, companies and not-for-profit organizations that own real estate may apply. For-profit property ownership entities may be Sole Proprietorships, General Partnerships, Limited Partnerships (LP), Limited Liability Partnerships (LLP), Corporations (Inc., Corp.), Limited Liability Companies (LLC).
- Faith-based organizations that own real estate may also apply.
- Property owners who own multiple properties may apply for separate grants for each property.

Eligible Activities, Expenses

As a real estate improvement grant, this program is explicitly for improvements made to real property as fixed assets; all work shall remain with the building.

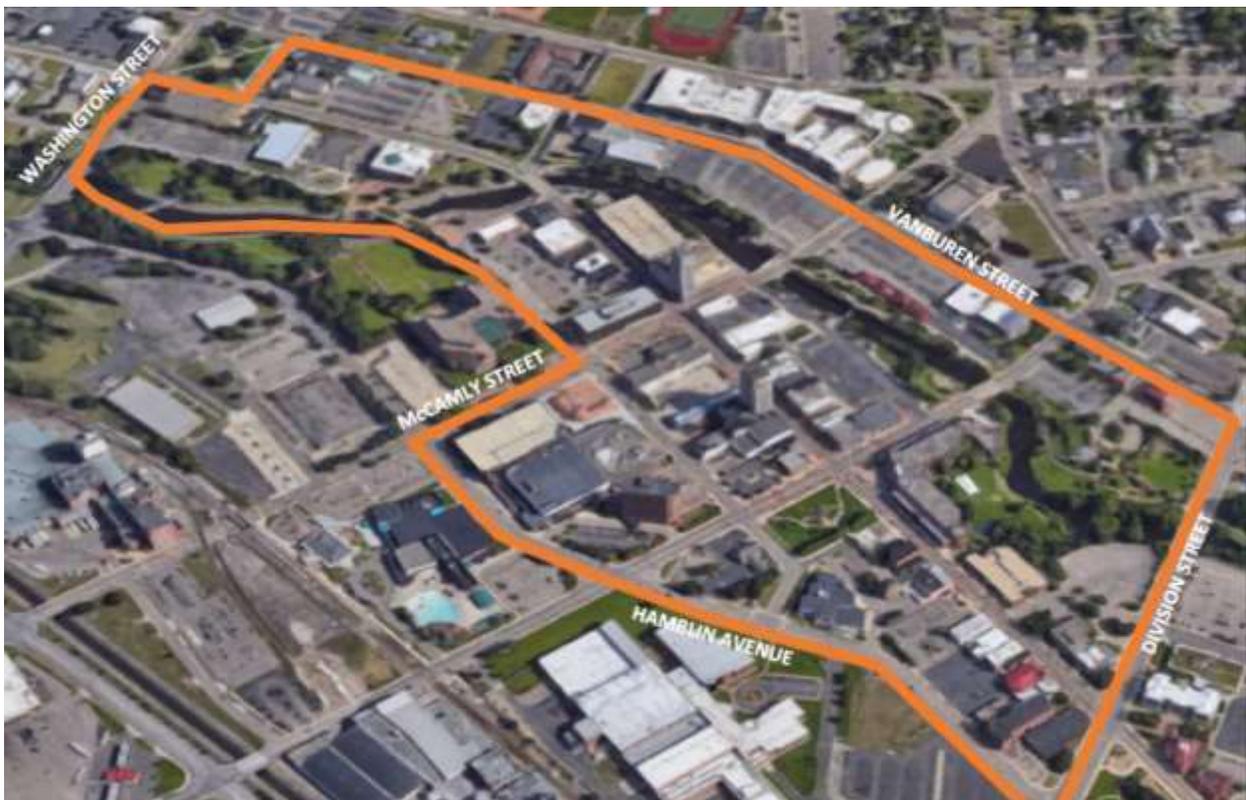
Eligible items include:

- Architectural, engineering and similar professional services
- Construction management
- General trades and environmental assessments
- Selective demolition
- Building core improvements (interior, exterior)
- Roofing
- Vertical circulation systems
- Mechanical, electrical, plumbing, fire suppression
- Façade improvements
- Lighting upgrades
- Permitting, inspection fees

Program Parameters

- Up to \$250,000 per project
- Grant capped at 40% of total project cost
- Applicants must show evidence of having secured the remaining 60% of total project cost via private/public sources or owner equity
- Grants ordinarily not made in an amount less than \$10,000
- Grant funds cannot be used for building acquisition – but acquisition costs will be counted toward overall project cost
- Secure local contractors and professional services, unless they cannot be procured locally, or applicant has demonstrated and documented that local contractors and professionals are cost prohibitive
- Because program boundaries sit within a low to moderate income (LMI) area, proposals should improve public spaces that are in a general state of deterioration

Program Boundaries – Washington St, VanBuren St, Division St, Hamblin Ave, McCamly St.



Application Framework

Please provide an attached document following the basic framework below:

1. Executive Summary

Provide a proposal summary outlining the project scope, the funding needs, and a general description of the use that will be made of the funds (ie, reduce blight, improve commercial vacancy rate downtown, and improve code compliance, structural and mechanical issues of property).

2. Organization Description and History

Include the history of the applying organization and its structure, information about those involved in carrying out the activities that will be funded by the requested grant, major accomplishments of the individual/entity, relevant experience of the individual/entity, established partnerships and relationships that will be leveraged in carrying out the activities funded by the grant, and information about any prior grants received.

3. Background

Provide a brief history (including tenants, vacancy, etc) of subject property, and explanation of missing services in the community that can be recognized or corrected because of grant award. Provide evidence that the problem exists – and how the proposed project can mitigate that missing puzzle piece. Other supporting documents from various studies, articles or related materials are encouraged. Additionally, provide context for why this proposal should be selected over similar proposals aiming to serve like goods and services.

4. Description

Provide detail on the business/operation plans within the proposed improved facility. Explain the duration of time during which funds will support the project, goals and objectives of the proposal. Other supporting information describing overall economic impact is encouraged.

5. Jobs

Include the number of anticipated jobs created by the project. Calculations should consider ongoing direct and indirect jobs, and construction and buildout jobs stemming from the project. Show respective wages. Provide estimates for and distinguish between full time and part time positions.

6. Real Estate

Explain the desired property and its implications for the project, touching on items like acquisition/leasing costs, rent structure and buildout. If the intent is to purchase a building/land, indicate how those costs are baked into the overall project cost, including necessary fixed-asset upgrades. Conversely, if space will be rented, indicate how rent structure will be affected by fixed-asset upgrades (ie, how/if costs will be shared between lessor and lessee, how costs will be factored into net project investment, etc).

7. Timeline

Provide a detailed timeline illustrating how funds will be utilized to realize project completion. Milestones for fund distributions will be a key part of grant award requirements.

8. Budget

Proposals should demonstrate fiscal ability to complete the project and begin operations. Give a broad cost narrative. The narrative may factor in the financial award. Additional financial sources must be included.

Date of Application: _____

Legal name of organization applying: _____

Year Founded: _____ Current Operating Budget: _____

Executive Director: _____ E-mail Address: _____

Contact person/title/phone number:
(if different from executive director): _____

Address (principal/administrative office): _____

City/State/Zip: _____

Phone number: _____ Website: _____

List any previous lending support in the last 3 years: _____

Project Name: _____

Purpose of Grant: _____

Rent structure adjusted for project costs: _____

Construction Jobs: _____ Direct Jobs: _____ Indirect Jobs: _____

Dates of the Project: _____ Amount Requested: \$ _____

Owner Equity: \$ _____ Total Project Cost: \$ _____

Project Address: _____

Signature, Business Representative

Signature, Prospective Landlord

Printed Name and Title

Printed Name and Title

Date

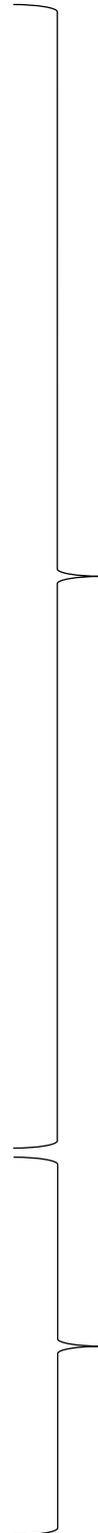
Date

A. Fiscal Year: _____

B. Budget timespan: _____

C. Project Expenses:

Architectural and Engineering Fees	\$ _____
Notes: Construction Management Fees	\$ _____
Selective Demolition	\$ _____
Concrete	\$ _____
Masonry	\$ _____
Structural Steel	\$ _____
General Trades	\$ _____
Roofing	\$ _____
Glass/Glazing	\$ _____
Metal Studs/Drywall	\$ _____
Flooring	\$ _____
Painting	\$ _____
Elevator	\$ _____
Fire Suppression	\$ _____
Plumbing	\$ _____
HVAC	\$ _____
Electrical	\$ _____
Earthwork	\$ _____
Landscaping and Irrigation	\$ _____
Equipment	\$ _____
Supplies	\$ _____
Evaluation	\$ _____
Building Acquisition	\$ _____
Other (specify)	\$ _____
Total project amount	\$ _____



Eligible activities for grant funds

Ineligible activities for grant funds

Administrative Information

Submission

- Applications will be ongoing until funds are fully committed
- Soft copies may be sent to bcrealestatefund@bcunlimited.org
- Hard copies (although not mandatory) may be mailed to:

Battle Creek Unlimited
ATTN: Real Estate Improvement Fund
4950 W Dickman Road
Battle Creek, MI 49037

Assistance

General inquiries throughout the application process may be sent to bcrealestatefund@bcunlimited.org, or by calling (269) 962-7526.

Evaluation

All proposals will be reviewed and rated in accordance with criteria outlined below. Submittals will be vetted thoroughly by a team comprising WKKF, BCU, the City and other Battle Creek stakeholders. BCU shall make the final determination regarding all proposals.

Projects must satisfy at least one of the following charitable categories:

- Historical preservation
- Permanent and/or temporary jobs for LMI individuals
- Minority- and women-owned businesses
- Affordable housing

Additional key evaluation criteria:

- Percentage of project devoted to fixed assets
- Amount of reduced vacancy and blight
- Options and considerations for LMI individuals
- Alignment with downtown's continued redevelopment
- Ability to secure additional financing
- Job creation