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Small Retail Business Assistance Program Guidelines

Background

A recommendation of The Mayor's Retail Task Force Report, published in September of 2013, was to transform the 800 to 1400 blocks of Dallas into a premier shopping street by providing wide sidewalks for strolling, sidewalk cafes, pedestrian lighting and carefully maintained landscaping conducive to a thriving retail environment. The Downtown Development Authority and the Downtown District were tasked to take the lead on these changes to the public realm working in concert with the City of Houston.

The Dallas Street project will create a pedestrian-friendly experience from Milam to Crawford, with widened sidewalks on both sides of the street. The walkways will feature dense street trees, landscaping and signature lighting. The project reduces the number of lanes of traffic on Dallas, while widening the sidewalks, and requires a total street rebuild including significant sewer and water line improvements to better support the increased development in the area.

Program

The Small Retail Business Assistance Program (the Program) has been established by the Houston Downtown Management District (Downtown District) to assist small retail businesses that have suffered business disruption as a result of publicly-funded Downtown District or Downtown Redevelopment Authority construction projects on Dallas Street within downtown, between Milam and Crawford Streets. The program seeks to mitigate the adverse effects of reduced traffic to small retail businesses severely impacted by deep infrastructure reconstruction which has resulted in an extended period of closure of streets and/or sidewalks at the front doors of businesses in this location. Grant awards will contribute to a business' working capital.

Program Funding

Funding for the Program is through Downtown District's Retail Grant Program.

I. General Grant Information

A. Eligible Businesses

Assistance will be provided to any "Eligible Business" that is still in business at the "Eligible Premises" at the time of application and grant payment, and complies with the terms of these Guidelines, and meets the following criteria (see Definitions of terms in Section II below):

- (i) is a for-profit Small Retail Business;
- (ii) employs 30 people or less;
- (iii) must NOT have more than \$1,000,000 in gross annual revenue;
- (iv) is located on an Eligible Street;
- (iv) is an Eligible Premise;

- (v) submits documentation that shows a Demonstrated Impact on gross revenues, operating expenses or net income during the period of the street or sidewalk closure;
- (vi) submits a Grant Request Application; and is
- (vii) current on all tax assessments and other municipal charges.

B. Grant

A Grant is the Grant Amount up to \$25,000 determined by the Grant Amount guidelines below that may be sought by any Eligible Business located on an Eligible Street.

C. Grant Amounts

Subject to the requirements set forth in these Guidelines, Eligible Businesses may be awarded a one-time Grant, not to exceed \$25,000, based on the following:

- (i) 100% of Grant Amount for an Eligible Business whose gross revenues have decreased by 20% or more since construction began as compared to the same period prior to the start of construction;
- (ii) 15-16% Revenue Decrease = 50% of award;
- (iii) 17-19.9% Revenue Decrease = 75% of award.

II. Definitions

A. Eligibility Period

The Eligibility Period for the Program is from the date of commencement of construction for the Dallas Street Project (March 1, 2015) until construction concludes on or before June 30, 2016 or until designated funds in the program has been exhausted. The total amount of Program Grants is capped at \$125,000; applications will be reviewed and funds disbursed on a first come, first served basis.

B. Small Retail Business

A Small Retail Business is defined as a business that sells a product or good, including food and beverage, to individual customers. To be eligible, neither the owner of the business nor the business itself may employ more than 30 people at its location on the Eligible Street. Please note that national retailers, unless operated under a single owner franchise agreement, are not considered a Small Retail Business and eligible for this Program.

C. Eligible Street

Overall project boundaries are Dallas Street from Milam Street to Crawford Street.

- (i) An Eligible Street shall mean the one-block segment of any street within which all or a portion of such street or sidewalk has been closed or partially closed for at least 90 days due to a publicly- funded construction project.
- (i) The street and/or sidewalk closures must occur during the Eligibility Period and include publicly-funded street construction projects supported by Downtown District or Downtown Redevelopment Authority funds.

D. Eligible Premises

Eligible Premises shall mean a business premise (non-residential) whose primary entrance is located on the Eligible Street at which the Eligible Business operates its business. The Eligible Premises must have been open for business for at least an entire year prior to the temporary street or sidewalk closure along the Eligible Street and still be in business at that location when the grant is paid.

E. Demonstrated Impact

To be eligible for a grant under this program a business must demonstrate an impact on its revenues during the period of street or sidewalk closure. Impact may be by:

- (i) The submission profit and loss statements or cash flow statements for the current and prior years. Such statements will show the history of sales for the Eligible Business as well as current year-to-date sales and revenues compared to the same period in the year prior. All financial statements submitted with the application must be certified by an officer of the business. This certification must include the officer's signature, printed name, official title held at business, legal name of business and date.

III. Application Information

A. Application Timing

Applications will be accepted in the order they are received. Eligible Businesses must file a completed application for Program assistance. As noted on the application, each completed application must include:

- (i) a completely filled out and signed application;
- (ii) a copy of the written lease, deed or permit for the Eligible Premises at which the applicant is engaged in business, including any amendments; and
- (iii) submission of the current and prior year's profit and loss, or cash flow statements verifying the applicant's estimate of Demonstrated Impact.

B. Separate Applications for Multiple Locations

Applicants are required to file separate applications for each Eligible Premises.

C. Application Submission

Applications for Program assistance will be accepted through June 30, 2016 or the distribution of available funds. Applications will be processed in order of receipt of completed applications. Completed applications must be sent to:

Downtown District
Attn: Angie Bertinot
909 Fannin, Suite 1650
Houston, Texas 77010

IV. Grant Payments

A. Grant Disbursements

Grants will be disbursed on a first come, first served basis and subject to the availability of Program funds, upon verification of financial hardship, as well as continued eligibility by the Eligible Business under the Program and compliance with all terms, conditions and requirements set forth in these Guidelines. All grants must be approved by the Downtown District Board of Directors.

B. Grant Recapture

Grant recipients may be required to repay any or all money received under this Program if any of the following circumstances occur:

- (i) if grant recipient's application, including any information provided therewith or thereafter, contains any material misrepresentation; or
- (ii) if the grant was made in error; or

- (iii) if the grant recipient is not entitled to assistance under these Guidelines.

V. Processes

A. Determination Process

Applications will be reviewed for completeness and eligibility in the order that they are received. Applicants who submit an incomplete application will be notified in writing that their application is incomplete and what needs to be submitted in order to complete their application. Applicants will then have twenty business days from the date the notice is postmarked to submit whatever is necessary to complete the application. Complete applications will be further reviewed for eligibility. The Downtown District will use reasonable efforts to evaluate and process all applications in a timely fashion. All grant applications must be approved by the Downtown District Board of Directors which meets monthly. In the event an application is denied, written notification will be provided with the reason for denial. Eligible businesses will be notified in writing once they are approved for the grant.

B. Appeal Process

The Downtown District will notify applicants in writing if their application has been denied. If the applicant believes that its application was incorrectly denied (in whole or in part), the applicant may appeal such decisions within twenty business days from the date the denial notification is postmarked. Such appeal must be made in writing to the Downtown District and include such information as the applicant would like to be considered. The Downtown District's Economic Development/Retail Committee will consider and decide all appeals. All decisions by the Economic Development/Retail Committee shall be final. The Economic Development/Retail Committee will be the sole arbiter in interpreting the intent and implementation of the Program and these Guidelines.

VI. Additional Information

The Downtown District is offering the Small Retail Business Assistance Program in support of the businesses affected by the shopping district construction project on Dallas Street between Milam and Crawford Streets, due to its unique and extended construction disruption period. The Downtown District makes no guarantees that similar programs will be available for future construction projects of the Downtown District or the Downtown Redevelopment Authority.

These Program Guidelines and the application can be accessed at the Downtown District's website: www.downtownhouston.org.