



Midland Downtown Development Authority BUSINESS INCUBATOR Guidelines

The Incubator Program:

The Midland Downtown Development Authority (DDA) administers the Business Incubator Program to create vibrancy and business success in downtown Midland. The incubator program supports new retail, restaurants, entertainment and business concepts.

The Incubator program is available to:

- ground floor
- for-profit businesses
- retail, restaurant or entertainment businesses that are
- new to the Midland Downtown Development Authority (DDA) Tax Increment Finance (TIF) district. (see the attached map.)

The Incubator program is a **program**, not a space for new businesses to occupy.

For-profit business owners may choose any location within the DDA boundaries.

The property owner, in a leasing situation, must agree to the terms and conditions of the incubator program.

The Incubator program is offered through the DDA and administered by the DDA's Economic Sustainability Committee (ES).

Businesses that become part of the Incubator program will receive the following benefits:

1. The maximum rental subsidy over 18 months shall be \$10,000
2. Eighteen (18) months of subsidized rent on the following schedule:
 - a. Month 1-6 50% subsidy (\$830/ month maximum)
 - b. Month 7-12 33% subsidy (\$560/ month maximum)
 - c. Month 13-18 17% subsidy (\$275/ month maximum)
3. Participants are strongly encouraged to establish mentoring relationships with successful downtown businesses and/or staff of Delta College's Small Business Development Center (SBDC).

In exchange, the **business owner** agrees to the following conditions, which are strongly encouraged in an effort to ensure success:

1. The business owner shall, at a minimum, be open for normal business hours at least six (6) days per week.
2. The business owner shall obtain the services of a properly credentialed bookkeeper, attorney and CPA.
3. Active participation in bi-monthly Midland Downtown Business Association All Business meetings and an active presence on the downtown website, www.downtownmidland.com

Additional Criteria

1. The DDA may exclude businesses whose uses and proposed building façade and/or location are not consistent with the DDA's current adopted plan and the City of Midland Zoning Ordinance.
2. The business owner shall remain in continuous operation within the DDA district for three (3) years from the date opening. The DDA reserves the right to require repayment of any or all incubator subsidies paid to any business that fails or goes out of business prior to the completion of the three (3) year program requirement.
3. For purposes of the Incubator program, retail is defined as a business in which a majority of the floor space must be dedicated to the display of products available for sale on the premises. The DDA shall determine the minimum amount of floor space to be dedicated to restaurant or entertainment businesses on a case by case basis.
4. Consideration shall be given to new businesses, new concepts by existing downtown retailers and expansion of existing retail operations from outside the DDA district.
5. Franchise and chain business establishments are eligible to participate in the program.
6. The incubator program may be used along with the façade grant and loan program.

Application Process

1. The Business Owner/Operator applies for the incubator program and submits completed application and ***all attachments*** to the DDA Director, 333 W. Ellsworth, Midland, Michigan 48640.
 - a. Application must include a lease within the DDA district
 - b. Application must include a written business plan or a completed executive summary;
 - c. Application must included completed MiSBTDC Counseling Information Form

**** Applications will not be processed until ALL required attachments are submitted ****

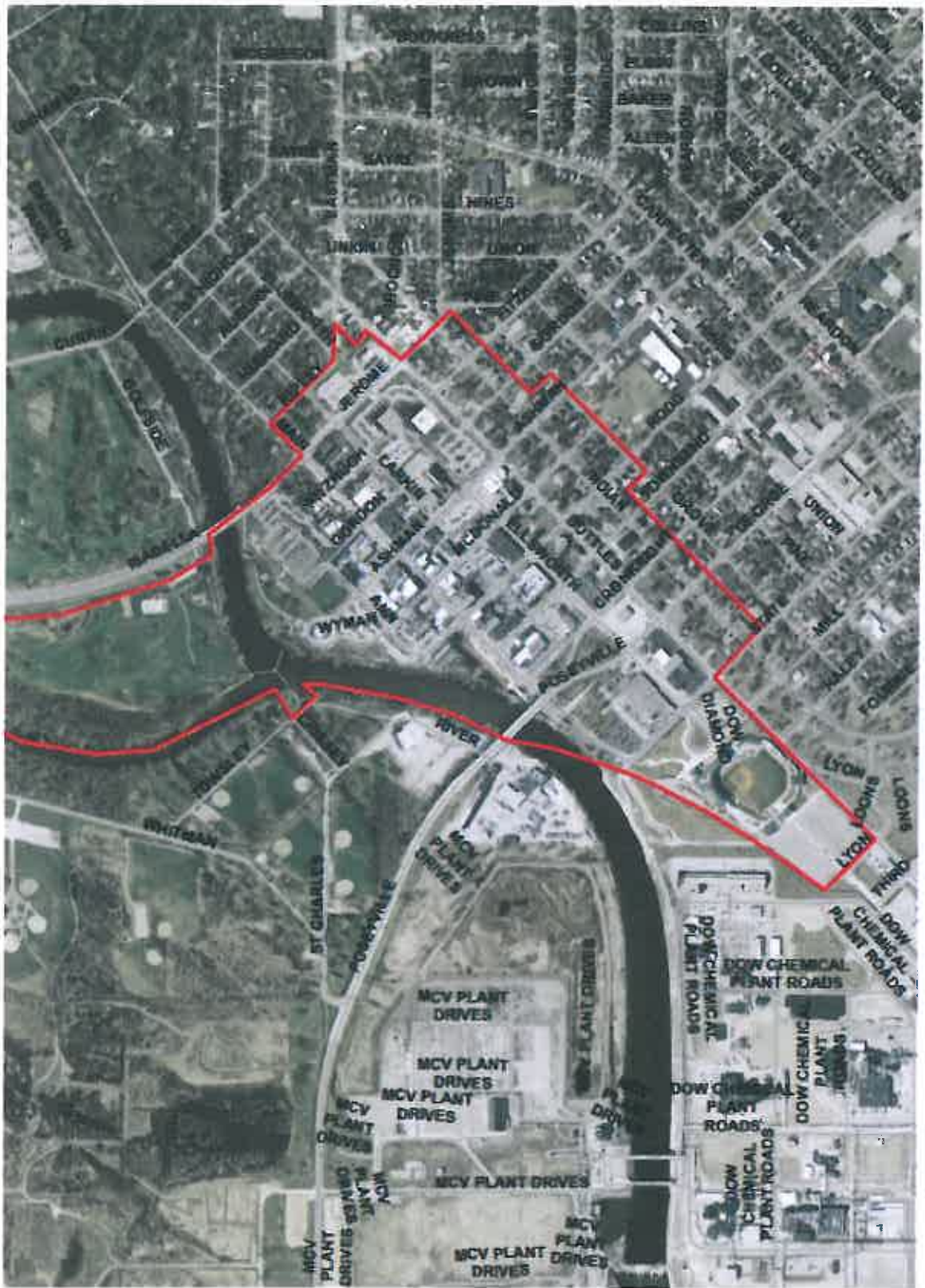
2. Once the complete application packet is submitted, the DDA director, DDA's Economic Sustainability Committee and Small Business Development Center (SBDC) conduct an initial review of the application.

3. The Economic Sustainability Committee makes recommendation to the DDA Board for final approval of the application.
4. Once the incubator application is approved by the DDA Board, DDA director and applicant finalize incubator payment process which begins the month after DDA approval, the month the business opens for operation and/or upon issuance of certification of occupancy where applicable.
5. The business owner/operator will receive the monthly incubator funding.

Additional Information

1. The applicant has one hundred eighty (180) days from the DDA Board approval to be open and be operational, unless other arrangements have been made.
2. Incubator subsidy payments shall begin the month that the approved incubator business is scheduled to open.
3. Incubator payments will cease upon completion of program or closure of the business unless alternate and agreed-upon arrangements have been made with the DDA office prior to closure of the business.
4. The business owner/operator is the intended beneficiary of incubator lease subsidy.
5. The DDA Board reserves the right to reject any application that, in the opinion of the DDA, does not meet the criteria and intent of the program.
6. The program is subject to change by the DDA Board.

Revised and adopted by the DDA, May 2013



 Midland DDA Boundary





**Midland Downtown Development Authority
BUSINESS INCUBATOR
Application**

Date: _____

Name of Business Owner/Operator (APPLICANT):

Name of Proposed Business: _____

Applicant's Address: _____

Address of Proposed Business: _____

Name of Property Owner: _____

Please complete for the best way to contact applicant:

Applicant's Preferred Phone: _____

Applicant's E-Mail Address: _____

Phone Number of Proposed Business (if available): _____

Please detail the type of business being proposed and product(s) sold, public served:

Will the proposed business be a for-profit business: Yes____ No____

Will the proposed business have a 501C3 not-for-profit business status: Yes____ No____

Does this business already have a written business plan developed? Yes____ No____

____ If yes, please check here and submit a copy of the business plan with the application;
____ If no, please check here and complete the Executive Summary document included in the incubator packet and submit with application.

Anticipated hours of operation (hours/day; days of week):

Monday _____
Tuesday _____
Wednesday _____
Thursday _____
Friday _____
Saturday _____
Sunday _____

Please list the names of persons your business will be working with in the capacities of:

Attorney: _____

CPA: _____

and/or Bookkeeper: _____

Please verify that the items below are included with your completed application:

- A copy of a draft lease agreement including lease amounts and term of lease (an unexecuted agreement is acceptable)
- A completed SBA Agreement Form for the Small Business Development Center's review of your business plan
- Your Business Plan (if already developed)
-OR-
- A completed Executive Summary for your business

I understand that as part of this program my business shall remain open, in continuous operation within the DDA district for three (3) years from the date opening and that the DDA may require repayment of any or all incubator subsidies paid to any business that fails or goes out of business prior to the completion of the three (3) year program requirement.

_____ Initials of applicant

I further understand that should my hours of operation vary significantly from those defined on my application that the DDA reserves the right to suspend my incubator payments and/or require repayment of any or all incubator subsidies paid to my business.

_____ Initials of applicant

Business Owner Signature: _____

Printed name _____

Date _____

Property Owner Signature: _____

Printed name _____

Date _____

FOR DDA OFFICE USE

Date of Receipt: _____

Scheduled Agenda Date for ES Committee Review: _____

Approval from Michigan Small Business Development Center that the applicant has sufficient business background and a reasonable business plan to continue. Date _____

Approval of Business Incubation Contract and Lease agreement by Downtown Development Authority Board _____

Terms:

First Subsidy Level: Amount \$ _____ Begins: _____ Ends: _____

Second Subsidy Level: Amount \$ _____ Begins: _____ Ends: _____

Third Subsidy Level: Amount \$ _____ Begins: _____ Ends: _____

Date of completion of three-year lease obligation and release of incubation obligations _____

2015 Meeting Dates and Deadline for Incubator Submissions

| Deadline to submit completed application | Economic Sustainability (ES) meets to consider applications | DDA Board Considers ES Recommendation / final approval |
|---|--|---|
| December 8 | December 17 | January 14, 2015 |
| 2015 | | |
| February 9 | February 18 | March 11 |
| April 6 | April 15 | May 13 |
| June 8 | June 17 | July 8 |
| August 10 | August 19 | September 9 |
| October 12 | October 21 | November 11 |
| December 7 | December 16 | January 13, 2016 |



U.S. Small Business Administration
Counseling Information Form

OMB Approval No.:3245-0324
Expiration Date: 11/30/2013

Client Number:
Location Code:
Initials of Data Inputter:

1. Name of the Office Providing the Service
2. City/State of Office Location
1a. Type of Client: Face to Face Online Telephone

PART I: Client Request for Counseling

3. Client Name (Name of the person completing the form/representative of the business)
4. Email
5. Telephone Primary Secondary
6. Fax
7. Street Address/PO Box (Give business address if currently in business)
8. City
9. State
10. Zip +4
11. I request business counseling service from the Small Business Administration (SBA) or an SBA Resource Partner. I agree to cooperate should I be selected to participate in surveys designed to evaluate SBA services.
12. Preferred date & time for appointment
13. Client Signature (type "I Agree" below)
Agreement Checkbox:
Date:

PART II: Client Intake (To be completed by all Clients)

14. Race (Mark one or more)
15. Ethnicity
16. Gender
17. Do you consider yourself a person with a disability?
18. Veteran Status: Non-Veteran Veteran Service-Disabled Veteran
18a. Military Status: Member of Reserve or National Guard On Active Duty
19. Referred by? (Mark all that apply)
20a. Are you currently in business?
20b. If yes, are you currently exporting?
21. Name of Business
22. Type of Business (choose primary category)
23. Business Ownership What percentage of your business is male or female owned?
24. Date Business Started?(MM/YYYY)
25. Do you conduct business online?
26a. Are you a home based business?
26b. Are you 8(a) certified?
27a. Total No. of Employees (Full & PT)
27b. Of total employees, how many are engaged in the exporting aspect of your business? (Full & PT)
28a. For your most recent full business year, what were your: Gross Revenues/Sales \$ +Profits/-Losses \$
28b. Amount of your Gross Revenues/Sales related to exporting \$
29. What is the legal entity of your business?
30. What is the nature of counseling you are seeking? (Choose primary category)

Company Logo placeholder

Executive Summary

[Company Name], [Street Address], [City, ST ZIP Code]
[Web site] [e-mail] [phone]

Our investment Premise – Our Story

INSIDE

- 2 Our Solution
- 2 Marketing Plan
- 3 Our Team
- 3 The Numbers
- 4 Competition
- 4 Funding Request

Your opening paragraph is the most important words you will write, you need to grab the reader's attention immediately. Open with your best information on why your investment premise makes sense and why the person needs to keep reading. You need to be concise. Some questions to consider:

What is the market need?

How did you get where you are today?

Why is this a compelling business model?

How and why are you positioned to win?

The problem

Describe the business challenge you are solving.

What is the pain you are solving?

What is the current state of the market?

Why is the market ready for change?

Why is this such a problem for the target market?

Does the target market understand that there is a problem?

Milestones achieved to date

- Milestone 1
 - Milestone 2
 - Milestone 3
 - Milestone 4
-

*Milestones to be achieved
within 12 months*

- *Milestone 1*

 - *Milestone 2*

 - *Milestone 3*

 - *Milestone 4*
-

Our Solution

Describe your solution.

What is the solution you are proposing to the problem identified above?

Why is your solution compelling to the target market identified below?

What advantages does your solution offer to the market?

Why would someone consider your solution?

What metrics would someone use to determine your products value. (Does it reduce time to market? Is it less expensive? Does it create a competitive advantage for the customer?)

Who are the decision makers in the target market?

Using this approach, you soon will be a pro at writing perfect-length articles and adapting existing articles to the space you have.

Our Technology/R&D



Caption describing picture or graphic.

Marketing Plan/Go-to-Market Strategy

Describe the target market.

What market are you targeting?

Why is this an attractive market?

How will you compete in this target market?

What is your pricing and delivery model?

Why is this target market in a position to want your product or service?

What does the sales cycle look like? How much time and money does it to close a sale?

Our Team

Describe the members of your executive team. You may want to consider placing pictures of the key members to the right. Insert pictures as necessary.

Focus on what each team member brings to the table.

Why would an investor fund this team?

What industry experience and background does each team member have that creates a compelling business case for an investor?



Caption describing picture



Caption describing picture

The Numbers

Describe the financial situation of your company.

Outline your key revenue and expense assumptions

Do you have revenue?

What are the costs associated with getting a sale?

When will you be profitable?

Is the product or service ready or will you need continued R&D?

You may want to consider showing this information in table or graphical format.

Typical executive summaries will include 5 years of high level revenue and expense projections

"To catch the reader's attention, place an interesting sentence or quote from the Numbers here."

Competition

This is where you describe the competition.

Who is your competition?

What do they offer that can create risks or opportunities for you going forward?

How are you positioned to capitalize on the competitions weaknesses?

How will the competitors respond to your entry into the market?

What are your competitive advantages?

Funding Request

This is where you tell the reader what you are asking for and why the investment will pay off.
Questions to consider:

How much are you asking for?

What will the money be used for?

How will the investment result in your achieving the milestones you have identified as targets to achieve in the next 12 months?

Why will you win in the marketplace?