

Motor City Match FAQs

Frequently Asked Questions



FREQUENTLY ASKED QUESTIONS & ANSWERS

Table of Contents

1. Motor City Match: The Basics
2. Eligibility
3. Application Details
4. Award Details
5. Selection Process
6. Additional Information
7. Building Owner Specific FAQs
8. Business Owner Specific FAQs

Updated: April 24, 2015

Motor City Match: The Basics

What is Motor City Match?

Motor City Match pairs the best businesses from the city and around the world with Detroit's best available real estate. The program helps businesses locate and thrive in Detroit by providing competitive grants, loans and counseling to building owners and business owners.

Why is Motor City Match needed?

Entrepreneurs looking to start or expand their businesses in Detroit face two major hurdles: 1) finding the right space; and 2) filling the financial gaps that arise even after finding the right space.

Who can apply to Motor City Match?

Motor City Match offers two competitive application tracks:

- **The Building Owner Track** is for Detroit property owners with a vacant space who are looking for quality tenants.
- **The Business Owner Track** is for businesses from Detroit and around the world that are looking to start or expand in Detroit.

Within each track, building owners and business owners apply for competitive financial and technical assistance to help them through renovation, build-out and startup.

How do I apply?

Business and building owners can apply online at www.motorcitymatch.com.

Print applications are also available at:
Detroit Economic Growth Corporation
500 Griswold Suite 2200
Detroit, MI 48226

Why should I apply?

Each quarter starting in Q3 of 2015 (July 1), we'll provide \$500,000 in matching grants to help business owners and building owners realize their dreams. We won't stop there. In 2015, we'll provide an additional \$1 million in small business and construction loans and \$1 million in support services.

Motor City Match awards are provided on a competitive basis due to limited resources.

Who runs Motor City Match?

The Economic Development Corporation of the City of Detroit (EDC) administers Motor City Match on behalf of the City of Detroit. The Detroit Economic Growth Corporation provides the staff.

Who funds Motor City Match?

The variety of Motor City Match funding sources reflects the unprecedented partnership behind this program to support small business growth in Detroit.

Funding for support services comes from U.S. Department of Housing and Urban Development Community Development Block Grants (CDBG). CDBG funds have been allocated by the City of Detroit to the Economic Development Corporation of the City of Detroit (EDC), which administers the program.

Matching grants will be funded by grants from a variety of philanthropic partners.

A partnership of six lending partners will help facilitate small business and construction loans: Detroit Development Fund, Invest Detroit, Detroit Microenterprise Fund, Capital Impact Partners, Detroit Local Initiatives Support Corporation (LISC) and the Michigan Women's Foundation.

Several city departments, small business service providers and community organizations are also part of the unified partnership to advance small business growth and corridor revitalization in Detroit.

What are the objectives of Motor City Match?

Motor City Match supports projects that meet one of two program objectives:

1. Providing a benefit to low- and moderate-income ("LMI") persons on an area basis.
2. Removing slum or blight.

Eligibility

Does my project have to meet a program objective to be eligible for Motor City Match?

Yes. Motor City Match participants must meet one of two program objectives to be eligible to receive financial or technical assistance.

Please see the Building Owner or Business Owner program guidelines to see how program objectives are defined and determine if your project meets program objectives.

Are there additional eligibility requirements for building owners and business owners?

Yes.

Building Owner eligibility criteria include:

- Property must be structurally sound, with a roof in place.
- Property must be secured and safe for entry.
- Property cannot have outstanding blight or dumping tickets.
- Property must be current on water bills with Detroit Water and Sewer Department.
- Property must be vacant on or before January 1, 2015, unless an exception is granted.
- Property owners must be in good standing with the City, County, State of Michigan and Internal Revenue Service (IRS).
- Majority interest in the property ownership entity must be held by someone 18 years of age or older.

Business Owner eligibility criteria include:

- Businesses and owners must be in good standing with the City, County, State of Michigan and IRS.
- Businesses must be formed or incorporated before applications are submitted.
- Majority interest in the business must be held by someone 18 years of age or older.

Is Motor City Match open citywide or only in certain areas?

Motor City Match is a citywide program, but location plays an important role in determining if a project meets a program objective. See building owner and business owner program guidelines for more information.

Do applicants need to be Detroit residents to apply for Motor City Match?

No. Applicants are not required to live in the city, but all businesses and buildings in the Motor City Match program must be located within the city.

Who is NOT eligible to apply?

- A building owner who is leasing to a business that is open at the time of the competition.
- Employees, elected officials or appointed officials or officers of the City of Detroit government.
- Employees or board members of the DEGC or EDC.
- Contractors affiliated with the Motor City Match program.
- Motor City Match jurors.
- Spouses and dependents of employees and board members of the City, DEGC and EDC, and contractors affiliated with the Motor City Match program; and Motor City Match selection committee.

Application Details

How do I apply?

Apply online at www.motorcitymatch.com or get a printed application at the offices of the Detroit Economic Growth Corporation at 500 Griswold Street, Suite 2200, Detroit, MI 48226

When are applications due?

Building Owners will have two opportunities to apply to compete for technical assistance and financial assistance in 2015:

- Round 1: Applications open April 1 and close May 1.
- Round 2: Applications open August 1 and close September 1.

Business Owners will have two opportunities to apply to compete for technical assistance and financial assistance in 2015:

- Round 1: Applications open June 1 and close July 1.
- Round 2: Applications open September 1 and close October 1.

Starting in 2016, *businesses* will compete four times per year, with applications due the first day of each quarter (January 1, April 1, July 1 and October 1).

If I have questions or need help filling out my applications, what should I do?

Information sessions will be held to provide more information on the program and the application process. Event information will be posted www.motorcitymatch.com/news-event.

If you have questions, contact Motor City Match at:

info@motorcitymatch.com or 844-DET-4 MCM (844-338-4642)

Do I have to create a profile as part of the application process?

Yes. Starting a profile gives you access to the application and allows us to follow up with additional information, questions and opportunities. The profile will allow you to simply update your application should you choose to apply again to Motor City Match. It also allows you to submit everything online instead of coming downtown.

Will building and business owners receive a confirmation that their application has been received?

If applying online, applicants will receive an automatic confirmation email after submitting. If applying with a printed application, applicants will receive a confirmation email once applications are processed. It may take several days to process printed applications. Please note that **an email address is required** to receive confirmation that an application has been received.

Business Owner applications aren't open yet. Can I pre-register?

Yes. Before business applications open, interested business owners can create their profile online. Any entity that registers will be contacted with further information prior to the launch of the program and will be invited to fill out the program application form to compete for Motor City Match awards.

Award Details

What types of awards are available to Motor City Match Applicants?

Awards are made quarterly. Motor City Match breaks the awards into four categories for each track:

Get Ready – Building applicants reaching this award level will have their property listed as available on the Motor City Match site. Business applicants will be eligible for free business planning classes. Up to 50 businesses and all qualified building owners will reach the Get Ready category.

Make a Match – Building owners reaching this level will receive a building assessment and be marketed as a top destination for new business in Detroit. Businesses will benefit from 1:1 match making with real estate along with expert guidance on leasing, financial planning and assessing market opportunities. Up to 25 businesses and 25 building owners will reach the Make a Match category.

Make a Plan – Building and business owners at this stage will have recently made a match and need help planning renovations. These participants will receive design/build assistance, financial planning assistance and priority permitting. Up to seven building owners and seven businesses will reach the Make a Plan category.

Match Your Cash – Applicants reaching this level will have made a match, have a plan for build-out and a strong understanding of the financial requirements to open for business. Building and business owners will have the opportunity to submit a single loan application to Motor City Match’s six lending partners for a streamlined financing process. If there are gaps in financing, applicants can compete for \$500,000 in matching grants (up to \$100,000 per project). Up to 10 projects will be considered for the Match Your Cash category.

What kind of technical assistance is available? Will applicants receive money to pay for the services provided?

Technical assistance awards include the following award packages:

- Get Ready
- Make a Match
- Make a Plan

While services offered through technical assistance awards have value, there is no money awarded.

What kind of financial assistance is available?

Financial assistance awards include the “Match Your Cash” award package. Financial assistance includes 1:1 matching grants as well as business and construction loans.

How do I know if I’m ready for financial assistance through Motor City Match?

Business owners and building owners being considered for financial assistance through the “Match Your Cash” award package will have:

- A signed lease or letter intent. In other words, a match has been made between a building owner and a business owner.
- A plan for building renovations and tenant improvements, including bids from contractors that show the cost of improvements.
- A sound understanding of how much money they have ready to invest and how much money they need.
- A minimum of 10% of equity to put toward total project costs.

In addition, building owners and business owners must provide various documents that will allow Motor City Match staff to verify the legitimacy of the property or business and the financial well-being of the owner(s). Examples include personal financial statements, balance sheets, business organizing documents and current accounts payable/receivable. For a full list of required documents, please see the building or business owner program guidelines.

How does financial assistance through Motor City Match work?

Motor City Match grants cannot be substituted for private financing or capital. In other words, matching grants are meant to help “fill the gap” for projects that can’t get all the money they need to get open.

First, Motor City Match applicants will be considered for financing. They can apply for a small business or construction loan from the program’s six lending partners. To simplify the process and

ensure the best rates and terms, applicants complete one application that is reviewed by all of the lending partners at the same time.

If business or building owners cannot secure all of the money needed from loans or their own equity, a limited number of matching grants are available to fill the gap. Grants can match equity investment dollar-for-dollar up to \$100,000 per project. A project is defined as the total investment at a single location for both the business and the building.

What are matching grants?

All grants are 1:1 “matching grants” designed to match building owners’ cash equity investment, essentially doubling the amount of cash available to invest in the project. In other words, if a Motor City Match awardee has \$10,000 in cash equity available to invest in the project, they will be considered for a \$10,000 grant.

What can I count toward my match?

1:1 matching grants match your cash. “Cash” or “Cash Equity” is defined as cash on hand that is ready to invest in the building or the business. A bank statement will be the primary means for determining the available amount of cash equity eligible for a matching grant.

Cash or equity sources include:

- Personal savings
- A gift from a family member or other private entity
- An unsecured loan from a family member or other private entity
- Cash raised from crowdfunding
- Funds borrowed against a 401k BUT NOT a 401k withdrawal
- Other definitions of equity based on the sole discretion of the Motor City Match selection committee

Cash or equity sources may NOT include:

- A secured loan
- A cash advance from a credit card
- Personal savings from an unlawful activity

Can I get a matching grant if I don’t have any money to contribute to my project?

No. Motor City Match grants are equity-matching grants. If an applicant does not have any cash or equity from the sources listed above, the applicant cannot receive a grant. Applicants must have a minimum of 10% of project costs in equity ready to invest to be considered for grants. .

What can I use matching grants and loans for?

Building owners and business owners may use grants and loans to pay for:

- Interior building renovations
- Exterior building renovations
- Equipment
- Code compliance

Additionally, business owners may use grants and loans for:

- Working capital
- Inventory

What is the maximum “Match Your Cash” grant award?

The maximum grant award is \$100,000 per project. Both business owners and building owners can receive grants to support a project. By “project,” we mean total investment at a single location for both business and building. In total these grants may not exceed \$100,000. In total these grants may not exceed \$100,000.

Do grantees receive the funding up front?

No. Matching grants are given on a reimbursement basis and accessed by grantees on a “draw-down” basis. More details will be provided when grants are awarded.

What if I spend money on qualifying expenses before I am selected as an awardee? Can my expenses be reimbursed?

Motor City Match awardees will be notified as soon as they are selected for a grant and/or loan award. Prior to notification, there should be no expectation that costs will be reimbursed.

What if I don’t use all of the matching grant funds I was awarded? Can I keep the money?

No. Any grant funding unused at the end of a 1-year period will be forfeited and reallocated by the Motor City Match program.

Is it possible to win multiple awards as I make progress on my project?

Yes. Motor City Match participants can win every award offered once. Awardees can apply to compete for higher award levels after receipt and successful completion of lower level awards.

Receipt and completion of an award does not guarantee selection for a higher award level. Winning technical assistance awards does not guarantee selection for grant awards, nor is it a prerequisite for applying for grant awards.

Selection Process

What is the process for selecting Motor City Match winners?

Motor City Match awards are issued on a competitive basis due to limited resources.

Business owner and building owner applications are scored based on five criteria by a selection committee. Scores are used to choose participants and make awards.

The various award levels are designed to help business owners and building owners based on where they are in the start-up and redevelopment process. First, applicants are sorted into these tracks and then scored to determine which will receive awards.

Within each of the award levels, specific requirements must be met. Please refer to the Motor City Match Building or Business Owner Guidelines documents for details.

How are Motor City Match applications scored?

Applications are scored on five criteria, listed below. Each criterion is worth 20 points, for a potential maximum score of 100 points. See the building or business owner program guidelines for further details.

Building Owner scoring:

1. Building characteristics and vision to support new business.
2. Conditions of the building structure and systems.
3. Community and market support for new businesses and business district revitalization.
4. Leverage of property owner investment in the space and other community investment initiatives.
5. Compliance on program objectives, taxes, tickets and utilities.

Business Owner scoring:

1. Vision and plan for the business based on the soundness, completeness and creativity of the concept.
2. Experience and capacity of the business owners and key members of the business team.
3. Market opportunity to meet economic demand and advance business district revitalization.
4. Community support for new business including benefit to low to-moderate income communities.
5. Leverage of business owner investment and other community investment initiatives in the area.

How long does the selection process take?

Our aim is to select and announce awardees every 90 days. That may vary based on the number of applications.

Additional Information

What is expected of Motor City Match awardees?

All awardees are expected to utilize their award within one year of receipt. Awardees may be required to sign an agreement that outlines terms and conditions for receiving the award. Award winners are expected to attend events designed to connect them with other award winners and resources. They are also asked to share their story via media opportunities.

Are grant awards taxable income?

Yes, all grant awards are considered taxable income by the IRS. Award winners will receive a W-2 from the DEGC for tax purposes.

Are technical assistance awards taxable income?

No.

How is application information used?

Applicant information is shared with the Detroit Economic Growth Corporation (DEGC) to provide direct follow-up on all applications. DEGC has a business attraction program that connects businesses with support services. If DEGC cannot directly help a business, it will connect that

business with one of its non-profit partner organizations that can. Many of these non-profit partners are featured on the BizGrid list of business support services.

Applicant data is used only for the award selection process and providing business support. Applicant data is not sold.

Building Owner Track FAQs

What types of properties are eligible to apply to the Building Owner Track?

Vacant commercial, industrial, office, warehouse or co-working buildings are eligible. Residential properties and vacant land are not eligible.

What condition must the buildings be in to participate in Motor City Match?

At a minimum, properties must be structurally sound, with a roof in place, and be secured and safe for entry.

Is the Building Owner Track open to for-profit and non-profit organizations?

Yes. The Building Owner Track is open to for-profit and non-profit entities.

Non-profit organizations that own real estate may apply. Faith-based organizations that own real estate are also eligible to apply, subject to §570.200(j).

For-profit property ownership entities may be Sole Proprietorships, General Partnerships, Corporations (Inc., Corp.), Limited Liability Companies (LLC), and Limited Liability Partnerships (LP, LLP). Property ownership entities must be formed or incorporated prior to submission of the application.

Can individuals or companies that own multiple buildings or multi-unit buildings apply multiple times?

Yes.

Do individuals or companies that own multiple buildings or multi-unit buildings have to submit an individual application for each vacant space?

Yes. A separate application must be submitted for each property

Are buildings that will be vacant soon after the deadline eligible to apply?

No. The building must be vacant by January 1, 2015 to apply.

If I'm selected for a "Make a Match" award, do I have a say regarding whom I'm matched with?

Yes. That decision is made between the building owner and the business owner. Building owners and business owners will sign a lease or letter of intent to "make a match." Make a Match awardees will receive a sample letter of intent and lease as well as training on leasing considerations to help with match making.

How soon after receiving a Motor City Match grant award and completing improvements can a building be sold?

A building receiving Motor City Match grant funding cannot be sold for at least two years after renovations are made. Motor City Match strictly prohibits and strongly discourages building owners from “flipping” their property to capitalize on grant-funded renovations that increase the value of the property.

Can Motor City Match help me purchase a vacant property from a building owner or a property owned by the City of Detroit? Can Motor City Match help me sell my property?

No. Motor City Match does not engage in or facilitate the purchase or disposition of real estate.

Business Owner Track FAQs

Can a not-for-profit organization apply to the Business Owner Track?

No. Not-for-profit organizations cannot apply to the Business Owner Track.

Can an online business apply?

The aim of the Motor City Match program is to place a new or expanding business in a previously vacant commercial property. If the online business will not be occupying a commercial space in Detroit, it is not eligible to apply.

If I win an award, can I open my business somewhere besides Detroit?

Businesses must locate within the city of Detroit for at least 2 years.

What if I go out of business before the end of two years? Will I have to repay the money I received?

Although the goal of MCM is to select businesses that will be permanent fixtures in their respective communities, help from the program does not guarantee success. The program will address business closures on a case-by-case basis.

If I’m selected for a “Make a Match” award, do I have a say regarding whom I’m matched with?

Yes. That decision is made between the building owner and the business owner. Building owners and business owners will sign a lease or letter of intent to “make a match.” Make a Match awardees will receive a sample letter of intent and lease as well as training on leasing considerations to help with match making.

I am a business owner and I also own vacant real estate to be used for my future business location. Can I apply for both tracks of Motor City Match (Building Owner and Business Owner)?

Yes. Business owners who own vacant real estate for their future business location may apply to both the Building Owner and Business owner tracks. Business owners with their own property are considered to have “made a match” and therefore will be considered for “Make a Plan” and “Match Your Cash” awards.

I have a few business ideas. Can I submit multiple applications for my business?

Business owners are limited to one application per business. If a single business submits multiple applications, all applications for that business will be removed from award consideration.

How long do businesses have between receiving technical and/or financial assistance and opening their doors for business?

Businesses must open within one year of receiving their financial assistance award. There is no timeframe associated with technical assistance awards.