

# Motor City Match FAQs

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## FREQUENTLY ASKED QUESTIONS & ANSWERS

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Updated: August 2021

# **Motor City Match: The Basics**

## **What is Motor City Match?**

The goal of Motor City Match is to help start new, permanent businesses and expand existing businesses in Detroit's commercial corridors by providing tailored assistance throughout the launch and growth process.

Motor City Match tackles the city's entrepreneurship challenges by matching Detroit businesses with the necessary support services, funding options, and available real estate. The program offers one-on-one consultations, subject specific workshops, technical assistance, access to professional services, site selection assistance, competitive grants, and loan counseling.

Winning entrepreneurs looking to start or expand their business in Detroit must locate within the City of Detroit for at least two (2) years, provide verification of new jobs created or existing jobs retained, and demonstrate a benefit to the community.

## **Why is Motor City Match needed?**

Entrepreneurs looking to start or expand their business in Detroit face three major hurdles:

- 1) Need a Business Plan & Financial Documents
- 2) Finding adequate physical business locations
- 3) Filling the financial gaps in their project that arise, even after finding a location

## **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
- 2) Removing slum or blight.

## **Who can Apply to Motor City Match?**

Motor City Match offers competitive applications tracks for two categories of businesses:

- 1) **Microenterprises (5 or fewer employees, including the owner)**
- 2) **Small Businesses (More than 5 employees, including the owner)**

## Award Details

Motor City Match applicants compete for two types of awards:

1. **Technical Assistance Awards** and
2. **Financial Assistance Awards.**

Sources of funding for different award types have specific policies that guide the selection of Motor City Match awardees. Technical Assistance awards within the Plan, Develop, and Design Tracks are supported with funding from the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) program. Financial Assistance Awards within the Cash Track are supported with funds from the City of Detroit and private philanthropic sources.

### Technical Assistance Awards

Motor City Match Technical Assistance awards provide eligible awardees with support in the form of business services, access to classes and workshops, and one-on-one consultation including, but not limited to, business planning, financial management and design assistance. The cash value of Technical Assistance awards for each track will vary based on the unique needs of awardees.

Technical Assistance will be approved at the discretion of Motor City Match Staff based on completion of program milestones and compliance with HUD CDBG guidelines. Awardees will only receive Technical Assistance that can be demonstrated to aid in achieving the business goals laid out in their application. **The value of all Technical Assistance awards for any one business will not exceed \$50,000 in any one award year. Technical Assistance awardees are not automatically entitled to the maximum amount of Technical Assistance funding.** Technical assistance awards include the following award tracks:

- Plan
- Develop
- Design

*Please note that while each of the services offered through technical assistance awards has a value, there is no money exchanged between Motor City Match and the awardees for Technical Assistance services.* Technical Assistance may constitute taxable income to awardees.

### Financial Assistance Awards – Cash Grants

Competitive grants are funded by the City of Detroit's general fund and private philanthropic sources. **Motor City Match grants will not exceed \$100,000.** Motor City Match will issue monetary grants to qualified awardees based on their eligibility criteria and program requirements. Matching grants can be used for the following eligible expenses:

- Business and professional services
- Design services and drawings
- Exterior and interior building renovations
- Permanent and mobile equipment
- Code compliance
- Working capital
- Inventory

**Grants are available for businesses that can't get any or all the financing they need to get open.** Grants are not a substitute for readily available financing and a minimum of 10% owner equity is mandatory for consideration. Grant disbursement is subject to satisfaction of program milestones.

## **Questions from Info Sessions 1 & 2**

### **September 2021**

#### **I am both a Building and Business Owner. Can I apply?**

The Building Owner Track is for Detroit Building Owners looking to lease vacant commercial space to MCM businesses.

If your building is vacant and you are looking for a tenant you can apply to have your vacant commercial space listed on our Make-a-Match Map:

<https://www.motorcitymatch.com/building-owner/>

If your business meets the requirements you can apply to become a Business awardee here: <https://www.motorcitymatch.com/business-owner/>

Here are the requirements:

- NEW businesses – if you are a business that is already open in a permanent brick & mortar location, MCM does not provide services
- An existing business seeking assistance for a NEW LOCATION is considered a new business
- For profit- must be a for-profit business or non-profit property owner with a for-profit tenant
- Detroit based – must be linked to Detroit through residency or operation

**We own a building and need support to complete renovations - the building will have both for and not-for-profit services. Will it be eligible for the cash application?**

Yes. As long as there is already a for-profit business secured as a tenant in the building, you would be eligible for the Cash Track.

**Can the building be owner occupied as an expansion?**

No. Motor City Match services and funds are not available to businesses expanding in the space they currently occupy - whether or not the business owner also owns the building does not affect this rule.

**If we are new, no building yet, during the plan stage are we getting help with a building?**

- Yes, MCM staff will help you determine the appropriate type of space for your business.
- However, the main goal of the Plan track is designed to help you to refine, formalize, and launch your business idea through instruction and guidance in business plan writing and financial document development.
- MCM staff will help you identify your customers, identify appropriate spaces where you can best reach your customers, and develop a budget for start-up.
- None of the MCM tracks include explicit help with purchasing a building. MCM is designed to match businesses with vacant commercial real estate available for lease.

**I just purchased a business/building in Detroit, would this be considered a NEW business?**

If you are not yet transactional out of that building in Detroit you could qualify to apply.

**Can we get help with new builds?**

Unfortunately no, this program is for working with existing buildings only.

**I don't own the building but I have been given the opportunity to use the building for my business. Does this qualify?**

Yes, we will just need a signed Letter of Intent, Deed or Lease in order to proceed.

**Would opening a new area of our building to retail be considered a 'new location'? (we would like to open our basement space to retail)**

- It depends. If the “new area” is leased to different business than is currently operating in the building, then yes it is considered a new location for a business.
- If the “new area” of the building will be occupied by the current tenant expanding operations, then no, it is not considered a new location. It would be considered an expansion.

**Is this only for brick and mortar businesses?**

- No, the Plan and Develop Tracks are designed for businesses that have not secured a permanent brick & mortar location.

**On average, if I decide to put my building on the map, approximately how long would the lease to the awardee be for in years?**

Building owners who place their property in the Motor City Match database are to determine or negotiate the length of leases for tenants.

**I own a building on the Eastside in Detroit. Looking to make it a coffee shop. What do I qualify for?**

You could apply to the Design Track and we would work with you and TA providers to see if any renovations need to be made and to determine a budget for a build-out of a coffee shop.

**Does my building purchase count towards my 10 percent equity?**

Yes, purchase of a building is considered a portion of your equity invested in the project.

**What is the timeline for cash disbursement after notification? Cash award expires one (1) year post notice, or one (1) year post disbursement?**

Financial assistance associated with this award must be accessed through an initial grant disbursement within 1 year of the date of approval by the EDC Board of Directors.

**If we want to go for Cash Track but need help getting financial documents together is this possible?**

Yes, both the Plan Track and Develop Track offer workshops, technical assistance, and one-on-one consulting to help you develop the documents you need to apply for the Cash Track and access capital from other sources. We recommend you apply to either the Plan Track (if your business is not transactional) or the Develop Track (if your business is transactional).

## **What is the amount of the match percentage for cash?**

- Grant amounts are determined on a project-by-project basis depending on the financial need of the applicant. On average, Motor City Match grants cover between 25-30% of total project costs.
- A minimum of 10% equity investment is required for a project to be considered for a Cash Grant.
- The maximum grant award is \$100,000 per project. Businesses must have money ready to invest, whether it's their own equity, financing, or both. Loans are facilitated through Motor City Match's lending partners.
- Grants may only exceed 50% of the total project cost based if the total project cost is less than \$40,000

## **Does money that developers invest on your behalf count towards the 10%?**

The money that developers invest on your behalf of the project counts towards the 10% personal equity if these funds are the result of equity deal with these developers in which they have an ownership stake in the business.

## **Are the grants distributed at different times, or all at once?**

The Cash Track is the only grant specific track and it is not distributed all at once.

## **For the Plan Track, we don't need a business plan right?**

Correct, the Plan Track is to help and assist business owners develop a formalized business plan.

## **If I have an online, home-based, pop-up, or other business not operating out of a permanent location, what should I apply for?**

- You should apply to the Develop Track. The Develop track will help you develop your idea, create a plan for growth, and find a permanent location in Detroit.
- If your business has zero intention of ever operating out of a physical commercial location, you are encouraged to leverage alternative business development programs focused explicitly on home-based or online businesses.

## **I purchased a home for a day care that is not currently open. I'm currently renovating. Do I qualify for an award?**

You could apply to the Design Track and we could work with you to look into if your residential property could qualify for a change in zoning to a commercial property.

### **Do I get to pick my architect or does MCM pick the architect?**

You are able to choose from a list of qualified and approved architects that MCM will connect you with.

### **Does Technical Assistance involve website building or help of any kind?**

- Website building is a service included in TA.
- Other types of services include but are not limited to: • Business Formation & Registration • Legal Services • Business Consulting • Sales Tracking and Projections • Accounting & Financial Planning • Marketing & Branding • Technology Consulting & Web Development • Interior Design & Merchandising • Building Condition Assessment • Feasibility Studies

### **Will you notify finalists November and give out award by December 31?**

Yes, we will be notifying finalists in November and letting awardees know before year end.

### **What if you don't reach 100 points, is there a threshold that would be acceptable?**

100 points is the maximum total points any application can be scored. Awardees and finalists will be chosen based on their application score relative to other applicants in the round that they apply. There is no minimum or maximum point total required to be a finalist or awardee.

### **If you currently do work with the City of Detroit with a multiyear, city wide contract, can I still apply?**

Yes, you can still apply!

### **I recently opened my store in Oak Park. Can I apply for any of the tracks? I live in Detroit but I opened my store in Oak Park Michigan. Can I participate?**

Unfortunately, no. The MCM program uses Federal and City funds specifically designated for businesses operating out of a brick and mortar located in Detroit.



## **Is this timeline the same for Motor City Restore?**

Motor City Restore has not yet launched a new application but we will keep people notified as it becomes available.

## **Do Vending Machine businesses qualify for this program?**

If your vending machine business would like to expand and operate out of a brick and mortar in Detroit then it would qualify for MCM.

## **If we are currently located in Farmington Hills MI, and want to expand to Detroit are we able to?**

Yes, an existing business seeking assistance for a new location is considered a new business.

## **Would city of Detroit employees be ineligible?**

- It depends on what part of the City that applicant currently works for.
- For example, if you are a Detroit Firefighter then it's unlikely you are involved in work that could influence the application decision-making process.
- We encourage you to apply and on the application disclose what your employment with the City is.

## **Dependents as defined by a person being the child of a City of Detroit employee? OR would applicants just have to disclose their relationship to the employee?**

Dependents are considered children, persons under legal guardianship, or other relatives sharing a home with the applicant. We ask that applicants disclose such relationships so that the MCM team may verify that no conflict of interest is present.

## **I think I filled out for the wrong award I filled out for Plan Track when I think I should've applied for Develop Track.**

If you've already applied and believe you submitted an application to the wrong track, email us at [motorcitymatch@gmail.com](mailto:motorcitymatch@gmail.com) and we will work with you to resolve it.

## **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 the two aforementioned program objectives to be eligible to receive financial or technical assistance. Your business must

also not have any conflicts of interest as it relates the to DEGC, EDC, and the City of Detroit.

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.

## **How Do I Apply?**

Apply online at [www.motorcitymatch.com](http://www.motorcitymatch.com).

### **Application Assistance**

Information sessions will be held periodically and will occur at least once per application period. The schedule of events will be posted at [www.motorcitymatch.com](http://www.motorcitymatch.com).

### **Application Confirmation**

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

### **Who Operates Motor City Match?**

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

### **Who Funds Motor City Match?**

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.

Our partnership with six lending partners facilitates 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.

### **Are There Additional Eligibility Requirements For Building Owners & Business Owners?**

- Applicants may be asked to provide basic financial information to provide early indication of financial feasibility.

- Applicants may be asked to provide documentation of revenue and business activity
- Award selection is subject to approval by the EDC Board of Directors.
- Technical Assistance associated with this award expires one (1) year after the date of approval by the EDC Board of Directors

### **Building Owner eligibility criteria include:**

- 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 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.
- Business owner must be free of any actual, potential or perceived conflicts of interest.

### **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 do not have to be Detroit residents if their business regularly operates in the city of Detroit (ex: vendor at Eastern Market) or if they have secured a lease deed or letter of intent for a commercial location in the city of Detroit. Once awarded, businesses must locate within the City of Detroit for at least 2 years, provide verification of new jobs created or existing jobs retained, and demonstrate a benefit to the community.

### **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.
- 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 and Motor City Match selection committee.

## Application Details

Awards will be announced on a quarterly basis. Business Owners and Building Owners have four opportunities each year to compete for technical assistance and financial assistance. The following dates provide the general schedule. Specific dates for each round will be posted in the application and on the Motor City Match Website. Application periods may be delayed or extended at the discretion of program staff.

<b>Application Open and Close</b>	<b>Award Selection</b>	<b>Awards Notified</b>
December – January	January – March	March 31
March – April	April – June	June 30
June – July	July – September	September 30
September – October	October – December	December 31

Winners shall be selected within 60 days of the closing of any application period. All applicants not selected for an award who would like to participate in subsequent rounds must re-apply each round for that award track.

### **If I have questions or need help filling out my applications, who should I contact?**

If you have questions, contact Motor City Match at [www.info@motorcitymatch.com](mailto:www.info@motorcitymatch.com) or call 844-DET-4MCM (844) 338-4626

### **Businesses being considered for awards must agree to the following:**

- Businesses must locate within the City of Detroit for at least 2 years following the award.
- Compliance with relevant technical assistance and financial assistance award requirements.
- Willingness to coordinate with financing professionals to assist in the underwriting and financing of the project.
- Personal financial statements, tax returns, and other financial documents may be requested for consideration of technical assistance awards and are required for consideration for grants and loans.

### **Business Location:**

For eligibility and evaluation purposes, businesses will also be considered based on their location status at the time of application submittal.

Businesses with No Permanent Location – this includes new businesses, home-based, web-based, mobile, pop-up businesses and building owners that have not secured a tenant seeking support services for launching, expanding, or permanently locating in Detroit; these businesses are eligible to apply for the Plan and Develop Tracks

1. Brick & Mortar Businesses – this includes businesses located in a commercial space and building owners that have secured a tenant seeking support services or funding for launching or expanding in a permanent location in Detroit; these

businesses are eligible to apply for the Plan, Develop (space), Design, and Cash Tracks

### **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.

### **Do I have to create an online profile as part of the application process?**

Yes. Starting an online 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 physically coming downtown.

### **What Types Of Awards Are Available To Motor City Match Applicants?**

Applicants will compete for financial and technical assistance. On a quarterly basis, there are four tracks available: Plan, Develop, Design, and Cash.

1. **Plan** – one-on-one consulting, classes and workshops, and access to technical assistance **for up to 15 entrepreneurs** seeking to refine, formalize, and become transactional with a business idea
2. **Develop** – one-on-one consulting, classes and workshops, access to technical assistance and professional services **for up to 25 businesses** seeking to develop their idea, create a plan for growth, and choose an appropriate location for their next phase of development
3. **Design** – one-on-one consulting, classes and workshops, access to technical assistance and professional services **for up to 10 businesses** that have secured a location, settled on an appropriate growth plan, and need to create a design and program specific to that location
4. **Cash** – **Up to \$500,000 in grants and loans for up to 15 projects** that have secured a location, settled on an appropriate growth plan, and created a design and program specific to that location. The maximum grant award is \$100,000 per project. Businesses must have money ready to invest, whether it's their own equity, financing, or both. Loans are facilitated through Motor City Match lending partners.

### **Technical Assistance Awards**

1. **Plan Award.** *Business idea that needs formalizing and refining before launching:*
  - Up to 15 winners may be selected
  - Applicants may be interviewed
  - Applicants may be asked to provide basic financial information to provide early indication of financial feasibility.
  - Award selection is subject to approval by the EDC Board of Directors.

- Technical Assistance associated with this award expires 1 year after the date of approval by the EDC Board of Directors
- 2. Develop Award.** *A transactional business seeking assistance developing and choosing the right strategy and space for growth:*
- Up to 25 winners may be selected.
  - Applicants may be interviewed.
  - Applicants may be asked to provide basic financial information to provide early indication of financial feasibility.
  - Applicants may be asked to provide documentation of revenue and business activity
  - Award selection is subject to approval by the EDC Board of Directors.
  - Technical Assistance associated with this award expires 1 year after the date of approval by the EDC Board of Directors
- 3. Design Award.** *Business owners with a great idea and a great business plan that secured a space but don't have a plan for tenant improvements:*
- Up to 15 finalists may be selected by Motor City Match staff.
  - From the 15 finalists, up to 10 winners may be selected by Motor City Match staff.
  - Finalists may be interviewed.
  - Finalist applications will be required to provide the following information:
    - Written business plan
    - Lease or letter of intent
    - Any bids or cost estimates received from trade contractors as the basis for determining build-out needs and progress; and
    - Financial information to determine feasibility.
  - Winners will be selected based on business application scores and supplemental information received.
  - Award selection is subject to approval by the EDC Board of Directors.
  - Winners will be selected based on application scores and review of supplemental materials.
  - Technical Assistance associated with this award expires one (1) year after the date of approval by the EDC Board of Directors
- 4. Cash Award.** Business owners with a great idea, a great business plan, a space secured and a plan for renovation or build-out. Businesses must have money ready to invest, whether it's their own equity, financing, or both. They must have a budget for business start-up and/or build-out and know the gap in funding they need to raise to make their project a reality.
- Up to 40 finalists will be selected by Motor City Match staff.
  - From the 40 finalists, up to 15 winners will be selected by a selection committee made up of industry experts, Detroit business owners and lenders.

- Finalists will be interviewed, including discussions with a panel of lenders for consideration for financing if needed.
- Finalists will be required to submit a supplemental application asking for the following information:
  - o Written business plan
  - o Lease or letter of intent
  - o Cost estimates received from trade contractors
  - o Financial information; and
  - o Loan application and/or proof of funding.
- Winners will be selected based on business application scores and supplemental information received.
- A minimum of 10% project equity is mandatory for consideration.
- Award selection is subject to approval by the EDC Board of Directors
- Financial Assistance associated with this award must be accessed through an initial grant disbursement within one (1) year of the date of approval by the EDC Board of Directors

### **How many times can I apply for a Motor City Match award?**

Winners may progress through the program by reapplying for higher award levels in subsequent rounds if it is determined that they have complied with all terms and conditions of previous awards. Applicants can only apply for one business to one track per round. Businesses cannot be awarded for the track more than one time.

Participants in the Motor City Match program can win multiple awards as they progress through the business development process:

- Motor City Match awards are provided on a competitive basis due to limited resources.
- Businesses are selected based on five criteria by Program staff and when applicable a selection committee.
- Businesses can compete to receive every award that Motor City Match offers.
- Awardees can apply to compete for higher award levels after receipt and successful completion of lower-level awards or satisfaction of entry requirements for that award level.
- Receipt and completion of an award does not guarantee selection for a higher award level.
- Completion of technical assistance awards does not guarantee selection for financial assistance awards, nor is it a pre-requisite for applying for financial assistance awards.
- All projects awarded a technical assistance award must adhere to CDBG regulations by meeting a CDBG national objective.

### **I have only one a Motor City Match award. Can I apply again?**

Each business can only win each award track once. However, the same applicant can apply for the same award for different businesses in separate rounds.

## **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 must submit:

- A signed lease or letter intent. In other words, a match has been made between a Building Owner and a Business Owner.
- 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.

Cash track finalists can seek 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 projects require a minimum of 10% of personal equity of the total project costs for all cash awards. Motor City Match cash grants are made based on the need of the project. Most of our grants are matched in amount by one of our lending partners.



## **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 amount available for cash grant awards?**

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 subsequent award levels after receipt and successful completion of previous award tracks.

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

Motor City Match awardees and applicants are encouraged to participate in additional business competitions and receive additional business resources and prizes from third-party entities.

## **What is the scoring process for selecting Motor City Match winners?**

Businesses will be scored based on five criteria. Each criterion is worth 20 points. Applicants can earn up to 100 points-

- 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.

## **Business Selection Process: Eligibility and pre-screening**

All applications that do not meet the eligibility requirements shall be considered non-responsive and discarded.

All applicants shall self-select the award track to which they wish to apply, based on the requirements listed in the program guidelines.

Motor City Match staff will review applications within each track, rank applications and select finalists for review when applicable. The finalist selection process is estimated to take approximately 30 days.

If applicable, Motor City Match will notify all finalists in writing via email. Finalists may be asked to submit additional information for final consideration.

Finalists will have a limited amount of time to turn in the required additional information. When applicable, program staff and a selection committee will use this information, along with the original application, to recommend awardees.

### **Why was my application not awarded?**

The Motor City Match program operates with a limited amount of awards per each round. Given this limit in the number of awards available, it is possible that due to a high number of competitive application submissions, an eligible and strong application. The same application in a less competitive round could receive an award.

However, an application may not receive an award due to a failure to properly explain and demonstrate how such an award to the business would meet the program's objectives.

### **What are the criteria for an application to be selected for a technical assistance award?**

Applications will be evaluated using five scoring criteria – vision and plan, experience and capacity, market opportunity, community support, and leverage. Awardees will be the applicants whose projects' high application scores indicate that they are relatively more viable and feasible than the applicant pool.

Additionally, Technical Assistance Awards must satisfy **HUD's Six Objectives for Economic Development Underwriting**:

- i. Describe the method for determining that all costs are reasonable;
- ii. Ensure that all sources of project financing are committed;

- iii. That to the extent practicable, CDBG funds are not substituted for non-Federal financial support;
- iv. Describe the method that determines if the project is financially feasible;
- v. That to the extent practicable, CDBG funds are disbursed on a pro-rata basis with other finances provided to the project.
- vi. To the extent practicable, the return of the owner's equity investment will not be unreasonably high

**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.

**Are Motor City Match grant awards taxable income?**

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

## **Are Motor City Match Technical Assistance awards taxable income?**

Technical assistance awards and financial assistance received pursuant this Agreement may be considered taxable income by the U.S. Internal Revenue Service, the Michigan Department of Treasury, and/or the City of Detroit Finance Department. Awardee is strongly urged to consult with a tax professional to determine the federal, state and/or city tax implications of receipt of financial or technical assistance. The Economic Development Corporation of the City of Detroit will issue a Form 1099 to each awardee.

## **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, general information regarding third-party small business services will be provided to applicants.

## **What is required of Motor City Match awardees?**

Award winners will be required to attend events where they will be connected to other award winners and resources. They may also be asked to share their story through a variety of media opportunities. These types of opportunities will be determined after winners are announced.

All award winners are expected to reply to additional data requests, which are related to their business status, operations, financial activity and more.

All award winners are expected to sign an acknowledgement of program terms in addition to relevant technical assistance or grant agreements.

Plan and Develop track awardees are expected to attend the classes that are part of their award and complete requested document assignments. Upon approval of their technical assistance request, awardees are expected to provide prompt and professional communication with Motor City Match's approved technical assistance providers.

## **How will my application data be used?**

Applicant information will be shared with the Detroit Economic Growth Corporation (DEGC) for the purposes of providing direct follow-up to all applications. DEGC has a business attraction program that connects businesses to applicable business support services. If DEGC cannot directly help a business, they will recommend and connect the business owner with to one of their non-profit partner organizations that may be able to provide financial aid. Many of these non-profit partners are featured on the

BizGrid, a list that is designed to help businesses find business support: [www.detroitbizgrid.com](http://www.detroitbizgrid.com).

## **Confidentiality**

Except as noted below, the EDC will not share Applicant proprietary and confidential data with any third parties except as need for the purposes of review during the award selection process and providing business support. Applicants should clearly mark such information as proprietary and confidential. Applicant data will not be sold.

NOTE: The EDC is a governmental body. Thus, documents in the EDC's possession are subject to disclosure under the Michigan Freedom of Information Act (FOIA). The EDC will endeavor to not disclose any information of Applicant it believes to be exempt under the FOIA but, notwithstanding anything stated otherwise herein, the EDC cannot guarantee the confidentiality of Applicant's submissions and specifically does not warrant that the Application and any documents submitted therewith are exempt from disclosure under the FOIA. Accordingly, Applicants are advised that documents and information submitted to the EDC may become a public record. With respect to information which Applicant submits to the EDC as part of its Application, Applicants should give specific attention to the identification of information they deem confidential, commercial or financial information, proprietary information, or trade secrets and should appropriately mark such information as confidential prior to submission. Applicant should be prepared to provide justification why such marked information should not be publicly disclosed under the FOIA. Applicant is advised that, without notice to the Applicant and upon request from a third party, the EDC is required to make an independent determination as to whether the information may or must be divulged to that party and does not warrant that such information will be exempt from disclosure.

## **Disclaimer**

The information contained herein is subject to the actual grant-award documents and the written terms and conditions of the Motor City Match program and the Economic Development Corporation of the City of Detroit (EDC) which govern the program, as the same may be amended from time to time. EDC also reserves the right to make the final determination of any person's or organization's eligibility and/or qualifications for program benefits, and to make allocation of program benefits as it may, in sole discretion deem appropriate.

## **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, 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. A separate application must be submitted for each property unit.

### **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 an online business has no intention of or interest in 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?**

No, 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.

### **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 also own vacant real estate for their future business location may apply to both the Building Owner and Business owner tracks.

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

Business owners are limited to one application per business per round. 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?**

Cash grant awardees are expected to open within one year of receiving their financial assistance award, having already drawn down their funds for project expenses.

Plan, Develop, and Design awardees are expected to utilize their technical assistance awards within 12 months. After this period, awardees are encouraged to work closely with their track manager in applying for subsequent Motor City Match rounds or in utilizing third-party small business services that will develop their business further, and ideally open in a brick-and-mortar space.