



# PROGRAM GUIDELINES

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# Motor City Match Program Guidelines

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## EXECUTIVE SUMMARY

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### Motor City Match

Since 2015, Motor City Match (MCM) has served over 2,000 aspiring entrepreneurs in Detroit, helping to start, grow, and expand hundreds of businesses. The program's focus remains on empowering Detroiters to use entrepreneurship as a tool for increasing their incomes and growing their wealth. Motor City Match recognizes that every business faces challenges unique to its vision, goals, and business model.

MCM tackles the city's entrepreneurship challenges by matching Detroit businesses with the right 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.

Awarded entrepreneurs looking to start or expand their business to a new, additional physical commercial location in Detroit must remain at the awarded location within the City of Detroit for at least 3 years. They are also required to provide verification of new jobs created or existing jobs retained, as well as demonstrate a benefit to the community.

There are five tracks available: Plan, Develop, Design, Cash and CVI.

1. **Plan** – one-on-one and group consulting, classes and workshops, and access to technical assistance and professional services for up to 15 **entrepreneurs seeking to refine, formalize, and launch a business idea**
2. **Develop** – one-on-one and group consulting, classes and workshops, access to technical assistance and professional services for up to 15 **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 and group consulting and access to technical assistance and professional services for up to 10 **businesses** that have secured a location in an existing commercial building, settled on an appropriate growth plan, and need **to create a design and program specific to that location**
4. **Cash** – **cash grants for up to 15 projects** that have secured a location in an existing commercial building, completed a business plan, a plan to complete necessary architectural and design drawings, and have a comprehensive project plan with an itemized budget specific to the proposed project location. The maximum grant award is \$100,000 per project. Applicants must demonstrate a financial need and a lack of access to the necessary capital needed to complete the proposed project. Loans are facilitated through Motor City Match lending partners.
5. **CVI** – cash grants and/or technical assistance awarded in specified application round or rounds for **businesses that have been recommended by CVI Organizations and approved by Motor City Match staff to formalize their businesses and/or expand their currently transactional business**. Applicants must have CVI letter of recommendation and a project plan for what their business needs are.

### Our Goals

The overarching goals of Motor City Match are to help start new, permanent businesses, and expand existing businesses in Detroit's commercial corridors by providing tailored assistance throughout the business launch and growth process. More specifically, MCM seeks to support economic mobility for underserved Detroiters through entrepreneurship by focusing on the following goals and outcomes:

- Eliminate blight by re-activating currently vacant commercial space
- Economic mobility for Detroiters through entrepreneurship – increase incomes and grow wealth

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- Distribute program resources equitably with a focus on low to moderate income Detroiters and underserved entrepreneurs
- Create jobs for low to moderate income Detroiters and underserved communities
- Increase access to capital for minority and women owned businesses
- Get businesses formalized and transactional within one year of completing their business plan
- Help businesses find the space appropriate to their model
- Communicate clearly with awardees and partners

## PROGRAM OVERVIEW

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### A. Types of Awards

Applicants for Motor City Match can compete for three types of awards: **Technical Assistance Awards, Financial Assistance Awards, and, for select rounds, CVI Track Awards.**

- **Technical Assistance Awards** – the Plan, Develop, and Design Tracks – do not include any funds disbursed directly to awardees. the Plan, Develop, and Design Tracks – do not include any funds disbursed directly to awardees.
- **Financial Assistance Awards** – the Cash Track – include funding reimbursements directly to awardees for eligible expenses.
- **CVI Track Awards** - for select round or rounds, Motor City Match applicants that are small businesses and that are majority-owned by “CVI Participants” may compete in the CVI Track, which may include technical assistance and/or cash assistance for eligible expenses.

All Motor City Match Awards are funded directly by the City of Detroit through allocations of federal and/or city funds. Additional private philanthropic sources may be used to supplement public funding.

Please be advised that applicants may only receive an award for one track per round. Sources of funding for different award types have specific policies that guide the selection of Motor City Match awardees.

### B. Award Tracks

#### 1. Technical Assistance Tracks

Motor City Match technical assistance awards provide eligible awardees with technical assistance 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 funding requirements. 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 Technical Assistance awards is limited to the following initial allocation for each Technical Assistance Award Track<sup>1</sup>.

- Plan - \$1,500
- Develop - \$3,500

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<sup>1</sup> For technical assistance awardees that are majority-owned by an individual who has been determined by the City of Detroit Housing and Revitalization Department to be an “Affected Homeowner” as defined in that certain Resolution Recognizing Homeowners Affected By Property Tax Over-Assessment For Tax Years 2009 Through 2016 adopted by the Detroit City Council on April 10, 2023 (each, an “Over-Assessed Awardee”) award limits may be increased by up to 20% where the Over-Assessed Awardee project has a demonstrable business development need for additional business services, such that the value of all Technical Assistance awards for such Over-Assessed Awardee may not exceed \$60,000 for any one Over-Assessed Awardee in any one calendar year. All other terms and conditions shall apply to any awards to Over-Assessed Awardee, including, without limitation, eligibility, scoring, and underwriting requirements.

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- Design - \$25,000

In limited circumstances, MCM staff can approve additional services beyond the initial Technical Assistance allocation at their discretion if an awardee is able to demonstrate urgent circumstances and a vital need for services. Each Technical Assistance award track is described in greater detail below.

**1. Plan Award.** *Business idea that needs formalizing and refining before launching:*

- Up to 15 awardees may be selected.
- Applicants must be Detroit residents.
- 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 15 awardees may be selected.
- Applicants must be Detroit residents
- 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 MCM staff.
- From the 15 finalists, up to 10 awardees may be selected by MCM staff.
- Finalists will be required to do a site visit with MCM staff.
- Finalist applications will be required to provide the following information:
  - Written business plan
  - Lease, letter of intent or deed
  - Any bids or cost estimates received from trade contractors as the basis for determining build-out needs and progress
  - Financial information to determine feasibility.
- Awardees will be selected based on business application scores and supplemental information received.
- 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

*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.*

## 2. Financial Assistance Awards – Cash Track Grants

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Financial Assistance Awards are funded by the City of Detroit through allocations of federal and city funds or private philanthropic sources. As such, all grants will be awarded and disbursed in accordance with applicable City of Detroit, federal or other funding source guidelines.

**MCM Cash Track grants will not exceed \$100,000.<sup>2</sup>** MCM will issue monetary grants to qualified awardees based on eligibility criteria and program requirements. Cash grants will be awarded exclusively to businesses planning to establish a new location in a brick-and-mortar commercial space. Grants can be used for the following eligible expenses:

- Business and professional services necessary to complete the awarded project
- Construction costs including the following:
  - Design services and drawings
  - Exterior building renovations
  - Interior building renovations including necessary furniture, fixtures, and equipment
  - Inventory
  - Code compliance, license fees and permit costs
  - Working capital up until operation
- Technical assistance may be available dependent on available funds

## **Ineligible Expenses for the Cash Track**

- New construction of commercial or residential property
- Employee or other personnel salaries or wages
- Motor vehicle purchase or lease
- Expenses incurred before notification of award
- Purchase of liquor license
- Real estate acquisition
- Expenses related to residential or other non-commercial aspects of the project
- Expenses related to other business ventures
- Debt Service
- [Violation fees or delinquency fees imposed by City or other governmental authorities]

**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. ***Grant award totals for the Cash Track may differ from suggested grant totals based on the number of eligible applicants whose projects demonstrate a financial need or lack of access to capital.***

**Cash Track Award.** *Business owners with a great idea, a great business plan, a commercial space secured in an existing building and a plan for renovation or build-out. Applicants must demonstrate financial need and the ability to complete the proposed project with one year of the first grant disbursement. 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 25 finalists will be selected by MCM staff.
- From the 25 finalists, up to 15 awardees may be selected
- Finalists will be introduced to a panel of lenders to facilitate consideration for financial need.
- Finalists will be required to do a site visit with MCM staff.
- Finalists will be required to submit supplemental materials including but not exclusive to:

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<sup>2</sup> \*\* For financial assistance awardees that are majority-owned by an Over-Assessed Awardee, award limits may be increased by up to 20% where the Over-Assessed Awardee project has a demonstrable financial need for additional financial assistance, such that the value of Cash Track awards for such Over-Assessed Awardee may not exceed \$120,000. All other terms and conditions shall apply to any awards to Over-Assessed Awardee, including, without limitation, eligibility, scoring, and underwriting requirements.

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- Written project plan
- Detailed itemized budget (sources and uses)
- Deed or lease or letter of intent for a minimum of 3 years
- Cost estimates received from trade contractors
- Personal and business financial information
- Loan application and/or proof of funding.
- Awardees will be selected based on business application scores and supplemental information received.
- Applicants must demonstrate a financial need and lack of access to capital
- 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 1 year of the date of approval by the EDC Board of Directors

## 3. CVI Track Awards

For select round or rounds, Motor City Match applicants that are small businesses and that are majority-owned by “CVI Participants” may compete in the CVI Track (each, a “CVI Applicant”), which may include technical assistance and/or cash assistance for eligible expenses. A CVI Participant is an individual at risk of involvement in or victimization by violence and who are confirmed participants in the City’s ShotStoppers program operated by select community violence intervention organizations (each, a “CVI Organization”). CVI Applicants must submit a letter of recommendation from a CVI Organization at the time of application. CVI Applicants will be competitively selected for technical assistance and/or financial assistance in accordance with these guidelines (hereinafter “CVI Awardees”). Announcements regarding whether rounds will include a CVI Track will be made no later than the date on which applications open for the applicable round. CVI Awardees will only receive assistance that can be demonstrated to aid in achieving the business goals laid out in their application.

CVI Awardees may receive technical assistance and/or financial assistance based on the unique needs of the CVI Awardee, completion of program milestones and compliance with applicable funding guidelines. Technical assistance is available for all stages of business, including a CVI Applicant with a business idea that needs formalizing and refining before launching and a CVI Applicant with a transactional business looking to expand.

Financial assistance will be limited to CVI Awardees that are currently transactional or, in the sole judgment of MCM staff, likely to be transactional within 6 months of the date of award approval. Transactional businesses include home based businesses and businesses that are transactional online or through pop-ups, food trucks, and/or vendor fairs. **Financial assistance awards will not exceed \$25,000 each, with amounts to be determined by MCM staff based on identified business needs and eligible uses, project plan, and number of eligible and qualified CVI Applicants.**

- Applicants must be Detroit residents
- All CVI Applicants will be required to provide the following information:
  - CVI Organization letter of recommendation
  - List of their technical assistance needs
- CVI Applicants with currently transactional businesses, or that intend to be transactional within 6 months of the date of award approval, will be required to submit supplemental materials including but not excluding to:
  - Proof that business is transactional within the City of Detroit (if applicable)
  - Written project plan
  - Detailed itemized budget
  - If the business has a permanent commercial location or a temporary location, must provide lease or letter of intent or license
  - Personal and business financial information
- Awardees will be selected based on business application scores

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- Financial assistance will be limited to CVI Awardees that are currently transactional or, in the sole judgment of MCM staff, likely to be transactional within 6 months of the date of award approval.
- Financial assistance awards will not exceed \$25,000 each, with amounts to be determined by MCM staff based on identified business needs and eligible uses, project plan, and number of eligible and qualified CVI Applicants.
- Award selection is subject to approval by the EDC Board of Directors
- Financial and technical assistance associated with this award will expire 1 year from the date of approval by the EDC Board of Directors if no disbursement has been made.

## Cash Grants awarded to CVI Applicants can be used for the following eligible expenses:

- Business and professional services necessary to assist the business owner formalize, start, or expand the business
- Technical assistance to support loan approval or accessing additional capital
- Cash assistance for transactional businesses for business expenses including the following:
  - Furniture, Fixtures, Equipment
  - Inventory
  - Rent for a leased commercial space
  - Rent for a pop-up space, vendor booth or other temporary location
  - Construction costs if starting new permanent location
  - Printed materials and collateral
  - Costs associated with compliance with federal, state, or local business regulations (e.g., code compliance, business license fees and permit costs)

## Ineligible Expenses

- New construction of commercial or residential property
- Employee or other personnel salaries or wages
- Motor vehicle purchase or lease
- Expenses incurred before notification of award
- Real estate acquisition
- Expenses related to residential or other non-commercial aspects of the project
- Expenses related to other business ventures
- Debt Service
- [Violation fees or delinquency fees imposed by City or other governmental authorities]

# ELIGIBILITY CRITERIA

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## Who can apply?

The following section provides minimum requirements that businesses must meet to participate in Motor City Match. Applicants that do not meet the eligibility criteria will not be considered for Motor City Match services and awards.

Businesses must:

- Be a microenterprise (fewer than 5 employees, including owner) or small business (fewer than 50 employees, including owner) **AND**
- Be structured as one of the following business types:

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- General Partnerships, Limited Partnerships (LP), Limited Liability Partnerships (LLP), Corporations (Inc., Corp.), Limited Liability Companies (LLC), Low-profit Limited Liability Company (LC3)
- Faith-based organizations, subject to 24 CFR § 570.200(j), participating in for-profit commercial activity
- Independently owned businesses that participate in retailers' cooperatives are eligible to apply; however, franchises are not eligible.
- Not-for-profit organizations that own real estate may apply as building owners to complete the activation of a space for use by an eligible for-profit entity.
- Not-for-profit organizations are ineligible to apply as businesses.
- New construction projects will be reviewed on a case by case basis, the building must be fully constructed to be considered for award.
- Business owners may only have one active grant per year in their name.
- Be owned by Detroit resident (for Plan, Develop, and CVI Tracks only)
- Have a permanent location secured (for Design and Cash Tracks only)
- Have not previously received a Motor City Match award in the award track for which they are applying

## **Applicants also must fall under one of the following descriptions**

- A new business that is not yet transactional and is owned by a Detroit resident if that business plans to operate permanently in the city of Detroit
- An existing home-based, web-based, mobile, pop-up, or other business type that does not operate from a permanent location, owned by a Detroit resident and plans to operate permanently in the city of Detroit
- A new business whose owner resides outside the city of Detroit that has secured an existing commercial location in the city of Detroit with a letter of intent, lease, deed, land contract or similar legal agreement for a minimum of 3 years
- An existing business operating from a commercial location in the city of Detroit seeking assistance locating a new additional location in the city of Detroit
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## **Businesses being considered for awards must agree to the following:**

- Remain located at the awarded location within the City of Detroit for at least 3 years following the award.
- For businesses with a current Detroit location that are seeking to open an additional location, agree that current location will remain open for at least 3 years following award and demonstrate that the current location is owned by the business (or its affiliate) or it has at least 3 years remaining on the lease for the current location.
- Comply with relevant technical assistance and financial assistance award requirements.
- Coordinate with financing professionals to assist in the underwriting and financing of the project.
- Provide personal financial statements, tax returns, and other financial documents.

## **No Conflicts of Interest or Gratuities**

Conflicts of Interest rules require that both the EDC and recipients of Motor City Match awards be free of any actual, potential or perceived conflicts of interest in the making of Motor City Match awards.

The general rule is that no employee, agent, consultant, officer, board member, or elected official or appointed official of the EDC, the DEGC or the City of Detroit, or of a Motor City Match contractor or lending partner, or, with respect to a CVI Applicant, a CVI Organization or a fiduciary of a CVI Organization, who are in a position to participate in a decision-making process or gain inside information with regard to the Motor City Match program, may obtain a financial interest or benefit from the Motor City Match program, or



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have a financial interest in any contract, subcontract, or agreement with respect to the Motor City Match program, either for themselves or those with whom they have business or immediate family ties.

EDC's conflict of interest policies require that Motor City Match applicants disclose as part of their applications whether the applicant, the applicant's immediate family members or any person with whom the applicant has business ties is employee, agent, consultant, officer, board member, or elected official or appointed official of the EDC, the DEGC or the City of Detroit, or of a Motor City Match contractor or lending partner, or, with respect to a CVI Applicant, a CVI Organization or a fiduciary of a CVI Organization. Upon receipt of an applicant's disclosure, the EDC will determine whether a conflict of interest exists and if the conflict can be mitigated and/or granted an exemption in accordance with EDC policies and federal regulations. **NOTE: Failure to disclose an actual, potential or perceived conflict of interest may result in the rejection of a Motor City Match application, termination of a Motor City Match award, and/or the required repayment of any disbursed award funds, whether disbursed directly to the applicant or to a service provider on behalf of the applicant.**

In addition, an applicant that has offered or paid a gift, gratuity, honoraria, payment or other thing of value to a Detroit Economic Growth Corporation or City of Detroit employee, agent, consultant, officer, board member, or elected official or appointed official in exchange for assistance with a Program application or otherwise in connection with the Program may be disqualified and any award on account of such applicant may be voidable or rescinded, in the sole and absolute discretion of MCM staff.

## Application Process

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### When to Apply

Motor City Match has generally been operating quarterly since June 2015. Motor City Match expects to continue to announce Awards on a quarterly basis. Business and building owners will have three 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.

Application Open and Close	Award Selection	Awards Notified
[December 1 – January 13, 2025]	[January 13, 2025 – March 25, 2025]	[March 25, 2025]
[April 1 – May 1, 2025]	[May 1 – July 22, 2025]	[July 22, 2025]
[September 1 – October 1, 2025]	[October 1 - December 31, 2025]	[December 31, 2025]

Awardees 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.

### Where to Apply

Start online at [www.motorcitymatch.com](http://www.motorcitymatch.com) to learn about eligibility and appropriate award tracks. Or go directly to the Motor City Match Application portal at <https://apply.motorcitymatch.com/submit>.

### 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

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Applicants will receive an automatic confirmation email after submitting. Please note that an email address is **required** to receive confirmation that an application has been received.

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## Please note the following:

- Eligible business owners may designate a contact person to apply on their behalf.
- Businesses are limited to one application track per round. If a business owner submits multiple applications for the same business, (for different award tracks) only one application will be considered for an award.
- Business owners / applicants are limited to applying to the program for one business or business idea per round.
- Businesses may not apply for an award track if the business has previously received that award track, unless for an additional location.
- Businesses expanding in their current location are not eligible to apply for Financial Assistance Awards.

## 4. SELECTION PROCESS

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

- Any 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.

### Scoring Criteria

Businesses will be scored based on five criteria. 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.

Businesses located within SNF areas will receive an additional 5 points on their application.

### Technical Assistance Awards

Awardees will be the applicants whose projects' high application scores indicate that they are relatively more viable and feasible than the applicant pool.

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Once awarded, Motor City Match staff will work with awardees to further refine their projects by setting achievable goals with actionable steps. Staff does this indirectly – through subject specific workshops that provide information and explain processes – and directly through one-on-one consultations. All Technical Assistance Requests will be scrutinized to confirm services are in line with project goals before any Technical Assistance funds will be disbursed.

## Financial Assistance Awards

Grants are available for businesses that are not able to secure all of the financing needed to complete their project and open their business. Grants are not a substitute for readily available financing or equity investment. Grants are used to fill the gap on projects. The financial gap is determined based on the total project cost, less the debt that the project is projected to sustain and the owner's equity investment. As a condition to the grant award, each project will be required to complete a "project financial plan" in collaboration with Motor City Match staff. The project financial plan will identify:

- All project costs (ie the budget) and the corresponding sources and uses of funding with all project costs on a line-item basis, including costs that will be paid for in-part or whole by Motor City Match grant funds.
- Who is responsible (either the property owner or the business owner) for costs.
- Ownership of eligible costs. In other words, if Motor City Match grant funds are used to purchase equipment, the project financial plan will determine if the equipment belongs to the property owner or the business in compliance with applicable laws.

Businesses being considered for financial awards must agree to provide the following when applicable:

1. Business plan (new business) or growth plan (existing businesses)
2. Executed letter of intent or lease, a copy of a recorded deed, or land contract demonstrating a commitment of at least 3 years
3. Development plan including construction, renovation, or upgrade cost estimates and bids from contractors
4. Business financial information:
  - Interim balance sheet and income statement
  - Three years calendar/fiscal year-end balance sheets and income statements
  - Current accounts receivable aging
  - Current accounts payable aging
  - Three months bank statements for main operating account
  - Business organizing documents (articles of incorporation/formation, operating agreement, etc)
5. Personal financial information:
  - Three years personal federal tax returns (if requested)
  - Signed and dated personal financial statement (if requested)
  - Additional financial information may be requested by program staff to verify application information.

A minimum of 10% project equity is required as a baseline for consideration for MCM financial assistance awards. These grants are designed to increase the business owner equity investment to help strengthen the case for financing or close the gap on the project when adequate financing cannot be obtained. Equity will be verified by providing proof of assets or previous investment prior to disbursement of any funds.

## CVI Track Awards

Applicants must submit a letter of recommendation from a CVI organization. CVI Awardees will be the applicants whose projects' high application scores indicate that they are relatively more viable and feasible than the applicant pool. Financial assistance will be limited to CVI Awardees that are currently transactional or, in the sole judgment of MCM staff, likely to be transactional within 6 months of the date of award approval. Financial assistance awards will not exceed \$25,000 each, with amounts to be determined by

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MCM staff based on identified business needs and eligible uses, project plan, and number of eligible and qualified CVI Applicants. Motor City Match staff will have final determination on awardees eligibility for Financial Assistance awards in the CVI Track.

Once awarded, Motor City Match staff will work with CVI Awardees to further refine their projects by setting achievable goals with actionable steps. Staff does this indirectly – through subject specific workshops that provide information and explain processes – and directly through one-on-one consultations. Motor City Match staff will also work with awardees to confirm and finalize the total project budget in preparation for disbursing the approved project grant, items must comply with eligible expenses.

## Award Approval

All awards are subject to the final approval by the Board of Directors of the Economic Development Corporation of the City of Detroit.

## Post-Selection Diligence

All Technical Assistance Requests will be scrutinized to confirm services are in line with project goals before any Technical Assistance funds will be disbursed. All Financial Assistance awards require an executed grant agreement, adequate documentation, and due diligence prior to disbursement of funds. Financial assistance grants are generally issued on a reimbursement basis and will be accessed on a “draw-down” basis. When sufficient capital to fund eligible expenses is not available to an awardee, pre-payment to vendors and/or other payment processes may be made available based on stipulations expressed in an awardee’s Motor City Match Grant Agreement and only once the required equity has been spent

## Other Selection Information

- Motor City Match awards are provided on a competitive basis due to the resources available to MCM.
- Businesses are selected by program staff and, when applicable, a selection committee, based on five established criteria.
- Businesses may compete for all awards offered by Motor City Match; however, each business is eligible to receive an award for a specific track only once.
  - A business owner may submit applications for different businesses; however, such business owner will be limited to Financial Assistance awards of up to \$100,000 in the aggregate per year.
- 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 Motor City Match grant funding will be awarded based on the evaluation of a current application for Financial Assistance awards.

## 5. ADDITIONAL INFORMATION FOR FINANCIAL ASSISTANCE AWARD DETAILS – CASH TRACK

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### Loan Financing

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**Motor City Match applicants will have the opportunity to apply for financing to a group of lending partners.** Motor City Match lending partners include but are not limited to:

- Invest Detroit
- Detroit Development Fund
- Michigan Women Forward
- ProsperUs Detroit
- CEED Michigan
- LISC Detroit
- CDC Small Business Finance

All Motor City Match grant awardees and finalists will be reviewed for consideration for financing from Motor City Match lending partners.

## Grant Funding Levels and Requirements

**Grants are available for businesses that can't get any or all of the financing needed to open.**

Grants are not a substitute for readily available financing or equity investment. Grants are used to fill the gap on projects. The financial gap is determined based on the total project cost, less the debt that the project is projected to sustain and the owner's equity investment.

**Motor City Match grants are a maximum of \$100,000, not to exceed 50% of total project costs.**

Businesses will compete to access this pool of grant funding. Grants may only exceed 50% of the total project cost based on the financial gap if the total project cost is less than \$40,000.

**A minimum of 10% project equity is required as a baseline for consideration for grant awards and loan financing.**

These grants are designed to increase the business owner's equity investment to help strengthen the case for financing or close the gap on the project when financing cannot be obtained.

**Grants are generally issued on a reimbursement basis and will be accessed on a "draw-down" basis.**

When sufficient capital to fund eligible expenses is not available to an awardee, pre-payment to vendors may be made available based on stipulations expressed in an awardee's Motor City Match Grant Agreement. This is only allowable for construction or equipment cost and is on a project-by-project basis at the sole discretion of Motor City Match staff.

Grant making will use scoring from the selection process as decision-making criteria for grants. Additional decision-making criteria are as follows:

## Grant and Loan Underwriting Fundamentals

1. The project costs must be considered reasonable as determined by the Motor City Match staff.
  - a. All sources of the project financing must be committed. Prior to Motor City Match's commitment to awarding a grant, businesses owners will work with Motor City Match to verify that sufficient sources of funds have been identified to finance the project including opportunities to receive financing from Motor City Match lending partners.
  - b. All participating parties providing those funds have affirmed their intention to make the funds available; and
  - c. The participating parties have the financial capacity to provide the funds.
2. Motor City Match grant funds cannot be substituted for private, independent capital. In other words, Motor City Match grants will only be made to fill a financial "gap" on the project. If the project is able

# Motor City Match Program Guidelines

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to be completely and independently funded through private sources, there is no need for public investment. In determining the “gap” on a project, the Motor City Match selection committee will consider:

- a. Whether the business has, or has not, applied for private financing.
  - b. Whether the degree of equity participation is, or is not, reasonable given general industry standards for rates of return and risk profile of similar projects and given the financial capacity of the business or property owner to make additional financial investments.
3. The project must be financially feasible.
  4. To the extent practical, the return on the owner’s equity investment cannot be unreasonably high.
  5. There must be a minimum 10 % equity investment towards project costs.

## Timeline for Completion

Financial Assistance awards (grant funds) must complete their first grant disbursement within one year of the award approval by the EDC board.

## Required Documentation

Business owners being considered for financial awards must agree to provide the following:

1. Business plan (new business) or growth plan (existing businesses)
2. Executed letter of intent or lease, a copy of a registered deed, or land contract
3. Development plan including construction, renovation or upgrade cost estimates and bids from contractors
4. Business financial information:
  - Certificate of assumed business name
  - Interim balance sheet and income statement
  - Three years calendar/fiscal year-end balance sheets and income statements
  - Three months bank statements for main operating account
  - Business organizing documents
    - Articles of incorporation/formation (LLC, Corp)
    - Operating agreement (LLC only)
    - Partnership agreement (Partnership only)
    - Bylaws (Corp only)
5. Personal financial information:
  - Three years personal federal tax returns
  - Last three years W-2’s for each individual
  - Last two months personal bank/brokerage statement for all owners
  - Copy of divorce decree or bankruptcy discharge (if any)
6. Building Information:
  - Property owners must be in good standing with the City of Detroit, Wayne County, State of Michigan and the Internal Revenue Service (“IRS”).
  - Properties must be clear of outstanding blight or dumping tickets
  - Properties must be current on water and drainage bills with Detroit Water and Sewerage Department
  - Property must be vacant on or before the date of the application submission, unless an exception is granted.

## Eligible Expenses and Policies

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Each project will receive a project financial evaluation and notice of intention to provide grant funding. Projects that receive grant awards will be required to execute a grant agreement that outlines the terms and conditions for grant funding. Grant funds will be awarded to the business owner, building owner or both on a project-by-project basis.

As a condition to the grant award, each project will be required to complete a “sources and uses, their budget, in collaboration with Motor City Match staff. The project financial plan will identify:

- All project costs and the corresponding sources and uses of funding on a line-item basis, including costs that will be paid for in-part or whole by Motor City Match grant funds.
- Who is responsible (either the property owner or the business) for costs.
- Ownership of eligible costs. In other words, if Motor City Match grant funds are used to purchase equipment, the project financial plan will determine if the equipment belongs to the property owner or the business in compliance with applicable laws.

## Eligible Financial Assistance Award grant expenses include:

### Cash Track Grants

- Business and professional services necessary to complete the awarded project
- Technical assistance to support loan approval or accessing additional capital
- Construction costs including the following:
  - Design services and drawings
  - Exterior building renovations
  - Interior building renovations including necessary furniture, fixtures, and equipment
  - Code compliance, license fees and permit costs
- Working capital or operating costs necessary to offset financial hardship resulting from the pandemic including

### Ineligible Expenses

- New construction of commercial or residential property
- Personal or employee salaries
- Expenses incurred before notification of award
- Real estate acquisition
- Expenses related to residential or other non-commercial aspects of the project
- Expenses related to other business ventures
- Debt Service

## Eligible Expenses and Policies

Each project will receive a project financial evaluation and notice of intention to provide grant funding. Projects that receive grant awards will be required to execute a grant agreement that outline the terms and conditions for grant funding. Grant funds will be awarded to the business owner, at the sole discretion of Motor City Match.

## 6. BUILDING OWNER PARTICIPATION

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### Motor City Match Property Database and Map

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Building owners of vacant property may apply to have their space listed in the Motor City Match property database viewable on [motorcitymatch.com](http://motorcitymatch.com). Buildings that meet the criteria listed below will be included in the Motor City Match property database upon successful review of applications.

- All types of non-residential properties including, but not limited to, commercial, industrial, office, warehouse and co-working spaces will be considered.
- Faith-based organizations that own real estate are eligible to apply, subject to 24 CFR § 570.200(j).
- Corporations and organizations that own multiple properties or multi-unit buildings may apply for multiple properties or units but must submit *one application per property or unit*.

## Properties must meet the minimum conditions to be considered:

- Majority interest or shareholder in the property ownership entity must be 18 years of age or older.
- Properties must be structurally sound, with a roof in place, secured and safe for entry.
- Property owners must be in good standing with the City of Detroit, Wayne County, State of Michigan and the Internal Revenue Service (“IRS”).
- Properties must be clear of outstanding blight or dumping tickets
- Properties must be current on water and drainage bills with Detroit Water and Sewerage Department
- Property must be vacant on or before the date of the application submission, unless an exception is granted.
- Property must be cleared of debris and trash and have unobstructed walkways

## Building owners being considered for inclusion in the database must agree to provide the following:

- Proof of ownership such as warranty or covenant deed, or if a purchase agreement is in place, the deed held by the current property owner
- Access to the space and confirmation the space is vacant and safe
- Willingness to comply with all program terms and conditions, participate in public relations and program meetings
- Willingness to submit quarterly Building Status Updates that verify the building continues to meet the minimum conditions to be considered

## Application Process

### When to Apply:

Building owners that would like to have their vacant property listed in the Motor City Match property database can apply at any time. Building Applications are available on a rolling basis. Motor City Match staff reserves the right to include and remove any building or available space from the MCM Property Database based on compliance with eligibility conditions. **Inclusion in the Motor CityMatch Property Database is not considered a Motor City Match Award and does not include access to any Technical Assistance of Financial Assistance. Further, Motor City Match makes no guarantees with respect to a building owner’s ability to secure a tenant for the building listed on the Motor City Match Property Database.** As such, buildings chosen for inclusion in the “database” are not subject to EDC Board Approval.

### Where to Apply:

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

### Application Confirmation



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If applying online, applicants will receive an automatic confirmation email after submitting. . 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.

## 7. ADDITIONAL INFORMATION

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### Expectation of Awardees

All awardees are expected to sign an acknowledgement of program terms in addition to relevant technical assistance or grant agreements. By signing this acknowledgement, participants agree to comply and respond to data requests that are relevant to their application and award.

*Technical assistance awards and financial assistance awards received pursuant to 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. Awardees are 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.*

### Use of Applicant Data

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.

### Confidentiality

Except as noted below, the EDC will not share Applicant proprietary and confidential data with any third parties except as needed 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 a disclosure under the Michigan Freedom of Information Act (FOIA). 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 as to why 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

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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.