


# CITY COMMISSION POLICY

 <b>GRAND RAPIDS</b>  <b>MICHIGAN</b>	<b>NUMBER:</b> 900-10	<b>HISTORY</b>	
		<b>FILE #</b>	<b>DATE</b>
	<b>DATE:</b> August 3, 1982	41443	02/15/83
	<b>FILE NUMBER:</b> 40709	43041	02/14/84
	<b>DEPARTMENT:</b> Planning Dept.	45355	07/16/85
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	71673	09/30/03	

**SUBJECT: NEIGHBORHOOD BUSINESS IMPROVEMENT PROGRAM**

**PURPOSE:** To establish a basic policy framework for the implementation of the Neighborhood Business Improvement Program and to provide for the policy oversight of that effort.

**POLICY:**

The following is the policy of the City Commission with respect to the Neighborhood Business Improvement Program:

1. General

The purpose of the Neighborhood Business Improvement Program is to provide technical and financial assistance to neighborhood business associations and businesses.

2. Neighborhood Business Improvement Program Objectives

- A. To encourage the expansion of existing neighborhood businesses in certain older areas of the City;
- B. To reduce vacancies and blight in those neighborhood business areas;
- C. To identify commercial needs of the surrounding neighborhoods not currently being met and to begin to fill those needs;
- D. To encourage cooperation between neighborhood associations and neighborhood business associations;

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- E. To strengthen neighborhood business areas generally; and
- F. To provide special assistance to minority and female-controlled businesses.

### 3. Assistance to Be Provided

To meet the objectives of the Neighborhood Business Improvement Program, technical and financial assistance will be provided to business associations/areas and businesses, defined as eligible for such assistance, through two (2) programs:

- A. Neighborhood Business Specialists Program; and
- B. Financial Assistance Program.

Guidelines for each program are established as follows.

### 4. Neighborhood Business Specialists Program Guidelines

The Neighborhood Business Specialists Program shall be developed and implemented, through rules and procedures developed and monitored by the Neighborhood Business Alliance Governing Board, to meet the following guidelines, in addition to the objectives of the Neighborhood Business Improvement Program. The Governing Board shall periodically review these guidelines and recommend, as appropriate, to the City Commission any revisions or exceptions. Such recommendations may be based on factors including, but not limited to, levels of assistance requested and used, NBIP objectives, and staff requirements.

#### A. Goals

- 1) Encourage the continued growth and expansion of existing neighborhood businesses;
- 2) Encourage the attraction and development of new, successful small businesses to older neighborhood business areas; and
- 3) Create new employment opportunities in neighborhood commercial districts.

#### B. Objectives

Specifically, the Neighborhood Business Specialists Program aims to:

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- 1) Assist in organizing and maintain an active business association in each of the identified neighborhood business areas.
- 2) Increase the capacity of each neighborhood business association to:
  - a. Attract and hold member businesses;
  - b. Aggressively promote the business area;
  - c. Promote area investment opportunities;
  - d. Identify and solve issues and problems; and
  - e. Work with adjacent neighborhood associations.
- 3) Assist each business association in identifying realistic market limits for its district.
- 4) Assist individual businesses with their reinvestment and expansion efforts.
- 5) Assist business associations with attracting new or start-up businesses.
- 6) Assist business associations in creating and maintaining attractive business areas.

## C. Eligible Service Area

The Program shall offer assistance to business associations representing business areas, as well as to businesses within, or adjacent to, the bounds of the City's General Target Area of the Community Development Block Grant Program, as well as the Alger Heights commercial district.

## D. Types of Assistance to Be Provided

The following types of technical assistance shall be offered to eligible business associations:

- 1) Organizing;
- 2) Business area marketing and promotion;
- 3) Business retention and expansion;

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4) Special projects; and

5) Coordination.

Businesses shall be offered assistance in the form of information concerning, and coordination with, existing agencies and programs offering financial and/or technical assistance.

## E. Guidelines for Program

The Neighborhood Business Specialists Program will offer technical assistance to business associations/areas and businesses, based upon a program description, to be established, monitored and coordinated by the Neighborhood Business Alliance Governing Board. To provide a program which meets the goals and objectives, as set forth in this policy, the Governing Board shall establish the following:

- 1) Overall program description;
- 2) Services to be provided;
- 3) Program priorities;
- 4) Program organization;
- 5) Program roles and responsibilities; and
- 6) Coordination components.

The Neighborhood Business Alliance Governing Board shall periodically review these program elements, relative to this NBIP policy statement, to determine, and make, revisions as appropriate.

## F. Guidelines for Participation of Business Associations

The Neighborhood Business Alliance Governing Board shall establish eligibility criteria, rules and procedures for program participation by business associations within the defined eligible service area. The Governing Board shall periodically review these program elements, relative to this NBIP policy statement, to determine, and make, revisions as appropriate.

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## 5. Financial Assistance Program Guidelines.

A financial assistance program shall be developed and implemented, through rules and procedures developed and monitored by the Neighborhood Business Alliance Governing Board (NBA), to meet the following guidelines, in addition to the objectives of the Neighborhood Business Improvement Program. The NBA Governing Board shall periodically review these guidelines and recommend, as appropriate, to the City Commission any revisions or exceptions. Such recommendations may be based on factors including, but not limited to, levels of assistance requested and used, NBIP objectives, program cash flow, and staff requirements.

### A. General

There is hereby established a Neighborhood Business Improvement Loan Interest Write-Down Program for the purpose of assisting neighborhood businesses. The objectives of the program are as follows:

- 1) To encourage the expansion of existing neighborhood businesses in certain older areas of the City;
- 2) To reduce vacancies and blight in those neighborhood business areas; and
- 3) To strengthen neighborhood business areas generally.

### B. Areas Included in the Neighborhood Business Improvement Loan Program

The program is intended to provide financial assistance for those businesses located in commercial areas included in, or adjacent to, the General Community Development Target Area.

### C. Financial Assistance

#### 1) Eligible Businesses

Financial assistance under the Neighborhood Business Improvement Loan Interest Write-Down Program will be made available to businesses located within the targeted areas. Assistance will be restricted to businesses that employ 25 or fewer full-time or full-time equivalent employees. In addition, the nature of the business must be consistent with plans developed for that particular neighborhood. A business owned or controlled by a part-time or full-time employee of the City of Grand Rapids, or by a member of the NBIP Loan Interest Write-Down Committee, or by a

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person who was a City employee or member of the NBIP Loan Interest Write-Down Committee, or by a person who was a City employee or member of the NBIP Loan Interest Write-Down Committee within the previous six months, shall not be eligible.

## 2) Eligible Expenses

The use of funds made available through the Neighborhood Business Improvement Loan Interest Write-Down Program shall be confined to:

- a) Renovation and expansion of existing businesses located within eligible areas;
- b) Relocation of an existing business into an eligible area; or
- c) Acquisition and renovation of an existing business in an eligible area where the current owner contemplates closing the business in lieu of sale.

Appropriate expenses would include real estate acquisition and real estate improvements. Program funding shall not be made available for working capital needs or equipment.

## 3) Interest Write-Down

Eligible businesses may apply for assistance in bringing interest rates down on private lending for eligible expenses pursuant to the Neighborhood Business Improvement Loan Interest Write-Down Program. The NBA Governing Board shall from time to time set the rate of loan interest rate reduction for eligible businesses.

## 4) Limits of Assistance

Assistance made available shall be limited to interest write-downs on loans of \$5,000 to \$50,000 made to eligible businesses by participating lenders. The total amount of loan write-down to any business shall not exceed \$6,500 in a five-year period.

## 5) Minority and Female Controlled Businesses

Bona fide minority and female controlled businesses shall be eligible for interest rate write-downs of 1 percent greater than are available to non-minority or non-female controlled businesses.

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6) Fees

Approved applicants shall pay a fee of \$50 at the time of each disbursement of interest write-down funds.

D. Participating Lenders

Participating lenders shall be federally insured depository institutions that agree to participate in the financial assistance components of the program and agree to abide by the procedures established by the NBA Governing Board.

E. Responsibilities

1) Loan Committee

The City Commission shall establish a Neighborhood Business Improvement Program Loan Interest Write-Down Committee that shall meet as frequently as necessary or upon call by the President of the NBA Governing Board, but not less frequently than quarterly.

The Neighborhood Business Improvement Program Loan Interest Write-Down Committee shall have the following responsibilities:

- a) To review applications submitted by businesses requesting loan interest rate write-downs, to determine the eligibility of such requests, and to approve eligible requests; and
- b) To report to the NBA Governing Board quarterly and to the City Commission annually on loan interest write-down activity under the Neighborhood Business Improvement Loan Interest Write-Down Program.

2) NBA Governing Board shall:

- a) Set policies, procedures, and guidelines for the effective operation of the Neighborhood Business Improvement Loan Interest Write-Down Program, including the establishment of the amount of interest rate write-down;
- b) Advise the City Commission regarding the operation of the Neighborhood Business Improvement Loan Interest Write-Down Program and the use of Neighborhood Business Improvement Program funds; and

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- c) Advise the City Commission annually regarding the budget recommended for the Neighborhood Business Improvement Loan Interest Write-Down Program.
  - 3) The Neighborhood Business Specialists, in conjunction with the Planning Department shall function as staff to the Neighborhood Business Improvement Loan Interest Write-Down Committee. Staff shall have the following responsibilities:
    - a) To establish dates and times for meetings of the Neighborhood Business Improvement Loan Interest Write-Down Committee and make arrangements for such meetings, including preparation of agendas and reports, keeping of records and minutes of Loan Committee meetings, loan activity, etc.;
    - b) To prepare preliminary processing of applications for Neighborhood Business Improvement Loan Interest Write-Down Program requests and to coordinate activities of applicants and participating lenders;
    - c) To make recommendations to the Neighborhood Business Improvement Loan Interest Write-Down Committee regarding applications for loan assistance;
    - d) To process approved applications, arrange for the collection of fees, delivery of write-down proceeds, and coordinate closing with applicants and participating lenders;
    - e) To advise the NBA Governing Board with regard to policies, procedures, and guidelines for the operation of the Neighborhood Business Improvement Program fund and budget; and
    - f) To assist the Neighborhood Business Improvement Loan Interest Write-Down Committee in the preparation of any contracts, letters of understanding, or other such documents as may be required to implement this policy.
6. Neighborhood Business Improvement Program Budget

The Neighborhood Business Improvement Program shall be operated to coincide with the City's fiscal year. The Planning Department shall be responsible for preparing a proposed total budget for the Neighborhood Business Improvement Program on an annual basis. Prior to the submission of



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a proposed program budget to the City Commission, the Neighborhood Business Alliance Governing Board shall be given the opportunity to review and comment on the budget submission.

Program changes with budget implications may be proposed throughout the fiscal year by the Neighborhood Business Alliance Governing Board or by the Planning Department. Proposals for such program changes, and the related budget revisions, shall be submitted to the Deputy City Manager to be prepared as a budget amendment proposal. The Neighborhood Business Alliance Governing Board shall be responsible for reviewing the proposed budget amendment and preparing written comments and recommendations to be forwarded to the City Commission.

## 7. Neighborhood Business Improvement Program Implementation

The Planning Department shall develop administrative guidelines, letters of understanding, contracts and other such documents that may be necessary to implement the terms of this policy. The Mayor is hereby authorized to execute, on behalf of the City, letters of understanding and contracts with respect to financial or technical assistance to be provided to particular projects. Such documents are to be in a form as approved by the City Attorney.

## 8. Reports

The Executive Director of the Neighborhood Business Specialist Program shall provide the City with a written staff report of its activities each month. Also, the Executive Director shall include the City Commission on its mailing list so that the Commissioners receive the same written materials (newsletters, meeting notices, project information) that the businesses in the areas receive. In addition, each business association shall give a report of its activities and accomplishments in the past year at the Neighborhood Business Alliance annual meeting.