

DOWNTOWN TEMPE RETAIL TENANT IMPROVEMENT GRANT



The Retail Tenant Improvement Grant is a program offered by the Downtown Tempe Authority, with support and funding from the City of Tempe. This grant is designed to help businesses bridge the financial gap between property owner and tenant by providing financial assistance of up to \$100,000 on qualified permanent improvements to the interior of a tenant's space. This program is designed to support new, unique food and beverage-based businesses in chronically vacant spaces on Mill Avenue corridor. Retail and creative arts & entertainment businesses may also be considered.

PROGRAM OBJECTIVES



ELEVATED EXPERIENCES

Encourage new, unique, elevated dining businesses to open ground-floor locations along Mill Avenue



PARTNERSHIP

Encourage property owners to work with tenants to improve spaces



INCREASE VALUE

Increase commercial property values downtown, create jobs & increase sales

For more information visit



WHAT KIND OF PROJECTS ARE ELIGIBLE?

To be considered eligible for this Grant, the proposed ground-floor business must be an approved (i) food & beverage business, (ii) a retail business, or (iii) a creative arts & entertainment business. The location must be within the Downtown Tempe Business Improvement District – see Area Map below – and is specific to spaces that have been vacant for 3 or more years along the Mill Avenue corridor. Business owners leasing space must have written approval from the property owner to participate in the program. The Retail Tenant Improvement Grant is available from August 2023 – July 2024. The Grant is designed for tenants who have a signed lease with a minimum term of 36 months to occupy ground-floor space with preference given to elevated dining establishments.

The Retail TI Grant is designed to assist:

- Dining tenants interested in ground-floor retail bays with street frontage
- A new business locating within the target area
- An existing business relocating from outside the downtown district to within the target area

The Retail TI Grant is not designed to assist:

- Existing businesses within the target area
- Office tenants and similar non-retail uses
- Ineligible business types include, but are not limited to, liquor store, CBD and tobacco stores, adult entertainment and product stores, building developers, and short-term loan businesses

DOWNTOWN TEMPE BUSINESS IMPROVEMENT DISTRICT AREA MAP



Eligible improvements must contribute to the interior space on a permanent basis.

Examples of eligible improvements include:

- Hazardous Material Abatement
- Interior Demolition
- ADA Compliance
- Plumbing
- Electrical
- Mechanical/HVAC
- Permanent Lighting
- Flooring
- Windows/Doors
- Permanent Interior Walls
- Historic Restoration
- Cash wrap/bar/counter
- Other

The following expenses are not eligible under the Retail TI Grant:

- Furniture such as tables, chairs, display racks and other similar fixtures
- Temporary or moveable cubicles or partitions to subdivide space
- Signage
- Moving expenses, salaries, working capital, or inventory
- In-kind work performed by the applicant
- Other items deemed by review committee as narrowly tailored for a particular use and not potentially beneficial to other future users of the space.

PROGRAM FUNDING

The maximum grant amount is capped at \$100,000 per project, regardless of size or length of lease. Please note that the approved amount of a grant may be less than the maximum, depending on funding availability and eligible project expenditures. DTA staff will work with each applicant to confirm the total grant amount based on the scope of the work as presented in the application. Grant funding will be split between upfront distribution of 50% and 50% post completion of tenant improvement.

Final decisions of about awarding grant funds and eligibility will be made by the DTA Grant Review Committee.

Who can apply for funding?

Any commercial property/building owner or business owner/tenant in the downtown district with authorization from the owner for improvements may apply for funding.

APPLICATION PROCESS

Step 1 >> Schedule a pre-application information session

Applicants are required to attend a pre-application meeting to review the program requirements, application checklist, approval process, etc. and address any questions from the applicant. This meeting should be approximately three to four weeks prior to the submission of the application. Please contact Lori Foster at Lori@downtowntempe.com or 480-355-6067 to schedule.

Step 2 >> Complete and submit a formal application

Reference the application and checklist. Electronic copy of submission materials can be sent to Lori@downtowntempe.com. Applications due by March 31, 2024.

Step 3 >> Application review process

The Downtown Tempe Retail Tenant Improvement Grant Review Committee meets monthly to review submitted applications and you will be notified of grant status within 40 days of application submittal. The committee will review each application for completeness and will be evaluated on the following criteria:

- a. Total project budget
- b. Project Scope (dining preferred)
- c. Assessment of location and need of building space
- e. Anticipated number of jobs and/or projected sales per square foot

Step 4 >> Notice to Proceed

Following approval by the Grant Review Committee, the committee will issue a formal "Notice to Proceed." Any work initiated BEFORE the "Notice to Proceed" will NOT be eligible for reimbursement.

Work must be completed within six (6) months of the stated start date unless otherwise noted in application. Please note that an approved Retail Tenant Improvement Grant may be canceled if your project does not meet this deadline. Grant funding will be split between upfront distribution, 50% upfront, and 50% post completion of tenant improvement. You are responsible for documenting all expenses and submitting paid receipts to the DTA upon work completion. All work must be consistent with the approved grant application and DTA staff must approve any changes in work scope or materials in advance of that work being performed. If project costs exceed overall project cost reported in application, applicant is only eligible for costs as submitted & approved with grant.

APPLICATION PROCESS

Step 5 >> Secure Permits

Following "Notice to Proceed" approval, but prior to work starting, the applicant must secure all required building or development permits. Note that grant funding is contingent upon receipt of City of Tempe permits/approvals. Once all permits have been obtained, email Lori@downtowntempe.com for receipt of first half of grant award.

Step 6 >> Submit copies of bills for reimbursement

The applicant must submit copies of paid bills, canceled checks, contractor lien waivers and receipts to DTA for reimbursement. A receipt plus photos of the completed work will be needed for each reimbursement. The line item within the application that the work applied to should also be referenced.

Step 7 >> Grant Committee/DTA Inspection

Members of the Grant Review Committee or DTA will inspect the completed project to ensure that work was performed as outlined in application. This inspection does not replace or supersede any additional inspections that may be required by the City of Tempe.

Step 8 >> Receive Funding

Once your project is approved by both the Downtown Tempe Retail TI Grant Review Committee and the City of Tempe Community Development, submit copies of approvals/permits to DTA to obtain the remaining half your grant check.

SELECTION PROCESS

Applications will be evaluated and approved by the Grant Review Committee. Applications will first be ranked on:

- Completeness of application
- Eligibility of business/property
- Eligibility of proposed improvements

The Grant Review Committee will then evaluate the applications that meet the criteria above according to the evaluation rubric below.

Downtown Tempe Retail Tenant Improvement Grant Evaluation Rubric



	Exceptional (30 pts)	Meets Requirement (15 pts)	Needs Improvement (5 pts)	TOTAL
Application & Eligibility	<ul style="list-style-type: none"> •Application complete •Property is in eligible area •Proposed improvements are eligible •New business to district 	<ul style="list-style-type: none"> •Application somewhat complete •Property is in eligible area •Proposed improvements are not all eligible •New business to district 	<ul style="list-style-type: none"> •Application not complete •Property is not in eligible area •Proposed improvements are not eligible •Not new business to district 	
	Exceptional (30 pts)	Meets Requirement (15 pts)	Needs Improvement (5 pts)	
Project Scope	<ul style="list-style-type: none"> • Project makes quality permanent improvement to space •Project increases the commercial property values downtown •Property owner providing generous TI funding in addition to the grant •Location of building/current vacancy/square footage 	<ul style="list-style-type: none"> • Project makes some quality permanent improvement to space •Project somewhat increases the commercial property values downtown •Property owner providing some TI funding in addition to the grant • Location of building/current vacancy/square footage 	<ul style="list-style-type: none"> • Project makes no quality permanent improvement to space •Project has little impact on the commercial property values downtown •Property owner providing no/little TI funding in addition to the grant • Location of building/current vacancy/square footage 	
	Exceptional (30 pts)	Meets Requirement (15 pts)	Needs Improvement (5 pts)	
Value of Proposed Project	<ul style="list-style-type: none"> • Project brings a new elevated dining space to district • Value of total investment made is substantial • Number of jobs created is substantial •Estimated revenue per square foot when operational is substantial 	<ul style="list-style-type: none"> • Project brings a new dining/retail space to district • Value of total investment made is somewhat substantial • Number of jobs created is somewhat substantial •Estimated revenue per square foot when operational is somewhat substantial 	<ul style="list-style-type: none"> • Project brings a dining/retail space to district • Value of total investment made is low • Number of jobs created is low •Estimated revenue per square foot when operational is low 	
	Exceptional (30 pts)	Meets Requirement (15 pts)	Needs Improvement (5 pts)	
TOTAL SCORE				

GET IN TOUCH

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Find grant application & checklist links here

