Cornerstone Development Authority
Tenant Recruitment Investment Program (TRIP)

In 2005, the CDA Board of Directors adopted a three year strategic plan for the Cornerstone District-Southfield. This strategic plan is multi-faceted and covers many objectives over three years for the CDA to set out and accomplish. Since the adoption of the strategic plan, CDA staff has been finding ways to implement the identified objectives and set our goals into action to improve the district. One such idea is the proposed Tenant Recruitment Incentive Program (TRIP).

The TRIP program is designed to support the attraction of new business to the Cornerstone District. The goal of the program is to give an incentive for leasing companies to bring new business tenants to existing commercial buildings in the district which will decrease commercial space vacancy as well as increase our daytime population. An increase in business presence gives the CDA ability to market more effectively for reciprocal development that supports this daytime population. Another goal of the TRIP program will be to support building revitalization (private investment) in the district via interior improvements. The program will also leverage communication between the CDA and all participating property owners, management firms and representing leasing brokers.

The first type of funding allocation will not only bring in new businesses into the district but it will also fund interior building improvements that would not otherwise be done without TRIP funding. The second funding allocation is a marketing tool to give an added incentive to brokers who may represent many buildings in the metro area to focus on tenancy in buildings within the district. The maximum award given is $10,000 with an annual limit of $30,000 the CDA can award between July 1, 2006 and June 30, 2007.

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Purpose

The purpose of the Tenant Recruitment Incentive Program (TRIP) is to support the recruitment of new commercial occupants into the Cornerstone District-Southfield. The Cornerstone Development Authority will allocate grant dollars to commercial real estate brokers and building owners as incentives to recruit new businesses into the Cornerstone District throughout 2006 and 2007.

Goals

The general goals and priorities of the program may include:

- Maximize the use of grant dollars to secure *viable* commercial businesses in the district.
- Increase the use of grant dollars to generate the greatest number of jobs and tax base within the district.
- Maximize the use of grant dollars to generate the largest private investment towards the improvement of the commercial building stock in the district.
- Increase the presence of target tenants in the district.

Program Benefits

The program will be offered to the following entities as an effort by the CDA to enhance and help subsidize the deal:

- Real estate brokers for additional commission fees or act as safety nets where no commission agreements may exist. This includes brokers that represent potential occupants (lease or purchase) and building owners.

- Building owners for improvements to the building or enhancements *to secure the identified occupants*. Goods and services may include but are not limited to;

    - Capital improvements: Improvement of interior common areas, remodeling for client space, interior space build-out, interior design (must meet State and local laws including City of Southfield Building codes, ordinances and rules, and permit requirements) and improvement items.
    - Purchase and installation of exterior signage (must meet all appropriate sign code requirements)
    - Mass advertising to the local media for new occupant announcements
    - Internet connection and installation
    - *Items not eligible for grant funding include but are not limited to*: monthly fees for services to the business (internet connection, phone and/or utility bills, parking lot improvements, any exterior improvements).

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Program Criteria

The program will be offered to real estate brokers and building owners. The grant amount will be based on the duration and size of occupancy.

- A rate of $.55 per square foot per year of usable space of no less than 1,000 square feet leased for a period no less than three years will be offered.
- Each building owner application will be evaluated based on it's ratio of private dollars invested to the eligible grant amount. The CDA is requiring a target ratio of at least 1 to 1.

Maximum grant award per business deal is $10,000. All grants are subject to availability of funds. Availability of funds will be determined on a first come first serve basis. First come first serve basis is defined by the date a deal is registered and the date when the signed lease or purchase agreement is approved by the CDA Board of Directors.

Usable square foot measurement is based on most current BOMA standards.

The real estate broker or building owner must be a party to the deal.

An occupant may not be used as qualification of TRIP funds more than one time.

Program Requirements

- The business must be entirely new to the district.
- The real estate broker or building owner must be a "party" to the deal
- The business has not resided within Southfield city limits for at least three (3) years.
- The business locates in a building within the boundaries of the designated Cornerstone District-Southfield.
- The business is at least 1,000 square feet of space**.**
- The business has signed a minimum three-year lease**.**
- The applicant has provided proof of a signed lease, has attached either a business plan or annual report.
- Proof of the building in which the business is moving into is in good standing with the Southfield Code Enforcement Department.

Application Process

1. Applicants complete form and submit to CDA which will register the deal.
2. Applicant submits disclosure or agent agreement.
3. Applicant submits letter of intent and floor plan.
4. Applicant submits a business plan or annual report of the business
5. Application reviewed by Public Relations Committee
6. CDA Board reviews the application, committee recommendation and takes action. Funds are obligated at this time if grant is approved and funds are available.
7. Applicant submits signed lease or purchase agreement. The CDA staff and has 90 days to close the deal.

1. The applicant (broker or owner) will register the potential deal with CDA staff by completing the TRIP application form and mailing the form to:
   Cornerstone Development Authority, 15600 J.L. Hudson Dr., Southfield, MI 48075. Ph (248) 796-5196.

   The application must be submitted and dated before a lease is signed between the owner/broker and tenant.

   The applicant must complete all required fields on the application. Registration will secure the deal for 90 days. The applicant can extend the deal again after 90 days, (for an additional 90 day period) by calling the CDA offices at (248) 796-5196.

2. The broker must submit, **within five (5) business days** of a deal registration to CDA, an executed letter of "agency disclosure" or some other documentation that confirms the real estate broker is a party to the deal.

3. The applicant must submit, **within the designated 90 days** of a deal registration, a letter of intent to lease or buy signed by all parties to the deal. The letter shall outline the project details. Simultaneously, project drawings, with dimensions verifying the useable square footage calculation, must also be submitted for any planned capital improvements by building owners, or drawings submitted by a broker applicant verifying usable square footage for the new business.

4. CDA staff will review the application, letter of intent, drawing and project details. An interview with the applicant *may* be required prior to awarding the grant. Staff will determine the grant amount and the time frame for processing the application.

5. CDA staff will schedule a meeting with the Public Relations and Marketing Committee for preliminary review. The committee will evaluate the project and prepare a recommendation to the CDA Board of Directors.

The CDA Board meets the fourth Friday of every other month.

6. The committee's recommendation will then be placed on the next available CDA board meeting agenda. The CDA Board of Directors will review the Public Relations and Marketing Committee's recommendation and will take final action on the application. The application remains confidential until the point it is sent to the CDA Board for final review and action.

7. Once the grant is awarded, the applicant must enter into a grant contract with the CDA that states the terms and amount of the grant and commitment to carry out the project.

8. The applicant has 90 days from the date of the CDA Board of Directors meeting to close the deal. The applicant can extend the deal again after 90 days, (for an additional 90 day period) by calling the CDA offices at (248) 796-5196.

9. **Brokers**: Grant payout occurs upon 31st day of occupancy of the business identified in the application and verification that the business is open and operational. Occupant must be open and operational within five (5) months of CDA approval.

   Building Owners: Grant payout occurs when receipts of completed work are submitted to the CDA. Upon which, the CDA or City of Southfield employees reserve the right to inspect any or all areas of the completed project. The CDA will pay its portion upon satisfactory completion of the interior and/or other improvements the applicant was awarded to make.

Application Form

I. Applicant Information

Broker ☐ Building Owner ☐

Name:____

Address:____

Phone:_________________________ Fax:______________________________

E-Mail:____

II. Business Information

Name of Business:____

Address/Location:____

Phone/e-mail/fax:____

Federal ID Number:____

Company Webpage:____

Product or Service:____

Days and hours of operation:____

Years of Operation:____

Number of full-time employees:____

Number of part-time employees:____

If you own another business, please give name, location and brief description:

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III. Written Commentary

- Please give a brief explanation of how expending the $10,000 **T.R.I.P.** funding on the outlined goods and/or services will enhance doing business at your new location.
- Please provide a descriptive overview of the business and its goal to locate in Southfield.

IV. Project Description

Describe the proposed project:____

____

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Please specify the proposed use of the funds:___________________________________

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Please list the *usable* square footage (attach proposed floor plan):_________________

Term of the lease:____

Project timetable and estimated date of opening:_______________________________

Total private investment:____

CDA staff reserves the right to obtain proof of paid taxes (verification that property taxes are up to date).

I/We certify that all the information set forth in this application is a true representation of the facts pertaining to the subject property for the purpose of obtaining funding under the CDA Tenant Recruitment Incentive Program. I understand and acknowledge that any willful misrepresentation of the information contained in this application could result in disqualification from the program, requiring any funds already disbursed to be repaid in full to the Cornerstone Development Authority.

The applicant further certifies that he/she has read and understands the CDA Tenant Recruitment Incentive Program Criteria. If a determination is made by the CDA staff that program funds will not be used for eligible program activities or the funds requested by the applicant do not represent the spirit of the CDA's Tenant Recruitment Incentive Program, the CDA reserves the right to deny an application for funding. CDA staff also reserves the right to fund only a partial amount of the total dollars requested from any application. It is understood that all CDA funding commitments are contingent upon the availability of program funds.

Signed this______________day of____________________________, 20__________

By: ____

Its: ____

Tenant Recruitment Incentive Program Checklist

1. Application ______________
2. Registration ______________
3. Signed Disclosure Agreement ______________
4. Signed Letter of Intent ______________
5. Floor Plans/Usable Square Footage ______________
6. PRM Committee Recommendation ______________
7. CDA Board Approval – Grant Amount ______________
8. Signed Lease ______________
9. Receipts of Work Completed (Property Owner) ______________
10. Signed Contract ______________