



## DDF Destination Creation Loan-to-Grant Program

### *OVERVIEW*

The Destination Creation (“DC”) Loan-to-Grant provides a 15% matching incentive up to \$100,000 for investment to create a winery, brewery, distillery, entertainment venue, or destination restaurant in Downtown Denison through the Denison Development Foundation (“DDF”). DDF is a private, non-profit foundation and is pleased to offer this incentive for the buildout of the interior of a building or business. DC Loan-to-Grant funds cannot be used for exterior façade or alley access work, which may qualify for other grant funds.<sup>1</sup>

The DC Loan-to-Grant is forgiven over a period of three years as the business maintains operations. There is an annual reduction by one-third (1/3) of the amount at which time (at the end of 3rd year) the loans will be completely converted to a grant and all formal commitments will be released.

This incentive includes most improvement/development costs for any interior buildout and may include labor, materials, fixtures, equipment, and furniture. It does not cover the following:

1. Real Estate Acquisition or Leasing (Lease Payments)
2. Working Capital
3. Inventory or Consumables<sup>2</sup>
4. Business Plan and Business Formation
5. Architectural Designs
6. Building Insurance
7. Utilities
8. Fire Safety Systems (Sprinkler/Fire Alarm Systems)<sup>3</sup>
9. Permits
10. Computer Software/Applications<sup>4</sup>

If you are doing the work yourself, you must contact and meet with DDF staff to explain interior buildout costs, to determine standard rates/costs within the community, and to receive pre-

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<sup>1</sup> Expenses for renovating the façade or sides of the building may be eligible for the Façade Grant offered through the Denison Development Alliance. Renovation expenses to improve business accessibility through alley doors may be eligible for the Denison Alley Access Grant Program through the DDF.

<sup>2</sup> Consumables are those items which the business consumes in operations, such as food items, alcohol, paper products, disposable silverware, napkins, etc.

<sup>3</sup> Expenses for the installation of fire sprinklers and fire alarm systems may be eligible for the Fire Suppression Grant offered through the Denison Development Alliance.

<sup>4</sup> The DC Loan-to-Grant may cover physical computers, tablets or card readers, but it will not cover the software programs or applications that may be uploaded onto the physical piece of equipment.

approvals from DDF before work is commenced. Qualification of labor, materials, fixtures, equipment, furniture or other costs for the DC Loan-to-Grant is at the sole discretion of DDF.

The DC Loan-to-Grant funds are paid as a reimbursement after the City of Denison issues a Certificate of Occupancy for the destination. These funds should not be considered as initial sources of funds for project development. They should be considered timely investment reimbursement loans to replenish, restore, or buffer working capital balances as the business begins operations.

Only one grant submission is available per business at each location. Additionally, the grant will be paid at one time in one payment and shall not extend over a period of months or be subject to multiple payments to the business until all possible grant funds have been expended. Once the business receives a Submission Date, expenses paid beyond the Submission Date are excluded from the grant.

The primary focus of this DDF program is to facilitate the creation of strong destination businesses in Historic Downtown Denison which will generate more consumer traffic downtown and increase business activity for all downtown businesses. Many businesses have benefited from the DC Loan-to-Grant incentive and we look forward to discussing the creation of your future destination!

## GUIDELINES FOR APPLICATION

### Pre-Application Process:

- Communicate with Denison Development Foundation to discuss your project at 903-464-0883 or [tbarney@denisontx.org](mailto:tbarney@denisontx.org).
- Submit your organization's formation documents (filed with the state and your d/b/a, if any)
- Submit your Business Plan, Marketing Plan, and Financial Projections with a 3-year pro forma and an itemized spreadsheet of proposed improvements and related costs. See Exhibit A for the minimum that DDF requires.
- If you are not the Owner of the building and you plan to perform the improvement and development to the building, you will need an assignment agreement from the Owner allowing you to receive the reimbursement funds if approved. Please communicate with DDF whether this situation applies before performing any work.
- Submit any other supplemental information as needed or required by DDF Board so it may determine whether the business qualifies for the DC Loan-to-Grant Program.

*Note: An applicant in receipt of written notice by the City of Denison ("City") of outstanding code violation(s) or who is a party to pending litigation with the City is not eligible for a grant until those items are resolved; provided however, nothing herein shall be construed as to disqualify the applicant for filing notice(s) of appeal of evaluation issued by the Grayson Central Appraisal District on property owned by applicant and situated within the corporate limits of the City.*

*If litigation begins or any City violations occur and are noticed in writing by the City during the development of the property (even if such violations occur for other property(ies) the applicant may own within the city), the applicant shall notify Denison Development Foundation within seven days of such occurrence. The applicant shall provide the initial filing to commence litigation or the City's written notice of violations, as well as any remediation efforts for the violation(s), to the Denison Development Foundation. Failure to notify the Denison Development Foundation of the litigation or violations, and failure to remedy the violations within the period designated by the City shall result in the grant awarded being cancelled and no further payments shall be made under such grant.*

### Application Process After Business Deemed Qualified by DDF Board:

- Include written notice/email from DDF Staff that business qualifies for the Destination Creation Loan To Grant.
- Sign and return the Grant Application
- Sign and return the Indemnity Agreement
- Submit a current W-9
- Show proof of current membership with Denison Chamber of Commerce

### Reimbursement Process After Improvement/Development Completion:

- Upon receipt of Certificate of Occupancy, send it by regular mail or drop off at the DDF Office located at 115 N. Rusk Ave., Denison, TX 75020 or via email at [tbarney@denisontx.org](mailto:tbarney@denisontx.org).
- Sign and return the Grant Agreement, which outlines the three-year Loan-to-Grant conversion process
- Then, submit your costs and expenses on the Destination Creation Grant Spreadsheet attached hereto. You may copy Page 2 of the Spreadsheet for additional entries. The

Spreadsheet explains more in detail how you should present your information and then attach the bills/invoices/statements for costs/expenses and their proofs of payment.

- **Bills, invoices and statements with their proofs of payment must be attached to the spreadsheet in the order in which they appear on the spreadsheet.** Proofs of payment constitute paid receipts, cancelled checks, credit card bills with payment(s) highlighted, bill/invoice/statement marked paid from the vendor, etc. *Please note: If you have a paid invoice or receipt, that can be submitted as both your invoice and your proof of payment.*
- To be deemed an “eligible expense” the following must be clearly shown on the bills/invoices/statement and/or their proofs of payment:
  - The name of the vendor
  - Item(s) purchased/service(s) provided
  - Amount(s) paid
  - Date(s) of payment
- Costs/expense should be for the interior buildout of the building only – not façade or alley access work, which may be covered by other grants. Fire suppression and alarm systems are also covered by another grant and not eligible for reimbursement under this grant.
- When all necessary documents to process the grant have been received, you will receive a Submission Date. If any expenses have been invoiced but not paid prior to your Submission Date, they will not be included in the grant. Only expenses that have been paid on or prior to the Submission Date are eligible for the grant.
- **PLEASE NOTE: IF THE SPREADSHEET IS NOT SUBMITTED WITH THE ACCOMPANYING BILLS/INVOICES/STATEMENTS OR THEIR PROOFS OF PAYMENT IN ORDER, YOUR LOAN TO GRANT MAY BE DENIED.**

*TIPS:*

- Many online invoices have a “View Invoice” feature that shows payment details. Print and submit this version. Attach other information you may have, if available.
- If there is absolutely no way proof of payment can be reproduced, an Affidavit can detail those expenditures. The Affidavit will be signed and filed with DDF.

## EXHIBIT A

BUSINESS PLAN should include:

- Executive Summary
- Company Description
- Market Analysis
- Competitive Analysis
- Description of Management and Organization
- Breakdown of Products and Services

MARKETING PLAN

FINANCIAL PROJECTIONS should include:

- Capitalization Plan
- 3-Year Pro Forma
- Cost Projections (*See sample below; Submit on Excel Spreadsheet*)

Name of Business

Cost Projections

Projected opening date

*NOTE: Items listed are just examples. Your items will be different.*

CATEGORY / ITEM:	COST ESTIMATE:	NOTES
Demo		
Roof		
Ceiling		
Windows		
Foundation		
<i>Demo and Modifications Total:</i>		
Interior Finish Out		
Restrooms		
HVAC		
Flooring		
Framing		
Electrical Rough In		
Lighting		
Electrical Finish Out		
Plumbing / Sewer		
<i>Interior Finish Out Total:</i>		
Equipment		
(Itemize your needs)		
<i>Equipment Total:</i>		
Cost Projection Subtotal		
Contractor Mgmt. Fee/ Overhead / Other		
<b>Total Cost Projection:</b>		

# **DESTINATION CREATION LOAN-TO-GRANT APPLICATION**

## **APPLICANT:**

Business Name \_\_\_\_\_

Business Address \_\_\_\_\_

Contact Person, Title \_\_\_\_\_

Contact Email \_\_\_\_\_

Contact Phone \_\_\_\_\_

## **GRANT REQUEST:**

I am applying for the Destination Creation Grant with the Denison Industrial Foundation, Inc., dba Denison Development Foundation ("DDF") which will provide a 15% matching grant (up to a maximum of \$100,000) that I might expend for qualified improvement/development costs for any interior buildout as outlined in the Grant Overview and Guidelines provided with this application at the Business Address above.

My total project cost estimate is \$\_\_\_\_\_.

## **SUPPORTING DOCUMENTS:**

I understand that this grant application must also have the following completed documents attached before disbursements can be made:

- ☐ Organization Formation Documents, including any DBA (filed with the state and county)
- ☐ Business Plan, Marketing Plan and Financial Projection with a three-year pro-forma
- ☐ Written Notification that Business Qualifies for Grant
- ☐ Signed Indemnity Agreement
- ☐ Proof of Denison Chamber of Commerce Membership
- ☐ Signed W-9
- ☐ Certificate of Occupancy
- ☐ Signed Grant Agreement
- ☐ Assignment Agreement with Owner to Receive Funds (if applicable)
- ☐ Spreadsheet with accompanying bills/invoices and their proofs of payment as outlined in Exhibit B of the Grant Overview and Guidelines

## **STATEMENT OF ELIGIBILITY:**

I hereby certify that I am not in current receipt of a written notice with the City of Denison ("City") for outstanding code violations and I'm not a party to pending litigation with the City. I agree that I shall promptly notify the DDF by written correspondence if any City violations occur and are noticed in writing by the City during the development of the Business (or any other property within the City of Denison that I own), and if I do not remedy the violation within the time period required by the City or do not notify the DDF about litigation with the City, the grant process shall be cancelled and no payments shall be made under the DC Loan-to-Grant program.

## **APPLICATION AGREEMENT:**

I understand that all applicable supporting documents must be submitted before the reimbursement funds shall be disbursed, unless waived by DDF Board. I understand and agree that the DC Loan-to-Grant funds are reimbursements for expenditures and not upfront costs. I agree to submit bills/invoices and their proofs

of payment that accurately reflect the amounts that have been expended to improve/develop the interior of the Business named above and at the location listed herein and that if I do not present them as requested in the Grant Overview and Guidelines accompanying this Application that the DC Loan-to-Grant may be denied even if the DDF Board deems the Business as a qualified business to receive DC Loan-to-Grant funds. I agree to indemnify DDF and hold DDF harmless from any claims, causes of action, lawsuits, cases and/or administrative proceedings that may arise from 1) my improvement and/or development of the Business for the duration of the DC Loan-to-Grant program, 2) for a denial of DC Loan-to-Grant funds if City violations occur or Grant Overview and Guidelines are not followed by the Business and documents are not provided as requested therein, 3) for disputes between Business and the property owner (if Business does not own the building) concerning the funds provided under the DC Loan-to-Grant program, and/or 4) for any other disputes between any other person/entity and the Business named herein involving the DC Loan-to-Grant program in which DDF, its Board, Officers, President, and/or support staff may be named.

**Signed:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Printed:** \_\_\_\_\_

**QUESTIONS? Call 903-464-0883**

**SUBMIT APPLICATION TO** [tbarney@denisontx.org](mailto:tbarney@denisontx.org) or deliver to the Denison Development Alliance office located at 115 North Rusk Ave., Denison, TX 75020, with the required documentation.

## DESTINATION CREATION LOAN-TO-GRANT SPREADSHEET

The following costs and expenses were paid for the construction, furniture, fixtures and equipment (“FFE”) for the improvement of the property located at \_\_\_\_\_ (“Property”) for the business \_\_\_\_\_ (“Business”):

#	Vendor <sup>1</sup>	Service/Items <sup>2</sup>	Reimbursable Amount: <sup>3</sup>	Date(s) Paid: <sup>4</sup>	Proof of Payment: <sup>5</sup>

<sup>1</sup> “Vendor” = name of laborer, business, store or individual who performed work on the Property or from whom you purchased FFE.

<sup>2</sup> “Service/Items” = services that were performed or items that were used in the improvement, construction, development of the Property or FFE purchased for the Property. “Items” does not include costs/expenses that may be on the same receipt but were not used for the Property.

<sup>3</sup> “Reimbursable Amount” = dollar amounts for the Service/Items used in the improvement, construction, development of, or the FFE for the Property and subtract all amounts that fall outside these categories. This can be a total amount of all bills/invoices/receipts for a particular Vendor and must all be attached together.

<sup>4</sup> “Date Paid” can be the date of a particular invoice or payment, or a date range if multiple bills/invoices/statements are provided for one Vendor.

<sup>5</sup> “Proof of Payment” = please list “R” for receipt, “I” for invoice marked paid by vendor, “CHK” for cancelled check, “CC” for credit card statement with purchase highlighted, or “O” for Other with an explanation. These should be included immediately following the bill /invoice/statement that was paid with the proof of payment.



[illegible]

***Please copy this page as many times as necessary to provide all costs and expenses, then sign the following certification page and include at the end.***

I certify that the above costs and expenses were paid to develop and/or improve the Property and that I have attached all bills, invoices, and statements with their proofs of payment in order as they are presented on this spreadsheet. I further certify that the bills/invoices and their proofs of payment accurately reflect the amounts that have been expended to improve/develop the interior of the Business named above at the Property listed herein.

Grant Applicant Signature: \_\_\_\_\_

Grant Applicant Name: \_\_\_\_\_

Today's Date: \_\_\_\_\_