

RENT SUBSIDY PROGRAM

Program Purpose:

The Rent Subsidy Program is intended to provide financial assistance in the form of rent subsidies for new businesses locating anywhere in the City New London. A total program amount of \$25,000 has been allocated for this program.

Program Benefits:

- Two year benefit program
- First year rent subsidy is up to \$5 per square foot. Second year subsidy is up to \$2 per square foot. (These figures are based upon an average rent of approximately \$10 per square foot)
- Monthly utility expense subsidy. In cases whereby the tenant pays for improvements to the rental space and the cost of those improvements are applied to the rent, i.e. pre-paid rent, the program will pay for monthly utility costs up to \$300 per month for 18 months but no longer than the pre-paid rent allocation

Designated Area and Location:

Eligible businesses must locate within currently vacant storefront space in the City.

Eligible Businesses:

Businesses eligible for this program must be 'for profit' businesses new to the area or zoning district. Businesses currently located in the area or district moving from one location to another location in the same area or district are not eligible. For example, an existing business moving across the street or down a couple of blocks to a different space would not be eligible.

Selection Criteria:

The Program is intended to target and recruit new businesses that provide a significant and unique enhancement to the area to which it is locating. Applicants for rental subsidies will be evaluated by the Office of Development & Planning (ODP) staff on the following criteria:

- Degree to which the business provides an economic and added value public benefit to the location area and complements other businesses within the area
- Qualifications and track records of business owners or managers
- Potential for long-term viability
- Acceptable evaluation of business plan
- Acceptable demonstration of financial need
- Hours of operation
- Extent of customer base
- Expressiveness of storefront window display
- Investment of business owner
- Jobs created
- Availability of funds
- Sector of market served
- Square footage of retail space

All applications for subsidies will be considered on a “needs” basis and the degree to which they meet the selection criteria. Funding is available on applications that are complete in meeting all criteria and ‘first come – first serve’ basis.

Conditions:

- Minimum 3-year executed lease with acceptable market or below market monthly lease rate.
- Payments will cease if tenant discontinues the business, moves the business, purchases the building, or fails to comply with any and all building, fire, health or zoning codes or regulations applicable to the business.
- Landlord must be current in all municipally applied taxes, utility bills, or loans. Payments will cease if landlord fails to be paid to date for property taxes, water and sewer bills, or City sponsored loan programs.
- Rent charged by the landlord for the new tenant cannot be higher than the previous rent charged unless more than one year has elapsed since the space was occupied and the landlord can demonstrate that the new rent is at market rent.
- The Landlord can not be the Tenant/Applicant.

Selection:

The Office of Development & Planning staff will prepare their evaluation of the applicant based upon the selection criteria and forward their recommendation to the City Manager for a final evaluation and approval.