

Downtown Tenant Improvement Program

Overview

I. Program Objectives

The purpose of the Downtown Tenant Improvement Program is to provide meaningful financial assistance to encourage the buildout of the first-floor retail/restaurant space within eligible properties in Downtown Sioux City. The program is designed to supplement the investment made by tenants and property owners to overcome the significant upfront costs of building out a new space and to create a thriving downtown retail experience.

Goals of the Downtown Tenant Improvement Program include:

1. Attract new businesses that provide needed and desired services or products within downtown to address the demand of residents, employees, and visitors, as well as increase foot traffic and create a vibrant commercial core.
2. Stimulate additional private investment in storefront spaces within downtown.
3. Contribute to the overall value of downtown by encouraging more retail and restaurant businesses.

II. Assistance Parameters

This program will provide assistance in the following ways:

1. Funding will be capped at the lower amount of either \$45,000 per retail tenant (\$60,000 per restaurant tenant), \$15 per square foot per retail tenant (\$20 per restaurant tenant), or 50% of construction costs.
2. Funding will be provided on a reimbursement basis upon completion of the project, receipt of a certificate of occupancy from the City of Sioux City and opening of the business. Final funding amount to be reimbursed will be based on finished space square footage and actual verified costs.

Additional funding is available through Downtown Partners' [Storefront Grant Program and Rent Relief Program](#). Separate applications must be completed for each program prior to construction.

III. Eligibility

The following are eligible to apply and receive assistance:

1. Businesses that generate sales tax and are building out space within an eligible property.

For a property to be eligible:

1. It must be located in the Downtown Sioux City's Self-Supported Municipal Improvement District.
2. It must have first-floor space with direct street/sidewalk access.
3. It must have unfinished space or space that is considered functionally obsolete for the intended use.
4. The space must be unoccupied for at least 24 months prior to the award date.
5. Property owners must contribute a minimum of 25% of total construction costs. Construction must be completed and the business must be open within 12 months of the award date.

IV. Eligible Businesses

Businesses must generate sales tax to be eligible. Eligible tax generating businesses include:

- Restaurants/Bars
- Coffee Shops
- Grocery Stores/Deli
- Other food-related businesses
- Boutique Shops
- Clothing Stores
- Home Goods Stores
- Art Galleries
- Sporting Goods Stores
- Antique Stores

Ineligible businesses include:

- Financial Services of any kind
- Law Offices
- Architecture & Engineering Offices
- Insurance Offices
- Gas & Service Stations
- Adult Entertainment
- Hair Salon
- Nail Salon
- Tattoo Shop
- Pawn & Thrift Shops (stores that sell donated goods)
- Tobacco & Vape Shops
- Liquor Stores
- Appliance Stores
- Mobile Phone/Repair Stores
- Other office or retail with non-tax generating retail traffic or doesn't contribute to the positive image of Downtown Sioux City

V. Eligible Reimbursable Expenses

Funds must be used for interior tenant improvements. Eligible expenses include:

- Permanent Interior Walls & Finishes
- Permanent Lighting
- Interior Painting
- Interior Masonry
- Interior Trim and Doors
- Windows and Flooring
- Electrical, Plumbing and HVAC systems
- Materials and contracted labor related to other interior permanent fixtures
- Licensed and contracted labor related to installation of eligible items

VI. Ineligible Reimbursable Expenses

Funds may not be used for the following expenses:

- Expenses incurred prior to award
- Temporary or movable cubicles, partitions, equipment, fixtures, or furnishings
- Non-permanent fixtures (e.g. furniture, fixtures and equipment)
- Outdoor patios or any outdoor improvements or fixtures
- Repair, replacement, or installation of any exterior masonry, awnings, lighting, signage, window graphics, painting, or other architectural details
- Refinancing of existing debt, ongoing maintenance, operating expenses, moving expenses, working capital, inventory or related costs.
- Labor completed by the business owner or non-licensed labor

VII. Financing

Projects will be scored and awarded through an application process. Projects must receive a minimum of 25 points to be awarded funding. Funds will be capped at the lower amount of either \$45,000 per retail tenant (\$60,000 per restaurant tenant), \$15 per square foot per retail tenant (\$20 per restaurant tenant), or 50% of construction costs. Property owners must contribute a minimum of 25% of total construction costs.

VIII. Application Process

Applications will be reviewed on a rolling basis, without specific application deadlines. Funding will be available on a first come, first served basis with a new allocation available on July 1 each year, pending a funding allocation from the City Council.

Prospective applicants must meet with the Program Manager to determine eligibility prior to submitting an application.

1. Preliminary Meeting with City Staff Prospective applicants must schedule a preliminary meeting with City staff prior to submitting an application to discuss the proposed project. At

this meeting, the applicant will receive preliminary feedback/guidance from staff and a determination of eligibility for the program. Information about the business, proposed tenant improvements, and cost estimates should be available for review by staff.

2. Submittal of Completed Application Packet If determined eligible, the prospect must submit a final application to City staff. Program funding will not be reserved for the prospect based on a positive eligibility determination from the preliminary meeting.
 - a. Final application must include the following:
 - Program application form
 - Detailed cost estimate of entire project
 - Detailed construction schedule including opening date of business
 - Photographs of existing conditions
 - Proposed floor plan of built-out space
 - Business plan including pro forma and market demand data
 - A copy of proposed lease
 - Written consent from property owner approving the proposed improvements and agreeing to 25% match
 - Property owner notarized authorization
 - Proof of financing showing 100% capitalized project plan including funding provided by tenant, building owner and any other funding sources
 - Proof of insurance
3. Staff Development Team Review Within three weeks of receiving a complete submittal, the Staff Development Team will review the application and send a written summary of staff's findings and recommendations. Applicants may be required to resubmit additional information and/or revised plans for review.
4. Development Agreement Following the recommendation by staff, the request for funding and approval of a Development Agreement will be scheduled for Council action. The Council makes the final decision on the request.
 - a. The City of Sioux City, applicant, and property owner will all be parties to the Development Agreement. The Agreement will commit each party to the following:
 - City: provide funding on a reimbursement basis
 - Tenant and Owner:
 - Provide remaining funding to complete construction, with a minimum of 25% of the remaining funding coming from the property owner
 - Sign the lease which will be attached as an exhibit to the Agreement
 - Build the improvements as approved in the application
 - Complete construction and open the business within 12 months of agreement approval
 - Comply with all federal, state and local laws and regulations regarding the construction of the improvements
5. Project Completion After the project is completed and proof of paid eligible expenses are provided to the City, the City will reimburse the applicant within 45 days.

VIII. General Conditions

1. Approval of program applications is contingent upon available funds.
2. All projects must conform to all applicable regulations in the City of Sioux City Municipal Code.

2. All buildings must pass inspections by the City's Inspections Department prior to award.
3. Once an application is approved, the tenant and property will be required to sign a Development Agreement with the City.
4. Construction may begin only after an application is approved. Any work completed prior to formal approval and signing of the Agreements is ineligible for reimbursement.
5. All contractors used must be licensed.
6. Only projects utilizing a licensed contractor will be eligible for reimbursement of labor costs. Projects not completed by a licensed contractor are eligible for material costs only.
7. Projects are required to be completed within 12 months from the date of the award approval.
8. Applicants are responsible for obtaining all necessary permits (e.g., building, electrical, plumbing, etc.) prior to conducting work.
9. Additional conditions may be included in the Agreements.
10. It is expressly understood and agreed that the tenant and property owner shall be responsible for all safety conditions and compliance with all safety regulations, building codes, ordinances, and other applicable regulations.
11. The tenant and property owner authorize the City of Sioux City and Downtown Partners to promote an approved project, including but not limited to displaying a sign at the site, during and after construction, and using photographs and descriptions of the project in materials and press releases.
12. It is expressly understood and agreed that the tenant and property owner will not seek to hold the City of Sioux City, Downtown Partners, and/or its agents, employees, officers and/or directors liable for any property damage, personal injury, or other loss relating in any way to the Downtown Tenant Improvement Program.
13. The tenant and property owner shall be responsible for maintaining valid and sufficient insurance coverages related to the property and the construction project as set forth in the Agreements.
14. The tenant and property owner agree to comply with all City codes and regulations regarding the maintenance of the property and improvements.
15. The tenant and property owner have read and understand the "Downtown Tenant Improvement Program Overview" document outlining program guidelines and procedures.

Downtown Sioux City SSMID Boundary Map

