

MASON DOWNTOWN DEVELOPMENT AUTHORITY
LIQUOR LICENSE ASSISTANCE PROGRAM GUIDELINES

1
Purpose

The purpose of the Mason Downtown Development Authority (“MDDA”) Liquor License Assistance Program (“LLAP”) is to encourage economic development within the DDA District and thereby enhance the quality of life for residents and visitors to the community.

The Liquor License Assistance Program will use MDDA revenues to encourage investment in commercial activities related to dining, entertainment, or recreation in commercial buildings in the Downtown Development District by providing a partially forgivable loan in an amount not to exceed \$18,000 to assist applicants with payment of the enhanced license fee for licenses issued under section 521a(1)(b) of the Michigan Liquor Control Code of 1998.

2
Amounts and participation

In order to apply for the LLAP, the applicant must meet the requirements of the Michigan Liquor Control Commission (“MLCC”) and apply for a liquor license under Section 521a(1)(b) of the Michigan Liquor Control Code, being MCL 436.1101 et. seq.

To be eligible for the LLAP and thereby receive up to an \$18,000 partially forgivable loan, applicants must meet the requirements for a license under Section 521a(1)(b).

Once the MLCC has approved the application, the applicant may apply for the LLAP to receive an \$18,000 partially forgivable loan from the MDDA, the proceeds of which shall be used to assist in the payment of the enhanced license fee to the MLCC.

Upon receipt of the partially forgivable loan, \$18,000 will be amortized over 84 months. Applicant will then begin making payments of \$215 per month to the MDDA until the balance is retired. If applicants business is still in operation after three years and has made timely payments, 35% of the loan or \$6,300 will be forgiven.

During the life of the loan, if there is a change in ownership or business ceases to exist, the balance of the loan is due to the MDDA immediately.

The building which houses the license will be subject to a junior lien until the applicant’s loan is paid in its entirety.

3
Conditions of eligibility

Commercial tenants of property within the Downtown Development District are eligible but the application must include written approval and consent of the property owner.

Land contract purchasers of property within the Downtown Development District are eligible but the application must include written approval and consent of the fee title owner.

Each applicant must meet the following requirements:

- a. Property taxes and other city accounts must be current at the time of approval and funding.
- b. Proof that the MLCC requirements have been met.

4
Application

An applicant will complete an application substantially in the form approved by MDDA and deliver it with all necessary attachments and exhibits to the MDDA Director.

The application will be reviewed by MDDA Director. Applicant will be notified by Director when application is accepted or denied.

An application will consist of the following:

- a. MDDA's application form
- b. A letter of approval from the MLCC
- c. Copies of the original documentation provided to the MLCC

MDDA will notify the applicant of any changes that must be made regarding scope and content of application.

5
Time

When an application is received, it will be reviewed by the Executive Director for completeness. The Executive Director will place the item on the agenda for consideration at the next regularly scheduled MDDA Board meeting and give a recommendation to the Board of whether to approve or deny the application. If an application is received during an interim period and the next regularly scheduled meeting is more than 30 days, the chair of the MDDA shall convene the Executive Committee for review of the application and the Executive Committee may approve or deny the application.

6
Final approval and agreement

When the state requirements have been met, the applicant will be notified of final approval by MDDA. The applicant and the MDDA will sign an Agreement setting forth the terms and conditions of the loan in a form approved by MDDA.

7
Funding

Once the application has been approved, the MDDA will then pay to the applicant the amount of the approved loan as a partially forgivable loan to reimburse the applicant for a portion of the enhanced Liquor License fee due under Section 521a(7). The loan will be disbursed upon receipt of the applicant's sworn statement that the proceeds will be used for that purpose. MDDA reserves the right to issue joint checks when, in its sole discretion, it determines that joint checks are necessary.

Promoting the Program

The MDDA Director will prepare and mail to each known building owner and business operator within the Downtown Development District a communication announcing the Liquor License Assistance Program and the availability of funding. This notification will take place at least once each calendar year.

The MDDA Director will schedule, publicize and conduct at least one workshop each calendar year to inform potential applicants of the parameters of the program and the requirements for applying.

Discretion of MDDA

Applications will be considered on a first come first served basis with the number of applications granted being directly limited by the amount of funding for the program. Each applicant will understand that MDDA may, in its sole and absolute discretion, approve or reject any application or request modifications of the proposed project. MDDA reserves the right to change these guidelines or terminate the program at any time.