



CITY OF HAGERSTOWN, MARYLAND

Department of Community & Economic Development

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American Rescue Plan Act (ARPA) - City-Wide Restaurant Ready Grant Program Guidelines

Program Summary

Responding to the negative economic impact as a result of COVID-19, the City of Hagerstown is using part of its American Rescue Plan Act (ARPA) funds to lower the barriers associated with opening a restaurant within the City's corporate boundaries. The City of Hagerstown has developed an incentive program to assist with the attraction and fit-out of new restaurants that will foster a positive economic impact. Examples of such impact include creating jobs, increasing economic activity and foot traffic, and attracting additional businesses to the community.

Guidelines:

1. Grants awarded under the ARPA City-Wide Restaurant Ready Grant Program range have no minimum amount, but a maximum of \$50,000. The ARPA Review Committee will use the following criteria in determining a grant award amount:
 - a. Applicant/Project Need,
 - b. Viability of Business Plan/Restaurant Experience & Capacity,
 - c. Economic Impact of the Project,
 - d. Renovation Budget,
 - e. Square Feet Utilized,
 - f. Condition of the Building/Rectifying of Code Violations,
 - g. Length of Prior Vacancy.
2. Acquisition costs shall not be considered a part of the project cost.
3. Awarded grants require a 1:1 match from the application completing the project. Example: A \$10,000 grant would require a match of at least \$10,000 for a total project cost of \$20,000.
4. Funds may be used for the renovation/fit-out of an eligible space, and for branding/marketing and business promotion professional services.
5. The purchase of furniture, fixtures, and equipment may be considered for required match contribution only.
6. Applicant must be the party responsible for the costs of the improvements.
7. No City loans, grants, or pass-through funding may be used as part of the applicant's match.
8. A project may be defined as planned or in progress. Completed projects are ineligible. For projects that are planned, project must start within 3 months of approval. For projects that are in-progress, the applicant will be required to demonstrate expenditures equal to the grant and the required match (\$10K + \$10K = \$20K) related to work that was completed within 90 days prior to date of approval and the required date of completion. The City determines the required date of completion based on the project completion date shown on the application plus reasonable contingency.
9. Property location/project must be located within the corporate limits of the City of Hagerstown.
10. Timeline must show completion of project, and business open, no later than 7/1/2024.
11. Applicants may apply and utilize other grant and incentive programs.

12. All work for the project must be performed by licensed, permitted contractors, and all projects must comply with all federal, state, and local public health and environmental laws, regulations, or ordinances.
13. All upgrades must be performed to City Code, and will be regulated through the City's Planning and Code Administration Department.
14. Funds will only be disbursed after staff have verified all work in the Application and Development Plan has been completed to Code, including all required site inspection approvals, and final receipts have been provided.
15. The grant will be funded with Federal American Rescue Plan Act funds. Additional federal guidelines and steps in the approval process may apply.

Eligible Applications:

1. Projects seeking the creation of new, restaurant-ready, space in order to attract new restaurants.
2. Tenant restaurant operator with responsibility for cost of fit out and with draft lease and final signed lease within 45 days of approval.
3. Eligible spaces are defined as currently vacant commercial tenant spaces, a space where a property owner has received a notice to vacate, or those that were previously used for a restaurant and require significant upgrades to core systems.
4. Any restaurant that is new, expanding at, or relocating to properties in the City of Hagerstown.
5. An eligible restaurant is defined as any type of food and beverage establishment, catering company, brewery/winery/distillery with tasting room, or other business that requires a commercial kitchen and is open for either dine-in or carry-out to the public.
6. Independent and locally owned and controlled franchises with annual revenues not exceeding \$2 million may be eligible.
7. Only one application per property for either a restaurant operator or a property owner will be permitted.

Ineligible Applications:

1. Ineligible businesses for the program include: home-based or "roving" businesses, drinking establishments without dine-in or carry-out services, hookah shops/lounges, adult businesses, and any business prohibited under Federal guidelines.
2. New construction projects are ineligible.
3. Corporate owned and non-locally controlled franchise chains are ineligible.
4. Non-profit entities are ineligible.
5. Operating expenses such as rent, utilities, employee salaries, etc. are ineligible for the program.
6. Individuals, businesses, and properties that are not in Good Standing with the City of Hagerstown or State of Maryland will not be considered.
7. Façade & signage improvements are ineligible for funding and/or match requirements.

Application Process and Requirements:

1. Complete the ARPA City-Wide Restaurant Ready Grant Application, and provide all required attachments.
2. Return completed application and required attachments via email to dced@hagerstownmd.org, or in person/mail to 14 N. Potomac Street, Suite 200A, Hagerstown, MD 21740.
3. Registration with SAM.gov and City review is required.
4. All applications and supporting documents must be submitted for consideration no later than 1/1/2024.
5. All grants are subject to funding availability.
6. All applications shall be reviewed and approved by a committee called the ARPA Review Committee, and are reviewed on a first-come, first-served basis.
7. The ARPA Review Committee will review the application and supporting documents to determine the eligibility and level of funding that may/may not be awarded.
8. Approved applicants will receive a Letter of Commitment from the City of Hagerstown which may be used to assist in financing the project.
9. Grants will be paid following the completion of an approved project and submission of final receipts for the approved scope of work/intended purchases.
10. The City will issue a 1099 form following grant disbursement, and the grant may be taxable based on that year's State and Federal tax guidelines.
11. Once a project is approved, any changes in the scope of timeline will require the project to be resubmitted for determination of continued eligibility.
12. A signed lease will be required for restaurant operator applicants within 45 days of approval.
13. Additional project information may be requested at any time during the process.