

# Define Tenanting Process & Criteria – Report Out

*Task Members - Jeana Wooley & Adam Milne*

3.31.16

## DRAFT TENANT CRITERIA

- 1) Tenant should have been in business for 2 years either in their home or in another location. No new start-up businesses will be considered as tenants.
- 2) Business should be a service or retail business that generates traffic to site and activates the storefront. Business should not be a passive use, i.e. office space for a professional service use.
- 3) Business should bring new goods or services to neighborhood rather than providing similar or duplicate goods and services, so for example we don't want a pizza parlor since we already have two pizza operations within a block, we don't want a coffee shop since we have two of these within a block, etc.
- 4) Owner should be required to put some skin in the game, i.e. help pay for their business build out.
- 5) Business owners should be required to provide two years business and personal financials to be considered for space.
- 6) No chain stores unless it is a franchise brand of something that is needed in the neighborhood, i.e. a copy center. Have to decide if this type of use will be acceptable if it meets a need but doesn't necessarily meet the minority business goal. If this type of use was allowed, would not want more than one unit taken on this basis.
- 7) May need to decide what's desirable and do some recruiting of prospects that fit the bill rather than waiting to see who shows up.

## TENANTING PROCESS

- 1) Interested tenants will fill out credit applications and have credit checks done on them. If the credit report comes back poor, they will not be considered further unless there is a good explanation for the issues that surfaced.
- 2) Next each tenant will provide a brief 1-2 page explanation of their business use, what types of improvements they would need in the space and an estimated budget to install the improvements. They will also provide 2 years of financial statements for the business and themselves as the guarantor.
- 3) If it appears that they have a viable business, it meets the criteria for the neighborhood spaces, and they are financially viable, then the deal can move forward to documentation.
- 4) Each tenant will need to identify an architect/designer and a contractor that they will be working with them to complete their improvements.
- 5) They will work with the architect to prepare a floor plan for their space and get bids on the cost of doing the work to submit for review. It might be good to set up an allowance for tenants to use for this purpose after you know that they are serious and viable.
- 6) A deposit equaling one month's rent and first month's rent would be required for move-in.