



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Economic Development Division

Art Gallery Incentive Program

One of the major initiatives identified in the Urbana Downtown Strategic Plan is the Niche Market Initiative. A niche market identified by City Council as appropriate to downtown Urbana are businesses related to the arts, and specifically art galleries. Also, both the plans for Tax Increment Finance District Number 1 (TIF 1) and Tax Increment Finance District Number 2 (TIF 2) call for City assistance and incentive programs for small businesses within those districts. The purpose of the programs is to promote and to serve as a catalyst for private investment within areas that have seen a trend of disinvestment. The Art Gallery Incentive Program has been designed to offer City assistance to help meet the needs of small start-up businesses within an identified niche market.

In place of a loan interest subsidy and grant, the proprietor of a for profit art gallery business and building owner may apply for a monthly rent subsidy and grant with the following provisions:

- The business must be locating in a building within the TIF 1 or TIF 2 boundary.
- The rent subsidy is up to 50% of the monthly rent amount, up to a maximum subsidy of \$600 per month.
- The subsidy can be used for up to 12 consecutive months that the business is open and operating and is paid directly to the owner/landlord.
- The monthly rental amount in the lease agreement must be verified by City staff to be at or below market rate.
- The lease term must be for a period of at least 2 years.
- The applicant must present a business or financial plan evidencing the projected ability to pay monthly rental costs during and following the 12-month subsidy period. The business must be a start up or a relocation of an existing business from outside of TIF 1 or 2.
- In addition to the monthly rent subsidy, the applicant may apply for a \$2,000 start-up grant to be paid to the business owner upon opening. This money may be used to offset costs related to relocation, advertising, and tenant improvements.
- Landlord must notify city of tenant business closing or non-payment of rent.
- Approval at discretion of City based on availability of funds and the ability to meet the goals and guidelines of the program.
- A business owner cannot receive more than 1 City rent subsidy/grant in a two year period.

For further information, contact:

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