

MORRISTOWN PARTNERSHIP COMMERCIAL RENT RELIEF GRANT PROGRAM
DEVELOPED TO SUSTAIN SMALL BUSINESSES
ADMINISTERED BY THE MORRISTOWN PARTNERSHIP

BACKGROUND

Morristown Partners, Inc. d/b/a Morristown Partnership (the “**Partnership**”) is a 501(c)3 non-profit corporation whose mission is to support the local business community. As a resource to Morristown businesses, we endeavor to create opportunities to address the adverse impacts on business operations caused by the COVID-19 pandemic. The Partnership, with support from private donors, will facilitate the Morristown Partnership Commercial Rent Relief Grant Program (“**Grant Program**”) for the benefit of small businesses seeking rent relief to aid in business recovery.

The Grant Program is intended to: 1) assist with rent payments of for-profit, Town of Morristown-based businesses that suffered negative impacts and business interruptions due to required business closures and/or limitations mandated by Executive Orders of the New Jersey Governor; 2) foster negotiations in good faith to retain small businesses and offer rent relief in partnership with property ownership; and 3) reduce the impact of vacancies in the business district and sustain small businesses integral to the Morristown community. Participation by the property owner (the landlord of the business location) is required.

FUNDING ALLOCATION

On Wednesday, September 9, 2020 the Morristown Partnership Board of Trustees (the “**Board**”) passed Resolution 4-2020 establishing the Grant Program. The Board authorized a funding allocation from a private donor and empowered the organization to seek additional funding from foundations and additional private donors. The breakdown of funding will provide approximately 96 percent to be used for direct grants and 4 percent of the allocation for administrative fees. The Partnership expects to award a minimum of \$250,000.00 in grants to eligible applicants.

PROGRAM NOTIFICATION

The Partnership announced the Grant Program availability via a press release and the Partnership’s business to business email blast, website and social media platforms on Friday, September 18, 2020. In addition, a Grant Program overview and call to action will appear in print within the Partnership produced ‘Autumn in Morristown’ feature section of The Star Ledger and online at NJ.com on Sunday, September 20, 2020.

APPLICATION INFORMATION

A centralized grant application process is available on the Partnership’s website. Paper applications are also available at the Partnership offices and a PDF of the application is available for download on www.morristown-nj.org/grants.

GRANT DOCUMENTS

- Grant Program Information and Frequently Asked Questions
- Grant Application
- Grant Agreement, *executed by **BOTH Tenant and Landlord***
- Amendment to Lease/Rent Reduction Agreement, *executed by **BOTH Tenant and Landlord***

FURTHER INFORMATION

Grant Program information is provided in this packet. If you have additional questions, please send an email to grants@morristown-nj.org or contact:

Morristown Partnership
14 Maple Avenue, Suite 201
Morristown, NJ 07960
(973) 455-1133

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GRANT PROGRAM INFORMATION

APPLICATION RELEASE DATE: Wednesday, September 23, 2020 at 12:00 p.m.

APPLICATION DEADLINE: Wednesday, October 7, 2020 at 5:00 p.m.

MAXIMUM GRANT PER APPLICANT: \$20,000.00

GRANTS FUNDED

Payments issued within ten (10) business days of the Grantor’s execution of the Grant Agreement, which is expected to occur on or about October 15, 2020.

OBJECTIVES

- Assist eligible small business tenants in the Town of Morristown with rent payments
- Foster negotiations for temporary reduced rent to help maintain leases and support business recovery
- Ensure rent payments to landlords
- Retain establishments supporting local employment
- Provide additional assistance to the impacted business community

DISTRIBUTION REQUIREMENTS

- Grants will be awarded to eligible applicants on a lottery basis.

OVERVIEW	<p>Funding of a maximum of \$20,000.00 may be available for tenants that have a physical location with a current, active commercial lease in the Town of Morristown. No home-based businesses.</p> <p>Applicants must meet all eligibility criteria. Grant awards shall be paid directly to the tenant’s landlord to cover the business’ rent for the three (3) calendar months following landlord’s receipt of the Grant Award (under the reduced rent rate set forth in the Lease Amendment).</p> <p>Funds are limited. Not all applications submitted will receive funding. Grant awards shall be subject to lottery selection and approval for eligibility.</p> <p>Business Participation Awarded funds shall cover payment of rent three (3) consecutive months, up to a total of \$20,000. Applicants will be required to answer standard eligibility questions and meet legal qualifications.</p> <p>All eligible businesses demonstrating temporary closures, change of operations and/or loss of revenue as a result of the COVID-19 pandemic are encouraged to apply.</p> <p>Eligible applicants will need to supply:</p> <ul style="list-style-type: none">• Completed application;• Current copy of executed lease currently in effect (including all amendments);• Documentation of most recent lease (rent) payment;• Landlord contact information, including telephone and email;• Financial hardship statement, including a detailed summary of business operations prior to COVID-19 and impact of COVID-19 pandemic on business operations and finances;• Grant Agreement, signed by tenant and landlord, in the form attached hereto, which shall take effect only upon its execution by the Partnership;• Lease Amendment signed by tenant and landlord, in the form attached hereto, which shall take effect only upon the awarding of a grant.
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	<p>Landlord Participation</p> <p>Landlord participation is required. By participating in the Grant Program, tenant’s landlord must agree to reduce the business’ monthly rent by 20 percent for a period of three (3) consecutive months, stay any current eviction proceedings and hold off on commencing new eviction proceedings until after the last day of the third calendar month following receipt of grant funds.</p> <ul style="list-style-type: none"> • Prior to signing the Grant Agreement, Landlord must be in good standing with the Town of Morristown on all local taxes, assessments and utilities. • As part of the application, applicant must submit a Lease Amendment, <i>executed by BOTH Tenant and Landlord</i>, to take effect only if applicant is granted an award, in which case, the Monthly Base Rent decreases by 20 percent, effective for the three (3) calendar months following receipt of grant funds. <p>Approved applicants shall also be required to provide:</p> <ul style="list-style-type: none"> • W-9 Request for Taxpayer Identification Number • Modifications, corrections or any formalities or supplements to the Lease Amendment and/or Grant Agreement • Any other required documents to facilitate funding
<p style="text-align: center;">ELIGIBLE APPLICANTS</p>	<p>To qualify for the Grant Program, an applicant must meet ALL of the following criteria:</p> <ul style="list-style-type: none"> • Be a for-profit business in operation on or before March 1, 2020 • Have a physical commercial location with a current, active lease within a designated ‘Class 4’* commercial property located in the Town of Morristown • Obtain landlord approval and participation in the Grant Program via signed Lease Amendment and Grant Agreement • Certify and demonstrate the business’ temporary closure, change of operations and/or financial hardship after March 1, 2020 is a direct result of the COVID-19 pandemic <p style="text-align: right;"><small>* N.J. Admin. Code § 18:12-2.2</small></p>
<p style="text-align: center;">ELIGIBLE TYPES OF BUSINESSES</p>	<p>All businesses are eligible to apply for the Grant Program with the exception of the following:</p> <ul style="list-style-type: none"> • Pawn shops • Vaping, including tobacco, and marijuana dispensaries • Liquor licensed restaurants or business involved in selling or distributing alcohol, including packaged goods stores • Businesses that derive directly or indirectly more than <i>de minimis</i> gross revenue through the sale of products or services, or the presentation of any depictions or displays, of an “Adult” or sexual nature (i.e., pornographic, lewd, prurient, obscene or otherwise similarly disreputable) • Firms involved in lending activities, such as banks, credit unions, check cashing, finance companies, factors, leasing companies, insurance companies (not agents), and any other firm whose stock in trade is money • Gambling activities, including any business whose principal activity is gambling <ul style="list-style-type: none"> ○ The rule does not restrict grants to otherwise eligible businesses, which obtain less than one-third of their annual gross income from either the sale of official state lottery tickets under a state license, or legal gambling activities licensed and supervised by a state authority • Sales by transient merchants, Christmas tree sales or other outdoor storage • Any activity constituting a nuisance; or any illegal purposes • Other types of business establishments may be categorized as ineligible upon application review at the Partnership’s discretion
<p style="text-align: center;">ELIGIBLE LOCATIONS</p>	<p>The tenant’s leased premises must be:</p> <ul style="list-style-type: none"> • Located in a designated ‘Class 4’* commercial property within the Town of Morristown <ul style="list-style-type: none"> ○ Business must be the master tenant, no sub-tenants permitted <p style="text-align: right;"><small>* N.J. Admin. Code § 18:12-2.2</small></p>

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ELIGIBLE USE OF GRANT AWARD	<p>The Grant Award shall be used exclusively for rent payments.</p> <ul style="list-style-type: none"> The purpose of the Grant Program is to provide commercial rent relief to small businesses experiencing loss of business as a result of the COVID-19 pandemic The Grant Award shall be applied by the Landlord to the Tenant’s rent obligation for the three (3) calendar months following receipt of the Grant Award
SELECTION CRITERIA	<p>Grants will be awarded on a lottery basis, which shall take place the week of October 12, 2020 at the offices of the Partnership. Recipients shall be notified by telephone and/or email upon approval on or about October 15, 2020.</p> <ul style="list-style-type: none"> Approval of applications is at the sole discretion of the Partnership All applicants, regardless of award status, will receive notification at the conclusion of the lottery within 5 business days
APPLICATION PROCESS & TIMING	<p>Applications for the three (3) month rent relief will be accepted beginning Wednesday, September 23, 2020 at 12 p.m. and will continue up until and including Wednesday, October 7, 2020 at 5:00 p.m.</p> <ul style="list-style-type: none"> Grant program information will be available at the Partnership office located at 14 Maple Avenue, Suite 201 in Morristown during business hours of Monday through Friday, 9 a.m. to 5 p.m. Applications reviewed and deemed eligible will then be entered into the lottery INCOMPLETE applications shall be disqualified and ineligible Once an application is selected and fully-approved, payments will be issued in one lump sum to the landlord within ten (10) business days
GRANT AMOUNTS	<p>Not to exceed \$20,000.00</p> <ul style="list-style-type: none"> Request should equal three (3) months’ rent, at the Amended Monthly Rate, or \$20,000.00, whichever is less <p>Formula: Monthly Base Rent* x .80 = Amended Monthly Rent Amended Monthly Rent x 3 Months = <u>Grant Amount Requested</u></p> <p>*Monthly Base Rent = actual cost of three (3) months’ rent and any applicable charges due under a lease, not to include payments for property taxes, assessments, utility payments and common area charges.</p>
EXAMPLE GRANT REQUEST CALCULATION	<p>A business operates in a 2,000-square foot leased space and has a Monthly Base Rent of \$40.00 per square foot.</p> <p>2,000 x \$40.00 = Monthly Base Rent of \$6,666.67 [annual rent payment of \$80,000.00/12 months]. For the three (3) month period, the business’ total rent will be approximately \$20,000.00.</p> <p>To calculate the Amended Monthly Rent, multiply the Monthly Base Rent by the percentage decrease negotiated with the landlord (20 percent): 1.00 - .20 = .80.</p> <p>\$6,666.67 X .80 = Amended Monthly Rent of \$5,333.34. \$5,333.34 X 3 Months = <u>~\$16,000.00</u> The applicant would use this number as the <u>Grant Amount Requested</u>.</p> <p>In this scenario, the landlord is forgoing collection of approximately \$4,000.00 over the three (3) months to support the grant application.</p>
FEES	<p>There are no fees charged to applicants.</p>