I. BRING YOUR RESTAURANT FRANCHISE TO PERRIS!

The City of Perris Community Economic Development Corporation (“CEDC”) has created a program to assist potential full service sit-down restaurant Franchisees in providing branded products and services to the residents of Perris. The Restaurant Franchise Program (“Program”) provides assistance to qualified Franchisees during the first five years of a new business’s operation. This assistance is designed to provide a franchisee with the opportunity to develop a solid network within the community and thereby increase their chances of tenured success.

II. PROGRAM OVERVIEW

The City of Perris (“City”) is actively engaged in several business attraction programs. These programs encourage nationally branded products and service locations that promote business diversity through entrepreneurship to locate their operations within the City. Attracting new businesses to the City provides City's residents several economic advantages including:

1. Regionally and nationally recognized goods and services becoming more accessible to the City's residents, while attracting residents of surrounding communities into the City’s shopping centers;

2. Offering business diversity throughout the City of Perris;

3. Providing an opportunity to pursue entrepreneurship through franchising ventures;

4. Assisting entrepreneurs during the critical period when success and failure are divided by a small margin; and

5. Offering networking opportunities to assist entrepreneurs to develop strong business relationships with the City and local businesses.

The Program is intended to encourage entrepreneurs to establish their niche through the operation of a full service sit-down restaurant within the community that has brand recognition on a regional or national level. This motivation is provided in the form of financial assistance during the business’s critical first five years of operation, the period where the failure rate is typically the highest. This Program is funded by the City of Perris CEDC. The CEDC will offer secured forgivable loans to qualified applicants at a 5% interest rate. For each year of operation, 20% of the loan including interest will be deemed paid and a restaurant in full operation for five consecutive years will have met their obligations.

For more information, contact Michele Ogawa at (951) 943-6100 or mogawa@cityofperris.org
III. ADVANTAGES

The Program offers an incentive to attract potential sit down restaurant franchisees to the City of Perris. The Program provides financial incentives up to $100,000 and is designed to promote Perris as a location that has a desirable market for franchise opportunities. Incentives may include:

1. Training reimbursement for workshops or seminars;
2. Reimbursement of initial franchise fees;
3. Reimbursement of permit fees required by other public agencies;
4. Site selection in conjunction with the franchisor;
5. Initial inventory allowances; and/or,
6. Other financial assistance as determined appropriate by CEDC staff.

Financial incentives will be tailored to the specific needs of each franchisee and shall be negotiated on a case-by-case basis. The assistance will be memorialized in an Owner Participation Agreement (OPA) between the CEDC and the franchisee.

IV. ELIGIBILITY CRITERIA

The Program is designed to assist sit down, full service restaurant franchisees that are new and current entrepreneurs looking to expand their portfolio with a franchise opportunity. An applicant must meet the established criteria to be eligible for participation in the Program. However, eligibility for the Program does not guarantee the receipt of any specific incentive or incentive combination. In addition, the applicant must enter into an Owner’s Participation Agreement (“OPA”) with the CEDC prior to signing the franchise agreement. Full service restaurants shall also include specified buffet style restaurant tenants such as Souplantation, Golden Corral, or any other national or regional retail chain as approved by the CEDC Board of Directors. The CEDC Board of Directors reserves all rights to approve or disapprove restaurant tenants in its sole and absolute discretion.

The following documentation must be submitted to the CEDC to allow the CEDC’s staff to evaluate whether an applicant is eligible for the Program:

1. Applicant is only eligible to apply for one of CEDC’s Restaurant Incentive Programs per new business operation;
2. Documentation of the applicants pre-qualified status with regional or national franchise;

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3. The applicable Uniform Franchise Offering Circular (UFOC);

4. A copy of applicant's submitted application for, or current, City Business License;

5. A Letter of Commitment for franchise financing (from a bank or other approved institution);

6. A written statement granting CEDC staff permission to speak with any participating financial institution or applicant representative who will work with CEDC staff in structuring an OPA;

7. A list of applicant's current liquid assets, including a description of net worth;

8. A comprehensive business plan including a financial plan;

9. A photocopy of applicant's articles of incorporation, partnership agreement or proof of business formation;

10. Authorization to obtain credit information on applicant's business and principals;

11. A Letter of Intent or lease agreement (if already committed);

12. Evidence that the proposed business will result in the creation of new jobs;

13. An approved security instrument that will secure 100% of the CEDC's financial investment;

14. Proof of applicant's legal right to work in the United States;

15. Real property must be vacant and/or unoccupied and within the city limits, as defined by the current City boundaries;

16. Proposed development must be constructed within a specified time frame as outlined in the OPA;

17. Proposed site must be consistent with the General Plan;

18. Must result in creation of new jobs;

19. Creation of jobs must be consistent with minimum wage pursuant to California and Federal labor laws to include legally documented workers;

20. Evidence that the jobs created will be consistent with minimum wage requirements set forth in California and Federal labor laws, to include legally documented workers.

21. This incentive is not available for the previously opened restaurants prior to the approval of this Program;

Great location, Incredible Opportunity

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22. The Applicant is required to enter into a building lease agreement or a purchase and sale agreement for a property located in the City or Perris for a term of not less than five (5) years with options to extend (if a lease agreement);

23. The Applicant is required to enter into an OPA (or any other form of agreement as identified by the CEDC) and such OPA approved by the Board of Directors of the CEDC;

24. This incentive is only valid up to one time per proposed site, parcel, and/or development as determined by CEDC staff;

25. The City and CEDC reserves all rights to select which restaurants to provide any and all financial assistance as provided for in any Restaurant Incentive Programs; and,

26. Any and all necessary documents that may be required to qualify Applicant which includes but is not limited to:

   a. For new entrepreneurs:
      1. An account of all experience in the desired franchise industry. Include all relevant business experience and technical skills;
      2. A description of your interest in the particular franchise;

   b. For entrepreneurs looking to expand their current business, the following records of the current business:
      1. Submit audited financial statements or tax returns for the 3 prior years;
      2. Recent financial statements (no more than 90 days old);
      3. A status of all franchise agreements that applicant has in connection with any business ventures; and
      4. Any other information CEDC staff may require to adequately evaluate the extent of financial inducements that may be offered for inclusion in the OPA.

V. DISBURSEMENT SCHEDULE

Program disbursement will be released upon meeting all the following criteria:

1. All requirements as stated in this Program, including but not limited to Section IV are satisfied;

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2. All requirements as stated in the OPA (or any other form of agreement as identified by the CEDC) and approved by the Board of Directors of the CEDC are satisfied;

3. Applicant has provided any and all necessary documents to confirm compliance and completion of all requirements of the Program and OPA;

4. Applicant has executed and provided a copy of an executed Franchisee Agreement to CEDC;

5. Applicant has executed and provided copy of an executed building lease agreement or a purchase and sale agreement for a full service, sit down restaurant in the City of Perris for a term of not less than five (5) years with options (lease).

6. The restaurant building has received a Final Certificate of Occupancy without any outstanding issues from the City of Perris;

7. The restaurant has received and paid for a Business License to operate a full service, sit down restaurant from the City of Perris;

8. The restaurant has opened for business;

9. This program is limited to payment disbursement timeframe as outlined in the OPA;

10. If development ceases construction and/or is not completed and opened for business within the agreed upon timeframe as outlined in the OPA (i.e. 12 months from execution of agreement), the CEDC reserves all rights to immediately terminate said agreement and Applicant shall not have any claims for financial disbursements under this Program; and

11. Maximum attainable incentive is up to $100,000 per franchise.

VI TIME IS OF THE ESSENCE

The City of Perris and the Restaurant Franchise Program has no affiliation with any particular franchise opportunity, is a discretionary program that may be modified or cancelled at any time without notice, and is subject to available funding. The CEDC has budgeted $500,000 to this Program and funding is provided on a first come, first served basis.

VII. INTERESTED PARTIES ARE INVITED TO CONTACT:

Michele Ogawa, Business Liaison
Community Economic Development Corporation
135 N. “D” Street
Perris, California 92570-1998
Phone: (951) 943-6100

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