



BACK-FILL AND SPECIALTY RETAILER INCENTIVE PROGRAM FOR VACANT GROCERY STORE ANCHORS

The Redevelopment Subcommittee met on May 5, 2009 and made the recommendation that Council adopt the Back-fill and Specialty Retailer Incentive Policies. City Council adopted the Retail Redevelopment Grant Program in 2007 which provides grant monies to aging and underutilized retail facilities. These policies are an extension of that program in order to encourage retailers or specialty retailers to back-fill vacant grocery store anchors in excess of 50,000 square feet in the City. The back-fill policy is for those tenants who can fill more than 50 percent of the total anchor square footage; while the specialty retailer policy is for those tenants who cannot fill the required 50 percent of the total square footage, but must have a demised space of greater than 10,000 square feet.

BACK-FILL INCENTIVE POLICY FOR VACANT GROCERY STORE ANCHORS

The goal of the program is to make grants of public money to promote and stimulate local economic development of vacant anchor stores of greater than 50,000 square feet.

Vacant Anchor Incentives:

- The vacant anchor incentives could include grants for exterior tenant improvements:
 - HVAC rebates (LEED – Green Building Practices);
 - Façade improvements including: painting; lighting, awnings, doors, windows, etc.;
 - Signage on storefront and perimeter signage;
 - Landscaping; and
 - Parking
- The anchor must be in excess of 50,000 SF.
- Demised space must be a minimum of 50 percent of the total anchor square footage.
- This incentive offers eligible recipients an “Exterior Tenant Improvements Allowance” only which may include façade improvements, doors, windows, signage, painting, lighting, landscaping, awning, and parking.

- The allowance is a one-time only grant and there will be a maximum amount that is eligible for funding.
- The incentives offered would be determined on a case-by-case basis.

Eligible Types of Businesses

- Retailer or specialty retailers.
- There must be a public benefit to the neighborhood such as the provision of goods and services currently not available, new jobs, etc.
- For profit, sales tax paying businesses.
- The applicant may own the real estate in which the business is located. Alternatively, the applicant must have a fully executed lease, with a term of not less than five years.
- Private investment must exceed the amount of the grant given by the City for tenant improvements.

Ineligible Types of Businesses:

This program is for specialty retailers only. The City of Carrollton may decide on a case-by-case basis to exclude other business activities which it believes does not benefit the health, safety, and welfare of the community and/or do not meet the objectives of this program.

Eligibility Criteria:

Prior to the property becoming vacant, the property must have been a grocery store for at least five years. This incentive is for the attraction of new specialty retailers who move into a vacant grocery anchor store. The tenants' eligibility for funding will be determined based on factors such as:

- Job creation
- Private investment
- Square footage of the retail or leased space
- Ability to attract other traffic generators or retail stores
- Uniqueness
- Sector of market served
- Minimum of a five-year lease

Eligible Tenant Improvements:

- HVAC rebates (LEED – Green Building Practices)
- The applicant's plans and permitting process could be expedited.
- Exterior Tenant Improvements allowance: façade improvements, doors, windows, signage, painting, lighting, landscaping, painting, awing, and parking.
- All grants will be made on an invoice-reimbursement basis only.

Funding Eligibility:

Funding for this program will be a maximum of \$2.00 - \$5.00/square feet for the tenant space occupied (gross floor area), not to exceed the total square footage of the vacant anchor. These monies will be given to the owner/developer of the respective property for reimbursement of eligible tenant improvements. The allowance is a one-time only grant.

Application and Approval Process:

- An application for incentive must be submitted to the City's Office of Economic Development by the owner/tenant. The application should include a detailed description of the project including renderings or drawings of the finished project, a project budget including sources of funds and a project timetable. The application should describe how the project will enhance the ability of the shopping retail center to attract and retain tenants.
- Project review of each application is required by staff including appropriate comments and recommendations for changes prior to submission to the City Council Redevelopment Subcommittee (the "Redevelopment Subcommittee").
- All applications will be reviewed by the City Council Redevelopment Subcommittee. Applicants will be interviewed by the Redevelopment Subcommittee and any modifications to the application will be made prior to forwarding the application to the full City Council with a recommendation for approval or denial.
- City Council will review the recommendation of the Redevelopment Subcommittee and vote to either approve or deny the grant application.
- Grant incentives will consist primarily of cash payments payable upon successful completion of all facility improvements as outlined in an incentive agreement to be entered into between the City and the owner/tenant of the retail space or facility receiving the grant.

SPECIALTY RETAILER INCENTIVE POLICY FOR VACANT GROCERY STORES

The goal of the program is to make grants of public money to promote and stimulate local economic development of vacant grocery anchor stores of greater than 50,000 square feet specifically for specialty retailers who back-fill less than 50 percent of the vacant grocery store anchor space.

Specialty Retailer Definition:

A retailer concentrating on selling one merchandise line of goods or services for a particular and usually selective clientele. Examples are stores selling sporting goods, organic food, electronics and movie theatres. Specialty retailers have a narrow but deep selection in their specialty.

Specialty Retail Incentives:

- The specialty retail incentives could include grants for:
 - HVAC rebates (LEED – Green Building Practices);
 - Façade improvements including: painting; lighting, awnings, doors, windows, etc.;
 - Signage on storefront and perimeter signage;
 - Landscaping; and
 - Parking
- If the owner/tenant cannot back-fill 50 percent or more of the vacant grocery store, the owner/tenant may fill a portion of the vacant grocery store total square footage. However, the demised space must be a minimum of 10,000 square feet.
- This initiative offers eligible recipients an “Exterior Tenant Improvements Allowance” only which may include façade improvements, doors, windows, signage, painting, lighting, landscaping, awning, and parking.
- The allowance is a one-time only grant, and there will be a maximum amount that is eligible for funding.
- The incentives offered would be determined on a case-by-case basis.

Eligible Types of Businesses:

- Specialty retailers including home furnishings, electronics, sporting goods, movie theatre and organic, natural or gourmet food stores.
- There must be a public benefit to the neighborhood such as the provision of goods and services currently not available, new jobs, etc.
- For profit, sales tax paying businesses.
- The applicant may own the real estate, in which the business is located. Alternatively, the applicant must have a fully executed lease, term not less than five years.
- Private investment must exceed the amount of the grant given by the City for tenant improvements.

Ineligible Types of Businesses:

This program is for specialty retailers only. The City of Carrollton may decide on a case-by-case basis to exclude other business activities which it believes does not benefit the health, safety, and welfare of the community and/or do not meet the objectives of this program.

Eligibility Criteria:

Prior to the property becoming vacant, the property would have to have been a grocery store for at least five years. This incentive is for the attraction of new specialty retailers who move into a vacant grocery anchor store. The tenants' eligibility for funding will be determined based on factors such as:

- Job creation
- Private investment
- Square footage of the retail or leased space
- Ability to attract other traffic generators or retailers
- Uniqueness
- Sector of specialty market served
- A minimum of a five-year lease

Eligible Tenant Improvements:

- HVAC rebates (LEED – Green Building Practices)
- The applicant's plans and permitting process could be expedited.
- Exterior Tenant Improvements allowance: façade improvements, doors, windows, signage, painting, lighting, landscaping, painting, awning, and parking.
- All grants will be made on an invoice-reimbursement basis only.

Funding Eligibility:

Funding for this program will be a maximum of \$2.00-\$5.00/square feet for the tenant space occupied (gross floor area) not to exceed the total square footage of the vacant anchor. These monies will be given to the owner/tenant of the respective property for reimbursement of eligible tenant improvements. The allowance is a one-time only grant.

Application and Approval Process:

- An application for incentive must be submitted to the City's Office of Economic Development by the owner/tenant. The application should include a detailed description of the project including renderings or drawings of the finished project, a project budget including sources of funds and a project timetable. The application should describe how the project will enhance the ability of the shopping retail center to attract and retain tenants.
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