Retail Incentive Programs



Retail Rehabilitation Grants

For more information, contact Development Services:

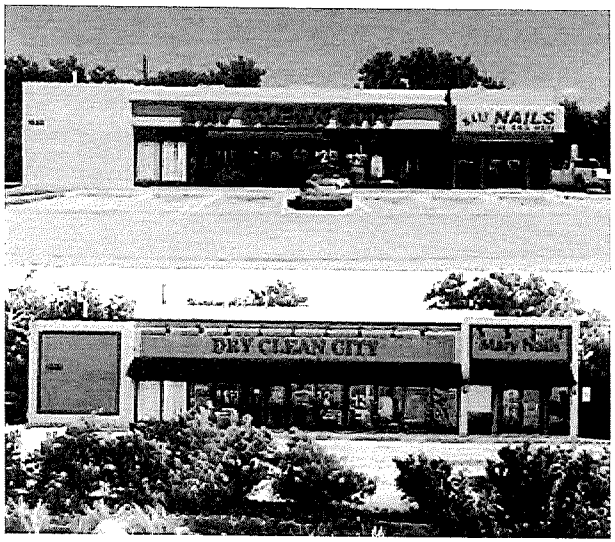
Josh Giles, Development Program Manager

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972-466-3042

Details on each of the programs can be found below:

Retail Rehab & Redevelopment Performance-Based Matching Grant



The Program is sponsored by the City to provide financial incentives to existing retail shopping centers and other retail facilities for enhancements and/or redevelopment. Improvements must enhance the tax base related to the retail facilities and surrounding development. The Program is retention-based with the goal of rehabilitating the retail facilities for aesthetic or architectural appeal. Each application is determined on a case by case approach.

This is a matching grant program. The City may elect to make a grant in an amount up to 100% the cost of the improvements (refer to eligible expenses below). Such grant will not to exceed $1 million of public funds for each grantee.

1. Acceptable Categories of Improvements

The following are the eligible expenses:

- Upgrade or enhanced landscaping improvement costs
- Parking lot improvement costs
- Signage upgrade costs
- Center façade improvement costs
- Center redevelopment; mixed-use/residential or office improvement costs

2. Eligibility Criteria for Eligible Retail Facilities

- The retail facility or facilities must be older than twenty (20) years.
- The property on which the retail facility or facilities is located must be in excess of 2 acres, unless a smaller acreage is approved by the City.
- Potential impact of the reinvestment project on surrounding neighborhoods.

3. Application and Approval Process

- An application for incentive must be submitted to the City's Office of Development Services by the land owner. 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 Committee.
- All applications will be reviewed by the City Council Redevelopment Committee. Applicants may be asked to present their project before the Redevelopment Committee 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 Committee 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 or redevelopment as outlined in an incentive agreement to be entered into between the City and the owner of the retail facility or facilities receiving the grant.

Retail Redevelopment and Rehabilitation Performance-Based Grant (Historic Downtown Carrollton)

For the purpose of this policy, Historic Downtown shall be defined as an area bordered by:

- Belt Line Rd. to the North
- DART rail right-of-way to the East
- Vandergriff to the South
- IH-35E to the West

The Program is sponsored by the City to attract retail uses (including restaurants, retail and office uses) to Historic Downtown. It provides for financial incentives to retail facilities for enhancements and/or redevelopment. Improvements must enhance the taxable value of the property related to the other facilities and surrounding development. Each application is determined on a case by case approach, and

approval of any project is not guaranteed. Nothing herein shall imply or suggest that the City of Carrollton is precluded from considering other options which would further the best interests of the City.



This is a matching grant program based on an agreement providing performance conditions. The City may elect to make a grant in an amount up to 100% of the cost of the improvements (refer to eligible expenses below). Such grant shall not exceed $1 million of public funds for each grantee. Improvement Costs shall include costs related to improvements which are permanent and fixed to the building or Property and are necessary to improve the building for the approved use, including, but not limited to facade improvements.

1. Acceptable Categories of Improvements / Eligible Expenses

- Rent assistance for a limited time
- Interior and exterior finish costs
- Site Improvements
- Development costs
- Upgrade or enhanced landscaping improvement costs
- Signage upgrade costs

2. Eligibility Criteria for Eligible Retail Facilities

- The commercial facility must be located in Downtown Carrollton (as defined above)
- The commercial facility must be older than twenty (20) years
- The reinvestment project must positively impact surrounding development

3. Application and Approval Process

- An application for incentive must be submitted to the City's Office of Development Services. 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, project timetable (if applicable) and a copy of the lease agreement.
- Project review of each application is required by staff including appropriate comments and recommendations for changes prior to submission to the City Council TOD Committee.
- All applications will be reviewed by the City Council TOD Committee. Applicants may be asked to present their project before the TOD Committee 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 City Council TOD Committee and vote to either approve or deny the grant application.
- Grant incentives will consist primarily of cash payments as outlined in an incentive agreement to be entered into between the City and the applicant receiving the grant.

Specialty Retail & Restaurant

GENERAL PURPOSE

The City seeks to recruit new and retain existing unique, specialty retailers and restaurants that help to differentiate Carrollton from dining and entertainment venues in other communities within the Dallas Metroplex and to contribute to the City Council's overall vision of enhancing quality of life for Carrollton's residents. The proposed Specialty Retail & Restaurant Incentive Policy serves the community's desires for attracting and retaining unique, quality retailers and restaurants that do not already have a strong presence in the marketplace.



ELIGIBILITY CRITERIA

Incentives are targeted to the following types of retailers and restaurants:

1. "Destination" retailers and restaurants that

a. Have the capability to attract customers from outside the community;
b. Do not have another existing location within a 5-mile radius; and

c. Fit well into the existing retail/restaurant economy to provide new and different shopping and/or dining and entertainment experiences.
d. Local, Regional, and National retailers or restaurants may apply if qualified under subsection (a), (b), and (c) above.

2. Expansion, second location and relocation of existing Carrollton retailers and restaurants:

a. Meet the criteria set in Section 1 above (subsection (1)(b) does not apply);
b. Expansion – added square footage must be a minimum of 50% larger than current space.

3. Developers and Shopping Center Owners leasing space to destination retailers and restaurants may apply.

** In order to qualify for incentives, specialty retailers and/or restaurants are required to sign a minimum 5-year lease with the Developer/Shopping Center Owner, no matter which party is the applicant and potential recipient of the incentive. Based on the value of the incentive requested, the City may require the tenant to sign a lease for a period longer than five (5) years but not to exceed fifteen (15) years.*

REVIEW CRITERIA

Any request for incentives shall be reviewed on a case-by-case basis by the City Council. Their decision shall be based upon an evaluation of the following criteria, which each applicant will address in narrative form when submitting an Application for Economic Development Incentives:

Fiscal Impact

- Anticipated direct sales tax to be generated.
- Total number of full-time jobs brought to Carrollton.
- Total payroll for all FTEs.
- Ad valorem taxes to be generated.

Community Impact

- Does the business satisfy/address the community's needs for unique, quality retailers and/or restaurants?

Competitive Impact

- The effect the project would have on existing businesses in Carrollton.
- A list of specific businesses seen as direct competitors to the applicant. The City of Carrollton seeks first to retain existing businesses, and therefore will consider whether an applicant will compete or potentially displace an existing business

TYPES OF INCENTIVES

- **Matching Grants:**
  - The City may reimburse up to 50% of the costs of façade improvements (including signage, landscaping and lighting).
  - The City may reimburse up to 50% of the costs of tenant improvements (not including FFE – fixtures, furniture and equipment).

- **Development Fee Rebates** – The City may approve the rebate of all or a portion of certain permit and development fees.

- **Rent Assistance** for up to 12 months is available to destination retailers and restaurants (not exceeding 3,500 SF) that do not have a strong presence in other locations in DFW and locate within a targeted site identified by the City:

  - **Transit Center District**
  - **Shopping centers with occupancy rates below 70%.**

- **Ad Valorem Incentives** – the City may offer a tax rebate for up to five (5) years and up to 50% of the City of Carrollton taxes assessed upon value of Improvements.

- **Sales Tax Rebates** – the City may rebate up to One Percent (1%) of Sales and Use Tax for up to ten (10) years.

  This incentive applies only to national and regional retailers and restaurants. The sales tax rebate would be paid in annual installments within ninety (90) days of the end of each twelve (12) calendar month period following the issuance of the certification of occupancy for the facility, or other commencement date if no certificate of occupancy is required. Any sales tax incentive would be limited to the extent that the City has received sales tax from taxable sales by the applicant. The City's obligation to pay the sales tax rebate in the Agreement would additionally be conditioned upon the applicant requesting and providing sales tax documentation from the Office of the Comptroller of the State of Texas.

  In the event that the applicant files an amended sales and use tax return or report with the State of Texas, or if additional sales and use tax is due or owing, as determined by the State of Texas, affecting sales tax receipts for a previous twelve (12) calendar month period, the City will be making adjustments accordingly. The City of Carrollton reserves the right to conduct an audit at any time of the applicant's books, papers and reports, and to ensure compliance with the Incentive Agreement. Furthermore, in the event of termination of the Agreement, the City has the right to recapture any and all rebated taxes for the calendar year in which any default occurred.

The sales tax incentive will be conditioned upon:

- Generation of a certain level of sales tax – to be determined based on type of retailer/restaurant
- Term of occupancy: a minimum 5-year lease will be required. The term of the sales tax rebate incentive shall not exceed the term of the lease. Should the applicant request and qualify for a sales tax rebate for the maximum allowed period of 10 years, a 15-year lease will be required.

SUMMARY OF INCENTIVES

The incentives provided under this policy are granted utilizing Chapter 380 of the Texas Local Government Code. It is the policy of the City of Carrollton to customize the provisions of economic development incentives on a case-by-case basis to result in a "Win/Win" agreement for the applicant and for the City of Carrollton taxpayers. This individualized design of a total incentive package is intended to allow maximum flexibility in addressing the unique concerns of each applicant while enabling the City to better respond to the changing needs of the community. The City Council reserves the right to make exceptions to this policy as deemed necessary. Furthermore, the City reserves the right to terminate any and all Incentive Agreements should the specialty retailer and/or restaurant cease operations at any time. All incentives are subject to availability of funding. Nothing herein shall imply or suggest a guarantee of approval of any incentive request.

Eligible Projects	Matching Grants		Development Fee Rebates	Rent Assistance	Ad Valorem	Sales Tax Rebate
	Façade Improvements	Tenant Improvements				
Destination *(Not National / Regional)*	x	x	x	x	x	
National/Regional	x	x	x		x	x
Expansion/2nd Location/Relocation	x	x	x		x	

PROCEDURAL GUIDELINES

1. Applicant shall complete an "Application for Economic Development Incentive" as provided by the City.

2. Applicant shall submit a narrative addressing each factor highlighted in the Review Criteria together with a Business Plan.

3. Staff will review all documentation for completeness and accuracy. Additional information may be requested as needed.

4. The application package will be reviewed by the City Council Re-Development Sub-Committee ("Re-Development Sub-Committee"). Applicants may be interviewed by the Re-Development Sub-Committee 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.

5. City Council will review the recommendation of the Re-Development Sub-Committee and vote to either approve or deny the grant application.

CARROLLTON
TEXAS

Application for Redevelopment Incentives

The City of Carrollton's redevelopment programs provide financial incentives to existing commercial properties for improvements that enhance the tax base related to the facility and surrounding development. All incentives are receipt-reimbursable, performance-based matching grants, and are subject to approval by the Redevelopment or Transit-Oriented Development Committee, as well as the Carrollton City Council. To be considered for incentives, complete the attached application and submit with the following:

- ☐ Detailed description of the redevelopment project
- ☐ Photograph(s) of the existing building
- ☐ Site plan, elevations, landscape plan, signage plan and/or other visual representation of the redevelopment project
- ☐ Construction budget for improvements, along with a project timeline

Submit all applications and related inquiries to:
Josh Giles, Development Program Manager, City of Carrollton
1945 E. Jackson Road, P.O. Box 110535
Carrollton, TX 75011-0535
(972) 466-3042 | josh.giles@cityofcarrollton.com

Retail Redevelopment Program
Carrollton Ordinance No. 3147, adopted 6/19/2007

The Retail Redevelopment Program was adopted due to the significant number of retail shopping centers and other retail facilities in Carrollton that were not conducive to new retail concepts, exhibited aging appearances, or had obsolete signage and building designs. Eligible projects must be a retail facility older than twenty (20) years.

Downtown Carrollton Redevelopment Program
Carrollton Ordinance No. 3745, adopted 2/16/2016

All commercial facilities in Downtown Carrollton are eligible for grants under the Retail Redevelopment Program. Eligible projects must be located within Downtown Carrollton, as defined by Article XX (TC) Transit Center District Regulations in the Carrollton Comprehensive Zoning Ordinance (No. 2965, adopted 4/19/2005) and be a facility that is older than twenty (20) years.

Josey/Belt Line Redevelopment Program
Carrollton Resolution No. 3845, adopted 10/13/2015

The intent of the Josey/Belt Line Redevelopment Program is to create incentives that encourage private investment and site improvements along Carrollton's main thoroughfare. Eligible projects must be a commercial, office or light industrial building located within the defined corridor along Josey Lane and Belt Line Road from Keller Springs Road to the City's southern boundary near Spring Valley Road and on Belt Line Road from Josey Lane to Marsh Lane.

Date:

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Application for Redevelopment Incentives

Application for:

☐ Retail Rehab & Redevelopment Program Performance-Based Matching Grant
☐ Historic Downtown Carrollton Retail Redevelopment and Rehabilitation Performance-Based Grant
☐ Josey/Belt Line Redevelopment Program

Current land owner information (individual or entity)

Printed name		Signature	
Mailing address			
Email		Phone	

Applicant information (individual or entity)

Printed name		Signature	
Mailing address			
Email		Phone	

Any additional property information (attach additional paper if necessary):

Name of any persons or entities with an equitable interest in the property, including any lender:

Any known Conflicts of Interest with member(s) of the Planning & Zoning Commission or Carrollton City Council:

Project information:

Proposed project name	
Location	
Existing zoning	
Proposed zoning (if applicable)	
Estimated valuation	
Year building was constructed	
Acreage	
Building square footage	