

**DOWNTOWN JACKSONVILLE RETAIL ENHANCEMENT
GRANT PROGRAM GUIDELINES
City of Jacksonville, Florida**

I. Program Purpose and Benefit

The Downtown Investment Authority (DIA) is a community redevelopment agency for the Downtown Community Redevelopment Areas established by the City of Jacksonville (“City”). The DIA was formed to revitalize and preserve downtown property values and prevent deterioration in the downtown business district. The DIA supports the City’s downtown revitalization objectives and through community workshops and input from numerous stakeholders, has determined that retail and restaurant recruitment and creative office (such as business incubation, education/academia, information technology offices, art galleries and entertainment themed businesses) space is a priority within the area shown on the map attached hereto (the “Northbank Core Retail Enhancement Area”). The Northbank Core Retail Enhancement Area is located within the Northbank Special Taxing District of the DIA.

The Downtown Retail Enhancement Grant Program (the “Program”) is designed to create momentum in the critical task of recruiting and retaining restaurant and retail businesses and creative office space in the Northbank Core Retail Enhancement Area. The project must be consistent with the Downtown Master Plan and the Downtown Overlay Zone. In the first phase of the Program, the DIA will allocate \$750,000.00 in recoverable grants to any property or business owner with qualified projects to assist with paying some of the costs associated with renovating or preparing commercial space for retail, salon, restaurant, gallery or other similar use for occupancy as identified above. Funds may be used to retain existing businesses or to recruit new businesses to the Northbank Core Retail Enhancement Area. The following identifies specific goals for the Program:

- Expand the local property tax base by stimulating new investment in older, Downtown properties;
- Expand state and local sales tax base by increasing sales for new or existing shops; and
- Attract new and retain existing business to/in Downtown by decreasing renovation costs incurred for modernizing retail space in older, commercial properties in the Northbank Core Retail Enhancement Area.

To advance recruitment and marketability, the recoverable grant (“Grant”) provides an incentive to improve the interior appearance and utility of street level storefronts, which will in theory attract retail and restaurant owners and draw more customers to the Downtown area.

II. Desired Retail Businesses

The following is a list of desired retail and other businesses. The list below is not all inclusive but serves as a guide only:

- Business incubators
- Education/academia
- Information technology offices
- Apparel stores including accessories (purses, scarves, hats)
- Shoe stores
- Toy stores
- Hobby stores, craft store and supplies
- Art supplies, framing stores
- Pet stores and supplies
- Specialty food stores/delicatessens
- Restaurants
- Coffee/Tea shops
- Gift Stores
- Book stores
- Stationery stores
- Kitchen/home accessories
- Small appliances
- Electronics
- Sporting goods
- Entertainment venues
- Jewelry stores
- Florists
- Specialty retail apparel such as bridal, formal gown, tuxedo, costume. (does not include rental)
- Art Galleries
- Office supply stores
- Pharmacies

III. General Program Requirements

The DIA has set aside \$750,000.00 for the Program. The DIA will award Grant funds on a first-come, first-served basis. All rehabilitation work and design features must comply with all applicable city codes, ordinances, the established Downtown Design Review Board Guidelines, the Downtown Master Plan and the Downtown Overlay Zone. Work must follow plans and specifications as approved by the DIA and must be completed within six (6) months from the date of permitting. All applicable licenses and permits must be obtained, including all permits required by the City of Jacksonville's Planning Department, Development Services Division.

Applicants will be required to execute a grant agreement and other security documents, including but not limited to, a forgivable promissory note and subordinate mortgage (as to a property owner applicant or property owner/tenant applicant) and a forgivable promissory note and personal guarantee (as to a tenant applicant). If a property owner applicant does not have a prospective tenant at the time of the Grant award, at the discretion of the DIA, the property owner applicant may be required to execute a non-forgivable promissory note, subordinate mortgage and personal guaranty (the specific loan terms to be determined by the DIA). All loan closing costs (e.g., recording fees and documentary stamp taxes) shall be included in the Grant amount awarded.

The Grants shall be recoverable and amortized over a period of five (5) years. The principal amount of the Grant will diminish 20 percent each year for a period of five (5) years. If the grantee does not default on the Grant terms during the required five (5) year period, the Grant will be closed.

In addition to the requirements above, applicant projects will be subject to the following Program requirements:

- Projects must be located within the Northbank Core Retail Enhancement Area (the area designated in the attached map).
- Remodeling, renovation, rehabilitation, installation, and additions to the interior and exterior of the commercial building are eligible for Grant funds. Grant funds shall be used to modify and improve buildings and shall not be used for normal maintenance or repair.
- Mixed-use projects improving multiple floors can qualify for funds; provided the ground floor will be used for retail and renovations to the ground floor are part of the project renovation scope.
- Generally, renovation projects must exceed \$10,000 before DIA will consider the project for grant funding.
- Maximum Grant award shall be \$20 for every square foot leased or occupied by the proposed tenant or business. The amount of incentive dollars awarded shall not exceed 50% of the total construction costs.
- Grantee must remain in the location for five (5) years and must create or retain for five (5) years during the term of the agreement two (2) or more full time equivalent jobs.
- Existing retailers who need to modernize the location or business owners at the end of their lease term who are considering moving from Downtown can qualify for grant funds.
- Applicants proposing to use Grant funds to help relocate from one Downtown building to another are not eligible to receive Grant funds unless the proposed move is necessary for business expansion that includes job creation, involuntary displacement from current space that is unrelated to financial or operating disputes, or similar circumstances.
- Applicants proposing to construct new buildings are not eligible to receive Grant funds. Other non-eligible projects include adult entertainment venues, single-serving package stores, business-to-business companies, non-profit and government agencies.

- Eligible Grant expenditures include:
 - Interior demolition or site preparation costs as part of a comprehensive renovation project.
 - Permanent building improvements, which are likely to have universal functionality. Items including but not necessarily limited to demising walls, exterior lighting, code compliant restrooms, electrical wiring to the panel, HVAC systems.
 - Improvements to meet Fire and Life Safety codes and/or Americans with Disabilities Act requirements.
 - Exterior improvements including signs, painting, or other improvements to the outside of a building.
 - Sanitary sewer improvements.
 - Grease traps.
 - Elevator Installation which services the retail.

- Ineligible Grant expenditures include:
 - Temporary or movable cubicles or partitions to subdivide space.
 - Office equipment including computers, telephones, copy machines, and other similar items.
 - Renovating space on a speculative basis to help attract new tenants. (Note: This provision can be waived pursuant to the recommendation of the Program review committee and approval by the DIA Governing Board).
 - Moving expenses.
 - Working capital.

IV. Funding Requirements

The Grant offers a maximum grant award of \$20 for every square foot leased or occupied by the proposed tenant or business (as recommended by DIA staff, the Retail Enhancement Review Committee (defined in Article VI below) and approved by the DIA Board). The amount of incentive dollars awarded shall not exceed 50% of the total project construction costs. The application may be made by the property owner, the tenant or jointly by the property owner and the tenant.

The applicant's verified expenditures for the improvements must at least match the amount of the Grant funding (a minimum of \$1 to \$1 ratio). The amount of the Grant shall not exceed the \$20 for every square foot leased or occupied by the proposed tenant or business.

The grant will be given on a reimbursement basis only. Prior to reimbursement, the applicant must hold a current occupational license to do business in the City. Acceptable proof of payments for materials, supplies, and labor shall be in the form of "paid"

receipts and/or invoices. Reimbursement shall be disbursed per an established disbursement schedule approved by the DIA or via one-time lump sum payment at the time of completion and final inspection and acceptance by the DIA.

V. Application Requirements

A completed and signed application by the applicant will be presented to the Retail Enhancement Review Committee. With the application, each applicant must provide:

- A copy of the property tax bill or deed to confirm ownership of the property.
- A legally valid and binding new lease for a period of at least five years with use restricted to an allowable retail use. If the tenant is paying for the improvements, the lease must provide for a minimum of free rent, discounted rent, or equivalent thereof in lieu of the property owner having to share the cost of the improvements.
- A detailed written description and scaled elevation drawing depicting the size, dimension, and location of the improvements and modifications, with samples when applicable.
- A legally binding agreement with a licensed and qualified contractor.
- Unless the property owner is the applicant, a notarized statement from the property owner authorizing the construction and improvements.
- Evidence that the applicant is prepared to do business by including with the application the following required items:
 - Business Plan to include:
 - Concept and target market
 - Advertising/marketing plan
 - Source of cash/capital and cash flow analysis
 - Summary of management team’s skills and experience
 - Number of job positions created
 - Three-year projected operating pro-forma
 - Design for the storefront and interior
 - Plan for merchandising (inventory levels, brands)
 - Minimum one-year corporate (as to a property owner applicant) and three year’s personal tax returns (as to a tenant applicant) (exceptions will be considered for start-ups to accept three year’s personal tax returns).

VI. Project Evaluation Criteria and Application Approval

All eligible applications, as presented by DIA staff, will be considered on a case-by-case basis by a review committee comprised of three members from the DIA Board (“Retail Enhancement Review Committee”) appointed by the DIA Chairman. The Retail Enhancement Review Committee will make recommendations based on the DIA staff’s evaluation of the project utilizing the Project Evaluation Criteria below. A minimum

score of twenty-five (25) points must be obtained by the applicant in order to be eligible to receive a recommendation from the Retail Enhancement Review Committee. The DIA Chief Executive Officer (CEO) will present recommendations of the Retail Enhancement Review Committee to the DIA Board at a regularly scheduled monthly meeting for approval or denial of the application. Notification of Grant funding approval or denial will be sent to the applicant by the DIA staff promptly.

Applicants will be encouraged during the Grant review process to reuse, rehabilitate or restore historic architectural elements to retain the charm and character of older buildings and incorporate design principles sensitive to neighboring building structures.

The primary criteria for approval will be the feasibility of the business plan. A successful business plan will be the one that conveys the most promising combination of financial feasibility, product and market research, growth potential and job creation. Financial need or gap financing analysis must be included in the business plan.

The Project Evaluation Criteria and allocated points are listed below:

1. Business Plan (see point breakdown below) – (up to 30 points)

- Plan shows good short-term profit potential and contains realistic financial projections (up to 5 points)
- Plan shows how the business will target a clearly defined market and its competitive edge (up to 10 points)
- Plan shows that the management team has the skills and experience to make the business successful (up to 5 points)
- Plan shows that the entrepreneur has made or will make a personal (equity) investment in the business venture (up to 5 points)
- Number of job positions created in excess of the required two (2) positions (up to 5 points)

2. Expansion of the local property tax base by stimulating new investment in older, Downtown properties (up to 5 points and an additional 5 points if the property is a historic property – maximum of 10 points)

3. Expansion of the state and local sales tax base by increasing sales for new or existing shops (up to 5 points)

Maximum of 45 points; Minimum score of 25 points needed to have the proposed project referred to the Retail Enhancement Review Committee for funding consideration.

VII. Review and Award Procedure

1. Applicant complete and submit application form with all required supporting documents to the DIA CEO. Processing of the application will not commence until the application is deemed complete.
2. Applicant schedules a meeting with DIA staff to review the project.
3. DIA staff will review the project and provide comments to the applicant relating to any application requirement deficiencies.
4. If the application requirements have been met, the DIA staff, including the DIA CEO, will evaluate the project utilizing the Project Evaluation Criteria and present the application, project budget, and recommended Grant amount to the Retail Enhancement Review Committee for review and approval.
5. If the application and Grant amount is approved by the Retail Enhancement Review Committee, the committee will recommend that the application move forward for consideration by the DIA Board at the next regularly scheduled Board meeting.
6. DIA Board approves, modifies, or rejects Retail Enhancement Review Committee's recommendation. If approved or modified, DIA staff is directed to work with the Office of General Counsel to prepare a grant agreement, utilizing the form approved by the DIA, and other applicable security documents for signature by the applicant. The agreement shall identify the approved scope of work and amount of the Grant.
7. Applicant or contractor(s) must secure a building permit and approval from the Downtown Design Review Board for the complete scope of work, and contractors must be registered with the City.
8. Upon completion of the project and final approvals of all required inspections, the applicant may request reimbursement of eligible expenses. Reimbursement for improvements will require proof of payment (lien waivers, contractor affidavit).
9. A request for reimbursement payment in accordance with the approved disbursement schedule or upon completion of the project and final inspection and acceptance by the DIA a one-time lump sum payment will be submitted to the DIA staff for approval. The payment request will be processed within thirty (30) business days from receipt.

The DIA will annually evaluate the Program to refine these guidelines subject to the approval of the City of Jacksonville, City Council.

Approved by Jacksonville City Council via Ordinance _____
_____.

**DOWNTOWN JACKSONVILLE RETAIL ENHANCEMENT
GRANT PROGRAM APPLICATION**

This information is necessary to process a grant request for eligible, established retail businesses and restaurants planning to relocate from outside the Northbank Core Retail Enhancement Area to, or open a new location on, the street level in the Northbank Core Retail Enhancement Area. The designated area is located within the Downtown Investment Authority's and the City of Jacksonville's Community Redevelopment Area and Special Taxing District. Please complete all blanks using "None" or "Not Applicable" where necessary. Please attach a separate sheet if you require additional space.

SUMMARY (Please provide a brief description of the proposed property improvements or modification)

I. APPLICANT INFORMATION

APPLICANT: _____

CONTACT PERSON (Name and Title):

CURRENT BUSINESS ADDRESS:

WEB SITE: _____ **E-MAIL:** _____

BUSINESS TELEPHONE: _____

FAX: _____

NUMBER OF YEARS IN BUSINESS: _____

EMPLOYER TAX ID #: _____

TYPE OF BUSINESS: _____

NORTHBANK BUSINESS ADDRESS: _____

BUSINESS TAX RECEIPT #: _____

ESTIMATED COST OF IMPROVEMENTS: _____

FORM OF OWNERSHIP:

Sole Proprietorship _____ **Partnership** _____ **Corporation**

Subchapter S _____ **Other** _____

Present Owner of Building (Name and Address):

The business owner is to provide two bid estimates for the build-out costs to make the space usable for their business. The business is to be in operation for at least one (1) year and provide:

- **Business Plan to include:**
 - **Concept and target market**
 - **Advertising/marketing plan**
 - **Source of cash injection and cash flow analysis**
 - **Summary of management team’s skills and experience**
 - **Number of job positions created**
- **Three-year projected operating pro-forma**
- **Design for the storefront and interior**
- **Plan for merchandising (inventory levels, brands)**
- **Minimum one-year corporate (as to a property owner applicant) and minimum three years personal tax returns (as to a tenant applicant) (exceptions will be considered for start-ups to accept three year’s personal tax returns).**
- **Copy of lease that meets the requirements of the Grant**
- **Evidence of ownership consisting of a current property tax statement or deed**
- **Detailed written description and scaled elevation drawing depicting the size, dimension and location of the improvements and modifications, with samples when applicable**
- **Legally binding agreement with a licensed contractor registered with the State of Florida**
- **Notarized statement from the property owner authorizing the construction and improvements and, if the tenant applicant is applying, committing to contribute a minimum of three months free rent or the equivalent thereof to the tenant applicant in lieu of the property owner having to share the cost of the improvements**

The landlord is to provide a notarized letter that states the dollar amount of incentives being provided to the business owner.

The undersigned warrants that the information contained in this application (and any supplemental information) is, to the best of my knowledge, true and correct. The undersigned further understands that the use of this information is only for consideration of the Downtown Jacksonville Retail Enhancement Grant Program. I acknowledge that I have received, read and will comply with the guidelines of this program. The undersigned grants authorization to verify any answers contained herein.

Business Owner Signature

Date

Print Name

Title

Property Owner

Date

Print Name

Property owner agrees to provide \$_____ value of incentives to assist the

business owner with build-out of the property.

Property Owner: _____

Date: _____

Print Name: _____

