



## Community Development Authority Downtown Redevelopment Retail Incentive Program Guidelines

### **The Program**

The purpose of this program is to serve as a catalyst in recreating a vibrant downtown trade area and marketplace. The incentives are available for all new retail or existing, relocated retail taking occupancy in new construction, mixed-use projects sponsored or approved by the CDA and located within the Lakeside Commons district. Funding for this program is available through the life of TID #1, although all commitments of incentive funding for eligible businesses must take place prior to December 31, 2017. Funding for qualified applicants will be encumbered on a first come, first served basis.

### **Eligibility and Requirements**

All eligible retail and general business operations permitted under Cudahy's B-3 central business district zoning may apply for program incentive benefits, although preference shall be given to the following retail, entertainment and hospitality uses:

- 1) Dine-in restaurants
- 2) Convenience dining
- 3) Coffee shops
- 4) Specialty grocers, i.e. bakeries, butcher shops, delicatessens, seafood markets, confectionaries, fruit and produce markets, etc.
- 5) Specialty wine, malt beverage and distilled spirits.
- 6) Pubs, taverns and night clubs.
- 7) Retail clothiers
- 8) General merchandise retailers
- 9) Specialty furniture and home furnishings
- 10) Day spas and health fitness
- 11) Beauty and barber shops and related supply stores
- 12) Pharmacies
- 13) Banking and financial services
- 14) Art galleries and fashion exhibits
- 15) Crafting workshops, i.e. - glass blowing, blacksmithing, ceramics and pottery, millinery, antique reclamation, fine woodworking, etc.
- 16) Jewelry stores
- 17) Music and entertainment media stores
- 18) Boutique hotels
- 19) Micro-breweries and brew pubs

Eligible businesses must be for profit, generating sales tax and able to commit to and execute lease terms of a minimum of three years in new construction commercial space made available via CDA partnerships for redevelopment within the downtown district. Participating businesses must also commit to

being open for business no less than 30 hours per week. Businesses currently not in the downtown district may be eligible for benefits if relocating to the downtown district and the move does not adversely impact the neighborhood being exited in a significant or lasting manner.

The CDA will review each application on a case-by-case basis and reserves the right to exclude businesses and business activities if they; are not consistent with the approved City redevelopment and development plans; do not benefit or protect the health, safety and welfare of the community; or fail to meet the objectives of this program.

### **Incentives**

Incentives shall be rent subsidies provided in the form of a grant. Business applicants meeting program eligibility and obtaining approval via the review process shall be awarded disbursements payable to both lessee and lessor, with the initial disbursement within 30 days of execution of the original lease and on the anniversary thereof for the following two to four years. The maximum term of benefits is for a five year lease period. The subsidy shall not exceed 30% of the annual square foot cost of leased operating space, with a per project cap of not more than \$50,000 over a five year period.

For example:

3,000 sq. ft. of eligible, new construction commercial tenant space is secured by an approved business. The square foot cost is \$14 triple net. The initial annual subsidy would be \$12,600. This subsidy would continue for the term of the lease or until the \$50,000 benefit cap is reached. The minimum lease term eligible for subsidy is three years.

### **Selection Criteria**

- Qualifications and track record of business owners or managers
- Degree to which the business fills gaps identified in the 2009 Cudahy market study
- Degree to which the business contributes to the entertainment and hospitality meme desired for the downtown district
- Business viability/sustainability
- Business plan
- Financial history
- Hours of Operation
- Scope and scale of customer base
- Storefront plans
- Job creation

### **Implementation Procedures**

- Applicant and landlord must be current on all municipal obligations, including property taxes, special assessments, or utility bills.
- Subsidies terminate if the business closes or fails, or fails to comply with any applicable state and local laws, codes or regulations.
- Prior to subsidy disbursements subsequent to the initial payment, the applicant shall provide the program annually updated financial and tax reports. Failure to do so may result in termination of the subsidy agreement. Reports indicating loses may subject the applicant to additional review and may jeopardize or delay disbursement of outstanding grant balances.
- Staff shall prepare an application and applicant evaluation package based on generally accepted public finance and/or commercial lending underwriting requirements. An application fee of \$100 shall be applied to every application.