



## SPECIALTY RETAIL & RESTAURANT INCENTIVE PROGRAM

### GENERAL PURPOSE

The City of Corinth (the “City” or “Corinth”) seeks to recruit new, unique, and specialty retailers and restaurants that help to differentiate Corinth 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 Corinth’s residents. The City establishes this Specialty Retail & Restaurant Incentive program to serve the community’s desires for attracting 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. Developers/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 five (5)-year lease with the Developer/Shopping Center Owner, no matter which party is the applicant and potential recipient of the incentive.

## REVIEW CRITERIA

All requests for incentives shall be reviewed on a case-by-case basis by the Corinth Economic Development Corporation (CEDC) and the City Council.. An application for a Specialty Retail & Restaurant Incentive shall include the following information:

### Fiscal Impact

- Anticipated direct sales tax to be generated.
- Total number of full-time equivalent (FTEs) jobs brought to Corinth.
- 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 as outlined above in Section 1 (a), (b), and (c) under Eligibility Criteria?

### Competitive Impact

- The effect the project would have on existing businesses in Corinth.
- A list of specific businesses seen as direct competitors to the applicant. The CEDC/City 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 CEDC/City may reimburse up to 30% of the costs of façade improvements (including signage, landscaping, and lighting).
- The CEDC/City may reimburse up to 30% of the costs of tenant improvements (not including FFE – fixtures, furniture, and equipment).

The above matching grants would be based on a not to exceed amount based on the total investment.

**Development Fee Rebates** – The CEDC/City may approve the rebate of all or a portion of certain building permit fees.

**Sales and Use Tax Rebates** – The CEDC/City may rebate a portion of the City/CEDC Sales and Use Tax for up to ten (10) years.

The Sales and Use 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 and Use Tax Rebate would be limited to the extent that the City has received sales and uses taxes from taxable sales by the applicant. The City's obligation to pay the Sales and Use Tax Rebate in the Agreement would additionally be conditioned upon the applicant requesting and providing sales and use tax documentation from the Office of the Comptroller of the State of Texas that all sales and use taxes have been paid to the City of Corinth.

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 and use tax receipts for a previous twelve (12) calendar month period, the CEDC/City will make adjustments accordingly. The CEDC/City reserves the right to conduct an audit at any time of the applicant's books, papers, and reports, and to ensure compliance with the Sales and Use Tax Rebate. Furthermore, in the event of termination of the Agreement, the CEDC/City has the right to recapture any and all rebated sales and use taxes for the calendar year in which any default occurred.

The Sales and Use Tax Rebate will be conditioned upon:

Minimum taxes: Generation of a certain level of sales and use taxes, which is to be determined based on type of retailer/restaurant.

Term of occupancy: A minimum five (5)-year lease will be required. The term of the Sales and Use Tax Rebate 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 ten (10) years, a fifteen (15)-year lease will be required.

## **SUMMARY OF INCENTIVES**

The incentives provided under this Specialty Retail & Restaurant Incentive program are granted utilizing Chapter 380 of the Texas Local Government Code. It is the policy of the CEDC/City to customize the provisions of incentives on a case-by-case basis to result in a “Win/Win” agreement for the applicant and for the Corinth 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 CEDC/City to better respond to the changing needs of the community. The CEDC/City Council reserves the right to make exceptions to this program as deemed necessary. Furthermore, the CEDC/City reserves the right to terminate any and all incentives 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.

## **PROCEDURAL GUIDELINES**

1. Applicant shall complete an “Application for Specialty Retail & Restaurant Incentive” as provided by Economic Development staff.
2. Applicant shall submit a narrative addressing each factor highlighted in the Review Criteria and 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 Economic Development staff. Applicants may be interviewed by the Economic Development staff and any modifications to the application will be made prior to forwarding the application to the full CEDC/City Council with a recommendation for approval or denial.
5. City Council will review the recommendation of the CEDC Board and vote to either approve or deny the grant application.