Business Retail Build-Out Grant Program Guidelines

The City of Winter Park has established the Business Retail Build-Out Grant Program to provide a financial incentive to property and business owners, within specified key retail commercial corridors to renovate, update, adapt and reinvest in their business or commercial property. This program was created as the result of input from the Economic Development Advisory Board. An economic consultant was retained to help guide the process of evaluating the retail strengths and opportunities that exist within the business corridors within city limits to maximize synergistic potential. The consolidation of that report is attached as Exhibit "A".

Business that wish to apply for this grant must be located within the boundaries of the City of Winter Park AND be situated in the retail commercial corridors of Park Avenue, Hannibal Square, Fairbanks Avenue, Orange Avenue, 17/92 (The Golden Mile), or Aloma Corners, as detailed on the attachment, found at the end of this document.

The Business Retail Build-Out Grant program specifically encourages redevelopment and reinvestment of commercial properties located in the Winter Park. The grant rebate ("grant") provides an incentive to improve the interior appearance, functionality and utility of commercial properties for the purpose of attracting retail owners/investors, and to improve the marketability of commercial properties. This may also be utilized to reduce the impact of the costs and requirements incurred when contemplating a change of use.

Potential Retail applicants for these purposes are identified as:

1) Businesses that sell products on a transactional basis to end consumers,
2) Food and beverage establishments,
3) Businesses wishing to expand the goods they offer, i.e. adding an additional retail experience as allowed by code,
4) Providers of services targeted toward the general public (Other than health care, legal, or financial advisory).

Businesses operating exclusively or primarily on a membership of appointment basis, and not welcoming walk-in customers, shall generally not meet this definition, unless approved on a case-by-case basis.

ELIGIBILE APPLICANTS

- The grant applicant must be a property owner or a business owner leasing a storefront;
- If applying as the tenant, an affidavit must be signed by the property owner consenting to the improvements (see application);
- Proposed project must be a small business as defined by the U.S. Small Business Administration. For more information visit www.sba.gov/size;
- Business may be an individually owned franchise as long as it meets all other criteria;
- Tenant must have at least two years remaining in lease at location of proposed project;
- Buildings with multiple occupants may be considered on a case-by-case basis;
- The project applicant must owe no outstanding property taxes, fees, judgment, or liens to the City of Winter Park or Orange County and have no outstanding code violations.

Ineligible Applicants: National corporate franchises, government offices and agencies (non-governmental, for-profit tenants are eligible), businesses that exclude service to minors, properties primarily in residential use, properties exempt from property taxes.

ELIGIBLE PROJECTS

The City of Winter Park funds the Retail Build-Out Grant program. The Grant will match the Owner/Lessee up to fifty percent (50%) of the total cost of eligible improvements up to $20,000. Project cost must exceed $2,500 of eligible improvements to be considered for the Retail Build-Out Grant. All work must be done within the retail customer accessible portion of the building.

Eligible work: Rehabilitation of building interiors which will be accessible and viewable by the retail customers, including:

- Remodeling, renovation, rehabilitation, installation and additions to the interior of a commercial building eligible for such funding. Grant funds may not be used for normal maintenance or repair.
- Ground floor interiors;
- Second floor interiors, IF they serve retail customers;
- Staircases;
- Interior window coverings if they are permanently affixed;
- Interior painting and masonry work;
- Change of use that incurs interior modifications, such as fire suppression or other code requirements, is eligible for this Grant;
- New construction may be considered on a case-by-case basis if the applicant is upgrading the current retail enhancement of a property.

Ineligible Activities:

- Roofs;
- Structural foundations;
- Billboards;
- Security systems;
- Office equipment including computers, printers, scanners, copy machines or similar items;
- Non-permanent fixtures, such as moveable cubicles or temporary partitions;
- Personal property and equipment;
- Security bars; razor/barbed wire fencing;
- Sidewalks and paving;
- Conversions from retail to business-to-business, or from office space to residential;
- All necessary government approvals and fees for building permits, and taxes;
- Moving expenses;
- Working capital;
- Services performed by a non-licensed contractor;
- Work performed prior to grant award;

PROGRAM FUNDING USES

a) Grantee must remain in the location for two (2) years and create two (2) or more net new full-time equivalent jobs (which may include the owner-operator) during the term of the agreement for a minimum of thirty-two (32) operating hours per week during which time the doors must be open to the public.

b) Applicants proposing to use Grant funds to help relocate from one downtown building to another are not eligible to receive this Grant **UNLESS** the proposed move is necessary for business expansion that includes new job creation, involuntary displacement from current space, unrelated to financial or operating disputes, or similar circumstances.

c) Applicants proposing to construct new buildings are not eligible under this program unless expressly defined otherwise elsewhere within these guidelines.

d) Non-eligible projects include business to business companies, non-profits, or governmental agencies.

e) Eligible Grant Expenditures include (among other items as may be determined in underwriting:
    a. Interior demolition or site preparation costs as part of a comprehensive renovation project.
    b. Permanent building improvements, which are likely to have universal functionality. Items include, but are not limited to, moving walls, exterior lighting, bringing restrooms and the building into compliance with code and accessibility rules, and updating electrical wiring and HVAC systems.
    c. Improvements to meet Fire and Life Safety codes and/or Americans with Disabilities Act requirements.
    d. Plumbing and/or sanitary sewer modernization and/or improvements.
    e. Grease traps within the structure.
    f. Elevator Installation for retail access and/or ADA compliance.

AWARD TIMELINE

Applications will be collected on a rolling basis as funds are available. Businesses may apply at any time during the fiscal year, which begins October 1, but are encouraged to submit applications as soon as possible to ensure funds are available for commitment.

First-time applicants are encouraged to participate as they will be given priority over businesses who have previously participated in a Business Grant Program. Staff will also review safety repairs and total leverage of available funding to determine award.

AWARD REIMBURSEMENT

Reimbursement shall be limited to no more than 50% of the total cost of eligible improvements, not to exceed $20,000 per storefront. Larger buildings with more than one storefront and/or more than one side visible (on a corner) may be considered for a larger grant on a case-by-case basis by the Economic Development Director. Projects totaling less than $2,500 in qualified improvements are not eligible.

Approved applicants may request up to 50% of the estimated awarded grant funds in advance of completion, with proof of paid invoice(s). The remaining grant funds will be paid once the project is complete. Grants are awarded on a first-come, first-served basis, as long as funding remains available in the program.

The Economic Development Division reserves the right to refuse reimbursements in whole or in part for work that is not completed within 9 months. The Economic Development Division cannot reserve funds indefinitely. Grants may be subject to cancellation if not completed or if significant progress has not been made by the completion date. Requests for extensions will be considered only if made in writing and progress towards completion has been demonstrated.

Because budget availability varies each year, the City cannot guarantee funding in future budget periods or that any applicant will be reimbursed.

Multi-Tenant Building: Business tenants in a multi-tenant property may apply to the program as long as the tenant has a clearly definable independent entrance into the storefront that is clearly visible from public rights-of-way (ex., strip-mall tenants). Business tenants in multi-tenant buildings without independent storefronts are not eligible to apply; however, the property owner may still apply if they meet the eligibility requirements.
Multi-tenant property owners may apply if they meet all other eligibility requirements. If no other tenant in the property has utilized the program, then the property owner may apply as the applicant and receive up to $20,000 for the entire property.

COMPETITIVE BIDDING Applicants are required to get three (3) competitive bids for every type of proposed work. Please note that applicants may not use their own business as one of the required bids. The City will match up to 50% of the cost up to $20,000. All contractors must be insured and licensed by the State of Florida. All construction contracts will be between the applicant and contractor.

APPROVALS

The City has the sole authority to determine eligibility of proposed work and confirmation of completed work. Certain work may be required or precluded as a condition of funding. Participants are responsible for obtaining necessary regulatory approvals, including any required by City departments or boards and including, but not limited to, building permits and any other necessary permits. All work must comply with city, state, and federal regulations.

CONTRACTUAL AGREEMENT

Accepted applicants must enter into a contractual agreement with the City prior to disbursement of grant funds.

SUBMISSION REQUIREMENTS

Application packages must include documentation that illustrates the visual impact of the project and its cost.

Failure to provide required information will delay the review and/or approval process.

The applications must include the following attachments:

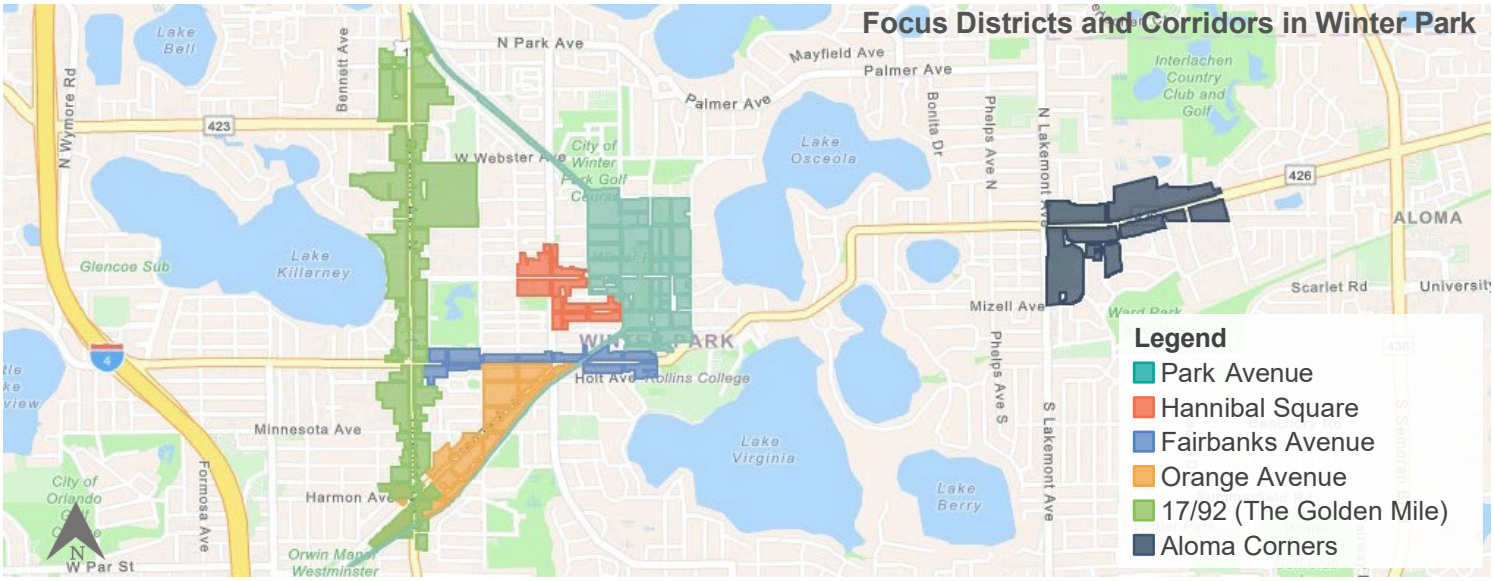
1. Complete application form
2. Copy of current business license
3. Copy of current property insurance
4. Written consent from property owner giving permission to conduct Retail Build-Out Enhancements *(if necessary)*
5. Digital photographs of existing conditions of the project
6. Written description of project improvements including material list and color selections
7. Simple sketch of improvement project
8. Three competitive bids for each type of work proposed

Submit complete applications to:
Economic Development Department
Attn: Retail Enhancement Grant Program
401 Park Avenue South
Winter Park, FL 32789

For more information about the City's Business Retail Build-Out Program, please contact our office at 407-599-3218.

WINTER PARK RETAIL VISION

For more information, see Phase I memorandum.



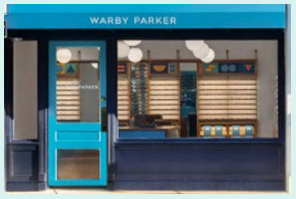
PARK AVENUE

Current Positioning

- Metro's premier walkable/ authentic shopping destination
- Upmarket, skewing middle-aged and older

Potential

- Additional **soft goods** co-tenancy
- Broadening of customer base
- Side-street opportunities



ORANGE AVENUE

Current Positioning

- Continuation of neo-hipsterdom to the south/ west
- Affordable **eclecticism**
- "Every-so-often" uses

Potential

- Home design/ improvement
- Craft food and beverage
- Vintage/resale

WINTER PARK SOCIAL HOUSE

HANNIBAL SQUARE

Current Positioning

- Park Avenue **spillover/ extension**
- Local orientation
- Food and beverage skew

Potential

- Destination concepts/brands
- Better connectivity/in-fill

17/92 (THE GOLDEN MILE)

Current Positioning

- **Upmarket/specialty strip commercial**
- "Restaurant Row" for north metro

Potential

- Comparison shopping (both upscale and value)
- "Non-commodified" conveniences
- Sophisticated/first-in-market food & beverage chain-lets

FAIRBANKS AVENUE

Current Positioning

- Park Avenue spillover + **Rollins**
- "Every so often" uses
- Primary gateway to I-4

Potential

- Hybrid college/general bookstore
- Home design/improvement, bridal
- Clinic (medical, dental, vet, etc.)
- Ongoing beautification

B&O

R BOOKSTORE

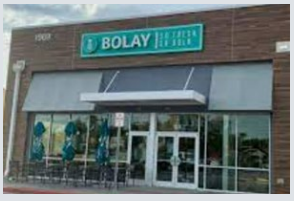
ALOMA CORNERS

Current Positioning

- Mid-market conveniences
- **Local draw**

Potential

- Fast casual/casual food and beverage
- Mall staples going "off-mall"



KEY THEMES AND CONCEPTS

Some of the key themes and concepts that emerged from the analysis in Phase I, as useful context for what has been proposed within the *Implementation Matrix*, include the following:

LOCATION DRIVERS

The extent to which the site-location decisions of prospective retail tenants are driven by considerations of "co-tenancy", that is, the nearby businesses that generate relevant cross-traffic.

CRITICAL MASS

The need for established shopping destinations, particularly ones specializing in comparison goods, to retain a "critical mass" (or remain above a certain threshold) of such stores.

GROUND FLOOR TENANCY

The importance of active retail tenancies on the ground floor of walkable districts and along the frontage of commercial corridors (to preserve such spaces for uses with the greatest need for high visibility)—in cases where tight market conditions prevail.

WINTER PARK RETAIL ECOLOGY

The understanding of Winter Park's districts and corridors as a retail ecology or hierarchy, with the tight market for retail space in one creating "spillover" tenant demand in others.

ZONING & POLICIES

The accompanying notion that the city's overall retail potential can only be maximized by grounding policies (including zoning) in such dynamics, even if in some cases that implies different expectations for individual properties and stakeholders.

INTERESTING MIX OF TENANCIES

The roles that development economics, permitted uses and rent expectations play in street-level vitality, with strategically-zoned, "second-generation" spaces often priced at levels that can be sustained by a broader and more interesting mix of tenancies.

FLEXIBILITY AS PRE-EMPTION

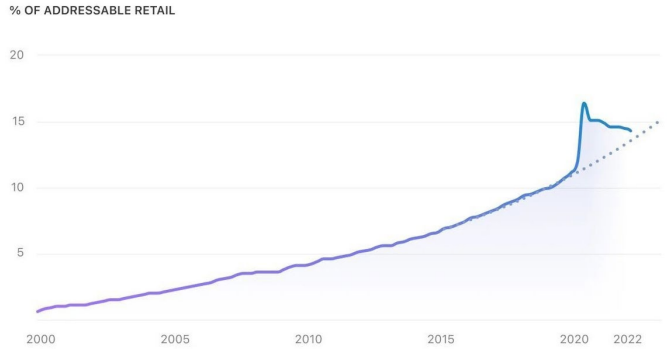
The realization that flexibility—in policy, zoning, approvals, and permitting—will be essential to keeping Winter Park relevant and differentiated in a rapidly-evolving and fiercely-competitive industry.

THE PRIMACY OF SUPPLY AND DEMAND

The recognition that market forces—specifically, supply and demand variables—can often dictate retail conditions and opportunities to a greater extent than the physical and design attributes of roads and buildings.

DEFINITION: "Retail" for the purposes of this scope-of-work has been defined broadly, to include any ground-floor uses that are consumer-facing—that is, welcoming potential customers either on a walk-in or subscription basis. This would encompass, then, personal services, food and beverage as well as entertainment venues, while precluding businesses that operate exclusively or primarily by appointment.

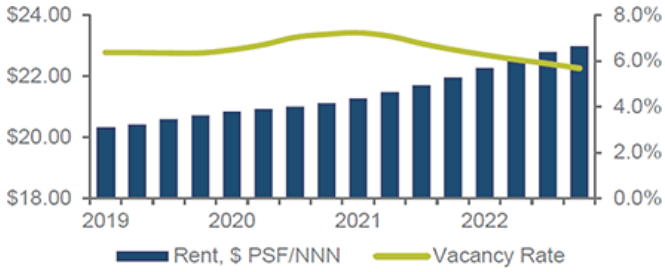
US Ecommerce Adoption Growth Rate



Source: U.S. Census

CAPTION: **No, e-commerce has *not* taken over:** By 2022, the market share of online sales was roughly similar to where it would have been without the pandemic, given historic growth rates.

Overall Vacancy & Asking Rent



Source: CoStar; Cushman & Wakefield Research

CAPTION: **What Retail Apocalypse?** Despite pandemic-era disruption, the market for retail space was robust in 2021 and most of 2022, with declining vacancy rates and rising asking rents.