

Destination Retail Incentive Policy

Overview

The Development Authority of Columbia County, as directed by the Columbia County Board of Commissioners, is focused on growing the local economy and improving the quality of life for residents and visitors. Pursuant to Georgia law, the Development Authority of Columbia County is mandated to promote the development of trade, commerce, industry and employment opportunities in Columbia County by attracting new businesses, retaining businesses, promoting job growth, and growing the tax base. Columbia County's Destination Retail Incentive Policy leverages these goals to attract new destination retail to development corridors in Columbia County.

Given Columbia County's long-term growth and position in the Augusta MSA, incentives are generally not necessary for a majority of retail businesses. Some destination retailers, however, require assistance in alleviating location concerns, mitigating elevated rental and build-out costs, and filling a potential gap in their financing model. The Destination Retail Incentive Policy will be used to address these concerns and position Columbia County for long term sustainable growth, while promoting trade, tourism, and job creation.

Policy Guidelines

The Development Authority of Columbia County will oversee the Destination Retail Incentive Policy. As such, the Development Authority staff and the Board of Directors will review all applications and make decisions regarding the funding qualifications and amounts.

Applications for incentives must be submitted to the Development Authority staff two weeks prior to the monthly Board Meeting. Development Authority Board Meetings are held on the fourth Wednesday of each month unless changed by the Board of Directors and proper notice given. An application fee of \$50 will be required at the time of application. In addition to completing the application questions, all applications must include a prospectus and/or business plan.

To be eligible for incentives, a project should meet the following minimum requirements:

1. Locate in an approved development corridor
2. Create at least five net new jobs in Columbia County
3. Invest at least \$ 250,000
4. Must be a destination retailer or fills an unmet need in the market

The maximum incentive available will not exceed:

- Grants - \$100,000
- Loans. - \$100,000

An awardee/project must use the incentive funds allocated on an approved qualified use. Qualified uses include:

- Location build-out
- Equipment purchases/leases
- Façade improvements
- Gap funding

All incentives packages awarded will require the completion of a performance agreement by the awardee. The performance agreement will include performance claw-backs and resolutions for failure to meet performance measures. The Performance Agreement between the Development Authority and the awardee will detail the use(s) approved by the Development Authority for the associated project.

The benefits of the project should exceed the public costs of the incentives. Only in extraordinary circumstances will the Development Authority approve a project that does not meet this standard.

All incentives will be subject to compliance with Development Authority Law in the State of Georgia.

Definitions

Application – the application is a document created by the Development Authority of Columbia County to capture the project details to be used in determining qualification for incentive funding.

Awardee – an applicant that has been selected to receive incentive funding.

Build-out – required improvements to a potential location, above and beyond a vanilla shell, that make the desired space functional for the company.

Capital Investment – private investment by a company in Columbia County that is subject to property tax.

Claw-backs – Mandatory reimbursements required of a company that fails to meet the agreed performance measures outlined in the Performance Agreement.

Destination Retailer – a retail store that a customer seeks out because of its popularity and limited availability in a region. Typically, a destination retail store has a large trade area that exceeds the boundary of the County. For the purpose of this policy, a local/regional restaurant or brewery/distillery may also qualify as a destination retailer.

Development Corridor – an area defined by either the Columbia County Board of Commissioners through an overlay district, master planned area, or redevelopment district, or an area adopted as a Georgia Opportunity Zone. Currently, funding is available only in the Evans Towne Center Overlay.

Equipment Purchases – machinery and equipment required for a business to operate. In some cases, related equipment purchases may have title held by the Development Authority.

Equipment Leases – a lease offered by the Development Authority to a company for equipment used in the daily operations.

Façade Improvement – exterior improvements and/or signage improvement that make a retail location more inviting to customers.

Gap Funding – funding needed to encourage a banking partner to issue a loan. This can be either a loan or a grant.

Incentive Funding – funding available to be allocated to a potential awardee; two types of funding are available.

- *Grants* – a grant is funding allocated to a project that does not require repayment.
- *Loans* – a loan is funding allocated to a project that requires repayment and title to associated collateral.

Job Creation – The creation of net new jobs in Columbia County. For the purpose of this incentive, a company must create at least five net new jobs.

Local/Regional Restaurant – a restaurant that is not a national brand or franchise. A restaurant or restaurant group that can only be found in a particular region of the country, not nationwide. A national brand restaurant could qualify under the broader category of destination retailer.

Matching Funds – funds contributed by the applying company towards the intended use of the incentive. Minimal match required range between 25% and 50% depending on the size and scope of the project.

MSA - Census designated Metropolitan Statistical Area

Performance Agreement – a memorandum of understanding between the awardee and the Development Authority that details the performance measures and claw-backs associated with the incentive funding.

Performance Measures – the minimum standards of performance required to receive incentive funding.

Qualified Uses – for the purpose of this policy, a qualified use includes location build-out, equipment purchases, equipment leases, façade improvements, and gap funding.

Vanilla Shell – refers to a landlord delivering a space to a tenant with the basic finishings.