

TOWN OF FRANKLIN

Economic Development Incentive Policy

POLICY STATEMENT:

It is the policy of the Town of Franklin to promote a strong business presence within its corporate limits. In the spirit of this policy, the Town Council may find it necessary to stimulate economic development by offering incentives to offset costs associated with business location, expansion of an existing business, and/or revitalization of vacant buildings.

It is the policy of the Town of Franklin, when funding is available and budgeted by the Town Council, to provide economic development grants for companies, industries, commercial/retail business owners, and new entrepreneurs seeking to start or relocate businesses to Franklin. The Economic Development Incentives Policy is designed to stimulate private sector investment, economic growth and job creation in Franklin by offering grants consistent with this policy and all applicable laws. Moreover, it establishes a consistent manner for the Town's participation in the development of business activity which will have a significant and positive effect on the economic health of the community now and in the future.

CRITERIA FOR INCENTIVE CONSIDERATION:

The size and scope of the potential incentives will be based on a number of factors, including the category of incentive requested; the location of the business; and potentially the number of employees and quality of jobs created. A major component of the incentive policy is to foster sustainable business and create quality of place that will in turn stimulate the economy and further economic development potential. There are specific criteria for each incentive listed in the policy and incentives may be combined to provide maximum benefit.

INCENTIVE OPTIONS:

Façade Improvement Grant – Downtown District and Town-wide

The architectural quality and vitality of Franklin's core downtown area is important to the entire Town, its history, image and economy. Proper improvements to the exterior appearances of individual buildings will help develop the appropriate image of inviting and welcoming, while fostering revitalization and the marketability of the Downtown. Therefore, it is important that an organized and coordinated approach to exterior improvements be followed.

The Façade Improvement Grant has been established to provide economic incentives to those commercial building owners and/or business owners in the Downtown district. For the purpose of this grant a "façade" is defined as the face of a building; that is street and/or public parking area facing.

A. Purpose

The Town of Franklin is focused on preserving special characteristics of the downtown by helping owners make quality building improvements that foster a sense of place and overall consistent image for the

business community located within this district. The purpose of the Façade Improvement Grant is to provide an economic incentive to:

1. Complete renovation to building facades within the Town's downtown business district;
2. Preserve the unique character of Franklin's historic downtown business district;
3. Promote an attractive environment for new investment and business activity; and
4. Compliment other revitalization efforts undertaken by the Town of Franklin, such as streetscape projects, sidewalk and lighting projects, parks and recreation amenities and improvements, and landscaping improvements.

Grant reimbursements for a portion of exterior rehabilitation costs are available on a first-come, first-served basis for buildings located in the Town of Franklin Downtown district. Funds are available once per façade every ten (10) years as grant funding is available.

B. Eligibility Requirements and Restrictions

1. Commercial building owners or business tenants in Franklin's Downtown.
2. Building and commercial space must be used predominantly by and for a for-profit business.
3. Owner and tenants may request incentive grants separately; however, any tenant must have the owner's written permission attached to the application along with a detailed drawing of what façade improvements are proposed. Only one (1) application per façade is eligible for approval.
4. "Use" of the building (whether current or future) must be a "Permitted Use" within the applicable zoning district and conform to all zoning requirements. Non-conforming uses or those which have been grandfathered are not eligible under this program unless work included within this project will bring the building and/or façade closer to conformity unless approved by the Town Planner.
5. Owners of vacant buildings shall be eligible if the owner's purpose is to rehabilitate the structure/facade to attract eligible businesses. Expenses will be reimbursed only after proposed façade improvements have been completed and the building is identified and advertised as "For Lease".
6. All town taxes for a building where grant funds are requested must be current and paid in full. For any building with delinquent town taxes for years prior to the grant cycle year, the owner(s) must attach a receipt to show all taxes are current.
7. All applications and design drawings must be submitted for approval prior to the beginning of construction.
8. All proposed rehabilitation work must comply with all code, ordinance and policy requirements of the Town of Franklin, Macon County and the State of North Carolina including but not limited to:
 - a. Building code requirements;
 - b. Ordinances and other historic district guidelines (where applicable);
 - c. Obtainment of necessary permits (proof of which may be required); and
 - d. Established design standards for the designated area.

Eligible Projects may include:

1. Cleaning of brick stone fronts (chemical stripping, water wash, scraping);
2. Repair or replacement of façade materials;
3. The removal of false fronts (such as wood or metal panels);
4. Exterior painting (when part of a larger rehab effort);
5. Purchase and install of new and approved awnings;
6. Repair or replacement of windows, doors, and trim;
7. Authentic reconstruction and replacement of original exterior architectural details.

Examples of projects that cannot be funded, either in whole or part by this grant program:

1. Sandblasting of exterior bricks, which causes them to deteriorate;
2. Removal of historical features; and
3. Roof repairs.

C. Grant Award Amount

Based on the availability of funds, applications approved for a Façade Improvement Grant will be eligible to receive reimbursements of up to \$5,000 or 50% of exterior rehabilitation costs (whichever is less) after the project is completed and terms of the grant fund award are met. This is a 50/50 match grant.

*This grant may be paired with other grants provided that that total amount of funding does not exceed \$7,500 total for the business or property owner.

RENT SUBSIDY – Downtown District

A. Purpose

The Town of Franklin desires to attract and help to contribute to the success of businesses who choose to invest in the community. The purpose of the Rent Subsidy Program is to provide an economic incentive to:

1. Assist businesses to become established within the Downtown of Franklin; and
2. Encourage “pedestrian-oriented” businesses which generate foot traffic during regular business hours.

Rent Subsidies will be offered on a first-come, first-served basis for new businesses in the Town of Franklin Downtown district. Funds are available once per business as funding is available.

B. Eligibility Requirements and Restrictions

1. This program is limited to businesses locating within the Downtown with a minimum 2-year lease required.
2. The proposed leased space may not be occupied by the business, with or without a lease, prior to approval under the program. The program is not available for existing signed leases.

3. Property owners are not eligible to lease space from themselves, relatives or related business entities.
4. All requests for rental assistance must be accompanied by a proposed lease agreement that defines the landlord-tenant relationship and includes the following:
 - a. a description of the space being rented
 - b. utilities included and not included
 - c. rental rate and deposits required, along with terms of lease and methodology for any rent increases
 - d. abilities to terminate and consequences of default
5. All town taxes for a building where grant funds are requested must be current and paid in full. For any building with delinquent town taxes for years prior to the rent subsidy cycle year, the owner(s) must attach a receipt to show ad valorem taxes are current.
6. The business must be in operation a minimum of 40 hours per week and open to the general public to qualify for the subsidy.
7. Rental subsidy will not be paid if tenant discontinues the business, moves the business, breaks any provisions of the lease agreement, or fails to comply with any and all building, fire, health or zoning codes or regulations applicable to the business.
8. The responsibility for all rental payments is between the contracted parties to the lease, the tenant and the landlord.
9. Businesses who would qualify for this incentive, include but may not be limited to:
 - a. Eating/Drinking Establishments (Restaurants, Cafes, etc.)
 - b. Artisan Shops (hand crafted durable and non-durable goods)
 - c. Clothing/Apparel Stores
 - d. Drug Stores/Sundries

C. Grant Award Amount

Rent subsidies up to 50% of rental rate (subsidy amount not to exceed \$500 per month) are paid quarterly during the first full year of operation. Subsidies will not accrue during renovations or construction. A business that receives rent subsidy funding during a fiscal year shall be prohibited from making subsequent applications for funding in following years. There is a maximum \$6,000 award per business and is a one-time offering.

Funds will be distributed to the business within thirty (30) days of receipt of a letter from the business requesting such payment and with acknowledgement from the landlord that all rents have been paid in accordance with the terms of the lease agreement.

*This grant may be paired with other grants provided that that total amount of funding does not exceed \$7,500 total for the business or property owner.

SIGN GRANT PROGRAM - All Businesses Districts

A. Purpose

The Town of Franklin prides itself on its charm and appeal. This sign grant program provides an incentive that allows businesses to invest in quality, visually appealing signs and upgrade faded, old or outdated signage and enhance the aesthetic appeal of the area. This grant is available to all businesses within the Town of Franklin and will be limited to ten (10) applications annually.

B. Eligibility Requirements and Restrictions

1. Prior to designing or purchasing a sign or sign structure, the business owner or tenant shall meet with the Town Planner to discuss proposed signage requirements and restrictions including any need for permits.
2. Signs should be consistent with design guidelines, streetscapes and enhance the pedestrian experience.
3. The property owner and/or tenant will be responsible for the maintenance of the signage from the project completion or until such time as the building is sold or the tenant changes.
4. All town taxes for a building where grant funds are requested must be current and paid in full. For any building with delinquent town taxes for years prior to the grant cycle year, the owner(s) must attach a receipt to show all taxes are current.

C. Grant Award Amount

This grant program provides 50% of the sign cost up to \$500. Only after the proposed scope of work has been completed and reimbursement request information submitted will the Town of Franklin provide reimbursement for approved expenditures.

*This grant may be paired with other grants provided that that total amount of funding does not exceed \$7,500 total for the business or property owner.

DESIGN GRANTS – All Business Districts

A. Purpose

This is an incentive to encourage professional design projects which capitalize on the rehabilitation of existing properties and/or the introduction of new building and/or façade design. This program is intended to encourage further private reinvestment in existing buildings and promotes appropriate and attractive design projects that preserve the architectural character of Franklin.

B. Eligibility Requirements and Restrictions

1. Available only to building owners or tenants (with building owner's written consent).
2. The building must be located within the Downtown.
3. Utilize the design service available through the NC Main Street Program which should be organized by the Main Street Coordinator.

Eligible expenditures include:

1. Measured drawings;
2. Schematic design;
3. Rendered sketches of interior and/or exterior;
4. Floor plans draw to scale;
5. Preliminary scope of work and cost estimates; and/or
6. Construction documents.

Ineligible expenditures include:

1. Construction costs

C. Grant Award Amount

This grant program provides 50% of the architectural or design costs not included in the design services provided by the NC Main Street Program up to \$500. Upon completion of professional architectural and/or design services, copies of paid statements for design work completed must be submitted to the Town of Franklin. Only after the proposed scope of work has been completed and reimbursement request information submitted will the Town of Franklin provide reimbursement for approved expenditures.

*This grant may be paired with other grants provided that that total amount of funding does not exceed \$7,500 total for the business or property owner.

COMMERCIAL INFRASTRUCTURE GRANT – All Commercial Districts

A. Purpose

This is an incentive to assist with commercial infrastructure projects that will contribute to the retention or creation of new, full-time, private-sector jobs and provide a positive economic impact for the Town. Eligible businesses would be located in C-1, C-2, C-3 or I-1 zoning classifications.

B. Eligible Projects:

Grants are available to assist with planning and material costs to complete infrastructure improvements, which are permanent, including:

- Construction, upgrade, extension, or repair of water or sewer lines

C. Grant Award Amount:

Based on the availability of funds, applications approved for a Commercial Infrastructure Grant will be eligible to receive reimbursement of up to \$15,000 of costs, after the project is completed and may also qualify for the reimbursement for permitting fees up to \$500.

- 50% match up to a maximum of \$15,000

Example: For a project that is less than \$30,000 – 50/50 match

Example: For a project that is greater than \$30,000 – maximum grant is \$15,000

OTHER POTENTIAL INCENTIVES – All Business Districts

Granting/Reimbursement of Various Fees including Utility (Water/Sewer) Connection Fees

Depending upon the business that may be locating to Franklin there could be a potential for fees and costs that were not considered in their business plan. For example: zoning approval, a conditional use permit or rezoning, sign permit, building upfit to properly meet building codes requiring multiple inspections and reviews, and utility (water/sewer) connection. There is a potential to grant a portion the cost of these smaller but still significant costs to the business owner.

Grant reimbursements for fees are available on a first-come, first-served basis for new businesses who are located in the Town of Franklin. The grant would be a one-time 50/50 reimbursable grant to a maximum of \$500.00.

*This grant may be paired with other grants provided that that total amount of funding does not exceed \$7,500 total for the business or property owner.

APPLICATION PROCESS

The application process for all grants shall be as follows:

1. Applicant must complete the grant application including appropriate business, building/property owner's information.
2. Applications will be inspected by designated Town of Franklin personnel to ensure completeness. The Main Street Coordinator will recommend to the Town Manager to either recommend to the Town Council approval or denial of an application as submitted.
3. After a decision has been made the applicant will receive both a phone call and a notification letter concerning the approval or denial of the application.
4. Work must fully follow plans and renderings as approved by the Town Planner/Code Enforcement Officer and work must be completed within one hundred and eighty (180) days of the date of project approval.

REIMBURSEMENT

Upon completion, copies of paid statements along with photos of the completed work must be submitted to the Town of Franklin. Failure to submit a reimbursement request along with paid statements within three (3) months of the date of project completion may result in forfeiture of potential reimbursement funds.

EXTENSION

Applicants may be granted an extension, upon written request, if they have a compelling reason(s) based on extenuating circumstances for why they were unable to complete the work within the contracted period. All extensions must be approved by the Town Council.

Town of Franklin Incentive Application

Personal Information:

Name: _____ Phone: _____

Address: _____ Email: _____

Business Information:

Name & Physical Address of Business: _____

Mailing Address (other than Physical Address): _____

Business Phone: _____ Business Email: _____ Tax ID # _____

Property Owner Information (if different from Applicant):

Name of Property Owner: _____

Mailing Address (other than Physical Address): _____

Owner Phone: _____ Owner Email: _____

Program(s) Being Requested - Please select those which apply:

Facade Improvement Grant

Rent Subsidy

Sign Grant

Infrastructure Grant

Other Incentive Grants

Design Grant

Grant - various permit fees

Grant - Utility (water/sewer) connection

IMPORTANT - READ BEFORE SIGNING

With your signature below, you certify that you have read and understand the policies and guidelines for each program you are applying for; you understand that your eligibility and participation in these programs is not guaranteed and is contingent upon compliance with all program policies and guidelines; you understand that additional information may be required to complete the review of this application, or to evaluate your eligibility in these programs in the future.

Signature: _____ Date: _____

APPROVALS (as required):

Town Planner: _____ Date: _____

Town Manager: _____ Date: _____