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TARGETED RETAIL ACTIVATION POLICY & PROGRAM

TARGETED RETAIL ACTIVATION POLICY

The purpose of the Targeted Retail Activation policy is to create dining & entertainment opportunities within key corridors of the Town of Johnstown. The programs available within the Targeted Retail Activation policy are the *Food & Beverage Establishment Grant Program* and the *Food & Beverage Establishment Sales Tax Program*. Both programs aim to incentivize the investment and clustering of food and beverage establishments within targeted corridors of the Town.

These corridors once activated will provide the lifestyle connectivity and amenities that residents seek. It will also promote small businesses by cultivating vibrant retail districts that will attract visitors. Further, by encouraging the location of restaurants and beverage establishments within these specific corridors, patrons and business owners alike will benefit from the variety of options and the unique, walkable, and visually connected areas.

The following types of establishments qualify within the Targeted Retail Activation Policy.

| Establishment Types | Minimum Hours of Operation | Minimum Days of Operation |
|---|--------------------------------------|--------------------------------------|
| Fine Dining Restaurant | Open at least until 9pm | 5 days per week |
| Casual & Fast Casual Restaurant | Open at least until 9pm | 5 days per week |
| Coffee Shop/Pastry Shop/Bakery/Dessert/Cafe | Open at least until 6pm | 5 days per week |
| Multi-Vendor Food Hall (no less than 3) | Open at least until 8pm | 4 days per week |
| Entertainment Venue (arcade, music hall, movie theater, or experienced based) | To be determined based on venue type | To be determined based on venue type |
| Craft Brewery/Distillery/Winery | Open at least until 10pm | 5 days per week |
| Cocktail Lounge & Bars/Nostalgia Bars & Pubs | Open at least until 11pm | 5 days per week |

**Table 1*

The following Key Corridors qualify within the Targeted Retail Activation Policy.





The Community that Cares

TARGETED RETAIL ACTIVATION PROGRAMS

Food & Beverage Establishment Grant Program (FBE Grant Program)

The FBE Grant Program seeks to revitalize and enhance key corridors and underutilized or vacant buildings. The key corridors that qualify for the FBE Grant Program include:

- Downtown Core



- Gateway Center



The FBE Grant Program is a reimbursement grant program for eligible interior improvements to existing buildings within the ground floor that are being renovated and/or improved to facilitate the use of a qualified establishment (see Table 1). Table 2 (below) provides the potential reimbursement amounts based on ground floor square footage and qualified use.

| Establishment Types | Reimbursement per Square Foot | Cap of Eligible Cost |
|---|--------------------------------------|--|
| Fine Dining Restaurant | Currently Set At \$50/ SQ FT | 50% of eligible cost, not to exceed \$40,000 |
| Casual & Fast Casual Restaurant | Currently Set At \$40/ SQ FT | 50% of eligible cost, not to exceed \$35,000 |
| Coffee Shop/Pastry Shop/Bakery/Dessert/Cafe | Currently Set At \$20/ SQ FT | 50% of eligible cost, not to exceed \$20,000 |
| Multi-Vendor Food Hall (no less than 3) | Currently Set At \$30/ SQ FT | 50% of eligible cost, not to exceed \$30,000 |
| Entertainment Venue (arcade, music hall, movie theater, or experienced based) | Currently Set At \$50/ SQ FT | 50% of eligible cost, not to exceed \$40,000 |
| Craft Brewery/Distillery/Winery | Currently Set At \$50/ SQ FT | 50% of eligible cost, not to exceed \$40,000 |
| Cocktail Lounge & Bars/Nostalgia Bars & Pubs | Currently Set At \$30/ SQ FT | 50% of eligible cost, not to exceed \$30,000 |

**Table 2. The reimbursement rate, based on a dollar-per-square-foot model, is aligned with current market trends to offer a competitive and relevant incentive. Designed with flexibility, this rate allows Town Staff to adjust it as needed to respond to market changes, ensuring the program stays attractive and competitive. The cap rate and maximum reimbursement, however, are fixed and can only be modified by Town Council.*

The following list is not exhaustive but illustrates the eligible improvements for reimbursement for the FBE Grant Program

- Interior demolition and site preparation performed by a licensed contractor/business
- Code compliance, life safety and ADA
- Electrical, utility, and mechanical improvements (i.e. lighting, HVAC, grease trap)
- Exterior improvements only related to creating outdoor dining options, must be semi-permanent fixtures
- Cooking, refrigeration, and ventilation systems but not small appliances (i.e. microwaves), fixtures
- Other construction or improvements that would be commonly recognized as permanent or part of the interior of the tenant space that help facilitate the qualified use

The following list is not exhaustive but is illustrative of the ineligible improvements that would not be considered for reimbursement for the FBE Grant Program

- Any non-permanent improvements or improvements that do not directly relate to food or beverage operation

- Any improvement made without the necessary permits and inspections are not eligible for grant funds
- Temporary or moveable furniture such as tables, chairs
- Dinnerware, tablecloths, silverware, etc.
- Small kitchen appliances (i.e. microwave, toaster)
- Office equipment
- Moving expenses
- Working capital
- Refinancing existing debts for prior improvements
- General periodic maintenance
- Soft costs (i.e. engineering and design, developer fees, Town impact and permits fees, other review fees, etc.)
- New building construction or new building additions. Existing buildings that are expanding the square footage of useable space may be reviewed on a case-by-case basis
- Enhancements or improvements that are generally considered out of scale with the intended establishment type. For example, an ice cream parlor would not generally require a wine cellar.
- Any improvements started or completed prior to grant award determination

TARGETED RETAIL ACTIVATION PROGRAMS CONT.

Food & Beverage Establishment Sales Tax Program (FBE Sales Tax Program)

The FBE Sales Tax Program seeks to incentivize the attraction and cluster of desired establishments within existing or newly developed properties and/or buildings. The key corridors that qualify for the FBE Sales Tax Program include:

- Downtown Core



- North Downtown



- Gateway Center



The FBE Sales Tax Program is a sales tax reimbursement program for eligible establishment types that are looking to establish their first location within the designated key corridors. Existing eligible establishments within any key corridor that are relocating or expanding do not qualify for the FBE Sales Tax Program. Table 3 (below) provides the potential reimbursement percentages based on qualified use.

| Establishment Types | Reimbursement Percentage | Term Cap |
|---|---------------------------------|-----------------|
| Fine Dining Restaurant | 1.5% | 5 years |
| Casual & Fast Casual Restaurant | 1% | 5 years |
| Coffee Shop/Pastry Shop/Bakery/Dessert/Cafe | .50% | 2 years |
| Multi-Vendor Food Hall (no less than 3) | 1% | 2 years |
| Entertainment Venue (arcade, music hall, movie theater, or experienced based) | 1.5% | 10 years |
| Craft Brewery/Distillery/Winery | 1.5% | 5 years |
| Cocktail Lounge & Bars/Nostalgia Bars & Pubs | 1% | 2 years |

**Table 3*