City of Palm Coast, Florida
Agenda Item

Agenda Date: July 21, 2026 **Agenda Item:** K.4

Department COMMUNITY DEVELOPMENT **Division** ECONOMIC DEVELOPMENT	**Amount** **Org/Account #**

Subject: RESOLUTION 2026-XX APPROVING AN AMENDMENT TO DOWNTOWN URBAN CORE IMPROVEMENT GRANT PROGRAM

Presenter: **Craig Mckinney, Economic Development Manager**

Attachments:

1. Resolution
2. Program amendment

Background:

On November 18, 2025, City Council approved Resolution 2025-186, the Downtown Urban Core Improvement Grant program (DUCIG). Staff has determined several amendments to the program are necessary for the success of this program.

City Council established the DUCIG Program to further the municipal purpose of attracting more private business development within the SR 100 Community Redevelopment Area (CRA), the Town Center Community Development District, and specifically its Downtown. Staff is proposing to amend certain criteria of the program to the economic success of the commercial components of DUCIG program and to further enhance the goal of the private sector investment and development of ad valorem taxable properties within the Downtown Urban Core of the CRA.

Staff is proposing the following changes:

- Requiring an executed lease agreement;
- Extending the sunset date;
- Definitions; and
- Additional business type added to funding eligibility list.

Recommended Action:
ADOPT RESOLUTION 2026-XX APPROVING AN AMENDMENT TO DOWNTOWN URBAN CORE IMPROVEMENT GRANT PROGRAM

RESOLUTION 2026-__
AMENDING THE DOWNTOWN
URBAN CORE IMPROVEMENT GRANT PROGRAM

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM COAST, FLORIDA, HEREBY AMENDS THE DOWNTOWN URBAN CORE IMPROVEMENT GRANT (DUCIG) PROGRAM; PROVIDING FOR THE EXECUTION OF NECESSARY DOCUMENTS; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; PROVIDING FOR IMPLEMENTING ACTIONS AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Palm Coast established the Downtown Urban Core Improvement Grant Program (DUCIG) to further the municipal purpose of attracting more private business development within the SR 100 Community Redevelopment Area (CRA), the Town Center Community Development District, and specifically its Downtown through Resolution 2025-186; and

WHEREAS, the City finds it necessary to amend certain criteria of the program to the economic success of the commercial components of DUCIG program and to further enhance the goal of the private sector investment and development of ad valorem taxable properties within the CRA; and

WHEREAS, the City further finds it is in the best interest to extend the sunset date of this program for one year until September 30, 2027.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PALM COAST, FLORIDA, AS FOLLOWS:

SECTION 1. LEGISLATIVE AND ADMINISTRATIVE FINDINGS. The above recitals (whereas clauses) are hereby adopted as the findings of the City Council of the City of Palm Coast.

SECTION 2. APPROVAL OF AMENDING TO THE GRANT PROGRAM. The City Council of the City of Palm Coast hereby approves the amendments to the terms and conditions of the Downtown Urban Core Improvement Program, as shown in the attached and incorporated herein by reference as Exhibit "A."

SECTION 3. AMENDING THE SUNSET DATE. The Downtown Urban Core Improvement Grant program shall hereby sunset September 30, 2027. All funds for qualified applicants must be disbursed by the sunset date.

SECTION 4. AUTHORIZATION TO EXECUTE. The City Manager, or designee is hereby authorized to execute the necessary documents associated with this Resolution.

SECTION 5. SEVERABILITY. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this Resolution are severable, and if any phrase, clause, sentence, paragraph or section of this Resolution shall be declared unconstitutional by the valid judgment or decree of a court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Resolution.

SECTION 6. CONFLICTS. All resolutions or parts of resolutions in conflict with this Resolution are hereby repealed.

SECTION 7. IMPLEMENTING ACTIONS. The City Manager is hereby authorized to take any actions necessary to implement the action taken in this Resolution, including, but not limited to, executing agreements to implement the Downtown Urban Core Improvement Grant program.

SECTION 8. EFFECTIVE DATE. This Resolution shall become effective immediately upon adoption.

DULY PASSED AND ADOPTED by the City Council of the City of Palm Coast, Florida, on this 21st day of July 2026.

ATTEST:	CITY OF PALM COAST
______________________________	______________________________
KALEY COOK, CITY CLERK	MICHAEL NORRIS, MAYOR

APPROVED AS TO FORM AND LEGALITY

____

MARCUS DUFFY, CITY ATTORNEY

Attachment: Exhibit “A” Amendment

PALM COAST DOWNTOWN URBAN CORE IMPROVEMENT GRANT APPLICATION

The following items are required to submit your grant application. Incomplete applications cannot be accepted.

1. Original Application: General Information, Business Information, Project Information, and Applicant/Property Signature Page
2. Copy of Business Tax Receipt
3. Copy of Florida Department of Business Professional Regulation License
4. Copy of Executed Lease Agreement
5. Estimate of Construction Costs
6. City of Palm Coast Development Fee Schedule (if applicable)
7. City of Palm Coast Building Permit Number

PALM COAST DOWNTOWN URBAN CORE IMPROVEMENT GRANT APPLICATION

A. Program Introduction/Goals

The Downtown Urban Core (DUC) is located in the heart of City of Palm Coast's Town Center. As a downtown within the Town Center its urban setting is unique due to its lack of visibility from major collector roadways. While it is most easily accessed from SR 100 (a major collector roadway) via Bulldog Drive, it is otherwise accessed through several intersecting and winding local two-lane roadways. This "All roads lead to Rome" design provides the City's downtown with a calm pedestrian friendly setting, but it also offers an eye-opening experience because of its natural and architectural beauty.

Palm Coast Central Park, the centerpiece of Town Center's Downtown, is highlighted with a half mile lake with a cobblestone walking path that is enjoyed by many in the community daily and the home for special events throughout the year. This design cultivates an intentional, calm, low-stress environment that residents appreciate, offering a more walkable environment compared to higher-traffic commercial areas.

While this design maintains a measured pace for vehicle and pedestrian counts, it also presents a strategic opportunity to attract boutique, niche, and high-quality restaurant and retail businesses that value a unique, community-focused setting. Furthermore, the surrounding Town Center is home to a significant amount of varying life-stage housing, much of it within easy walking or multi-modal distance, providing a strong, immediate, and growing local market for businesses.

The Promenade project is a $79 million-dollar four story mixed-use project currently being developed Town Center's Downtown. When completed it will provide 204 modern studio, 1- and 2-bedroom apartments, 57,000 square feet of retail, restaurant, office, and institutional space. Expected to be completed by the summer of 2026, this development will be a unique transformative investment that will create a lasting vibrant 'Live-Work-Play-Unwind' environment in Downtown.

Restaurants, offices, and retail-tainment are vital components for urban environments as they drive economic growth, create jobs, foster a vibrant atmosphere, provide community gathering spaces, and contribute to urban vitalization. The presence of diverse and thriving restaurants within high density residential development can transform town centers into dynamic and prosperous activity centers that benefit residents, visitors, and the local economy. Conversely, vacant and dormant spaces negatively impact further private sector interest and investment in stagnant downtowns.

The intent of the Downtown Urban Core Improvement Grant (DUCIG) is to activate spaces within the SR 100 Community Redevelopment Area, specifically downtown, and establish it as a new center point destination for the City.

It is standard practice in the commercial real estate industry for property owners to provide an improvement allowance towards the construction of newly leased premises. Often, the amount of the improvement allowance becomes the determining factor in a business's decision to enter a lease for a specific property. Similarly, owner developers of their own projects benefit and partially de-risk their project through some level of grant assistance. This program aims to make businesses in the DUC financially competitive with those located further from the city center on major collector roadways with very high average daily vehicle counts by further supplementing the funding available for improvements to eligible properties in the downtown urban core.

The City's investment in these businesses helps to accomplish the City of Palm Coast's goals, including:

• Filling newly constructed vacant retail restaurant and retailtainment spaces to activate Palm Coast's Urban Core

• Attracting employers and restaurant/lifestyle retailers to Palm Coast's Urban Core

• Adding more dining and retailtainment amenities in Palm Coast

• Supporting restaurant, retailtainment, and lifestyle business development through incentive programs and other strategies to reduce barriers to entry in the Urban Core market.

B. <u>Program Structure</u>

1. For Building Tenant Investment Requirement:
    a. For tenant improvement reimbursement funding, the DUCIG will match dollar for dollar based on the amount the building owner invests in tenant improvements up to a maximum amount based on the square footage requirements set forth in subsection 3 below. Such matching funding by the building owner and the tenant's minimum 10% cash investment in the build-out is an eligibility requirement for receiving funding under sections 3(a) through 3(g) below.
    b. The tenant must be investing at least 10% of the eligible tenant improvement costs.
    c. If the total contribution from the building owner's investment, the DUCIG and the applicant's required contribution of at least 10% of the eligible tenant improvement costs equals more than the cost of the build-out associated with the program's eligible items, the DUCIG will only cover the difference between the building owner and the tenant's contribution towards eligible build-out costs.
2. For Owner Investment Requirement:
    a. For owner improvement reimbursement funding, the DUCIG will match dollar for dollar based on the amount the building owner invests in eligible improvements up to a maximum amount based on the square footage requirements set forth in subsection 3 below.
3. Definitions:
    a. **Brewery/Brewpub** is a type of establishment that brews on-site and may serve appetizers and small bites to eat.
    b. **DUCIG** is the Downtown Urban Core Improvement Grant Program.
    c. **Food Hall** is a cafeteria like dining setting with multiple food providing kiosks in an area open to the public where food and drinks are prepared and sold for on-site consumption or in an adjacent in a communal environment area.
    d. **Full-service restaurant/restaurant** is a type of restaurant where customers are seated at tables and fully served by waitstaff at all hours during which the restaurant is open. Take-out or meal delivery may occur, but a majority of consumption must occur onsite.
    e. **Non-full-service restaurant** are all other types of restaurants where customers are not seated and not served by waitstaff.

f. **<u>Quick-service restaurant</u>** is an establishment that offers affordable, limited menu items that are quickly prepared for pickup. Typically, there is no or minimal table service.

g. **<u>Retailtainment</u>** is a marketing strategy that merges retail (the act of selling goods) with entertainment (activities that engage and amuse customers) to create an immersive, memorable experience that encourages longer visits and deeper connection with the brand.

h. **<u>Tap Room</u>** is a community-oriented space designed to provide an immersive craft beer experience. Unlike a traditional bar, it promotes the craft beer experience by featuring a variety of unique brews in a distinctive atmosphere. While beer is the focus, guests may also have the option to enjoy light appetizers or small bites.

4. Funding Eligibility:

a. Full-service restaurants located within the DUC are eligible to receive up to $40 per square foot based upon the total amount of square footage specified in the lease but may not exceed 6,000 sq. ft. for reimbursement of costs of eligible improvements.

b. Non-full-service restaurants within DUC are eligible to receive up to $35 per square foot based upon the square footage allocated for its use within the lease but may not exceed 4,100 sq. ft. for reimbursement of costs of eligible improvements.

c. Quick-service restaurants, such as coffee shops or bakeries, located in the DUC are eligible to receive up to $25 per square foot based upon the total amount of square footage allocated for its use as specified in the lease but may not exceed 1,800 sq. ft. for reimbursement of costs of eligible improvements.

d. All retailtainment businesses located in the DUC are eligible to receive up to $20 per square foot based upon the total amount of square footage allocated for its use as specified in the lease but may not exceed 4,250 sq. ft. for reimbursement of costs of eligible improvements.

e. Brewery/Brewpub and Tap room businesses located in the DUC are eligible to receive up to $40 per square foot based upon the square footage allocated for its use within the lease but may not exceed 5,000 sq. ft. for reimbursement of costs of eligible improvements.

*All square footage grants are subject to change based on remaining availability of funds allocated.

Additional Information

A. A restaurant that prepares food and drink for on-site consumption may also have take-out or meal delivery, but a majority of consumption must occur onsite. Restaurants must be licensed through the State of Florida and derive at least 51% of gross revenue from sales of food and non-alcoholic beverages. Food shall be continuously ready to be prepared, served, and sold during all restaurant operational hours, including when alcoholic beverages are sold, otherwise, the use may be a bar or nightclub, which is not eligible for funding under this program. Additionally, if serving alcohol, a restaurant must operate under a 4COP-SFS Alcohol License (or 2COP if not eligible for SFS due to square footage requirements) in order to qualify for the incentive.
B. At a food hall, all vendors within the food hall must be licensed through the State of Florida. The collective sales of all vendors operating within the food hall must contain at least 51% of gross revenue from sales of food and non-alcoholic beverages. Food shall be continuously ready to be prepared, served, and sold during all operational hours, including when alcoholic beverages are sold, otherwise, the use may be a bar or nightclub, which is not eligible for funding under this program. If alcohol is being served at a food hall it must be sold under a 4COP-SFS Alcohol License or 2COP Alcohol License in order to qualify for the program.
C. The applicant must have at least five (5) years of restaurant or food hall ownership or operations management experience for eligibility.
D. The applicant must meet a minimum number of operating hours that will be specified in the Funding Agreement.

C. Eligible Improvements/Items

If the applicant is a tenant applying for funding, the business shall provide written permission from the property owner via a signed Owner's Affidavit. Additionally, funding cannot be used for non-fixed equipment or inventory. Generally, acceptable improvements are those that can be used by a future business in the same premises and which will remain in the space when the current business vacates the space.

Applicants are eligible for the following permanent improvements and are encouraged to make energy-efficient and sustainability-focused improvements or upgrades, such as energy-efficient upgrades, waste reduction, renewable energy, and water conservation improvements.

1. Eligible Improvements:
   a. Interior electrical or upgrades
   b. Interior plumbing or upgrades
   c. Interior HVAC equipment or upgrades
   d. Interior or exterior lighting
   e. Interior improvements for ADA compliance
   f. Exterior awnings
   g. Fixtures for prep spaces or bars
   h. Kitchen equipment
   i. Grease-traps
   j. Kitchen hoods
   k. Walk-in cooler or walk-in freezer
   l. Interior flooring (carpets are ineligible)
   m. Improvements to outdoor seating areas including permanent outside seating, permanent railings/fencing surrounding outside seating areas, and permanent outside seating fixtures
   n. Interior drywall
   o. Windows
   p. Doors
   q. Masonry
   r. Ceiling
   s. Carpentry
   t. Interior life safety improvements (firewalls, sprinklers, egress, fire alarm, exit signs, and automatic lights)
   u. Bathrooms
   v. Other improvements as approved by the City Manager or his designee.

D. Ineligible Businesses

Properties used for the following purposes: not-for-profit organizations, offices, medical, non-brick and mortar restaurants, nightclubs, bars excluding tap rooms, , government-owned or occupied buildings, church/religious institutions, health and medical industries, smoke/vape shops, tattoo parlors, body piercing and body art shops, adult entertainment facilities, adult-oriented or adult-themed retail businesses, liquor stores, gun shops, or businesses that sell drug paraphernalia are ineligible.

E. Procedures

The procedure for project review is as follows:

1. Pre-Application Meeting

The applicant is required to meet with the Director of Community Development, or his/her designee (Director) who will review the applicant's plans to determine eligibility based on the Program requirements and funding availability. The Director will provide the applicant with general guidance as to whether the proposed project is likely to qualify for Program funding and whether the applicant is sufficiently prepared to move forward to apply.

2. Grant Application Submission

Following the pre-application meeting, the Grant application and all attachments must be submitted to the Director for formal consideration for funding.

For tenants, the application requires the Applicant to submit an executed lease agreement, including the term, the proposed design, and the cost estimate/budget for the Improvements. Furthermore, for businesses operating as tenants, the applicant and property owner must contribute an amount greater than the financial contribution of the DUCIG as further specified herein.
For property owners submitting for this grant, the property owner must submit proof of ownership of the property and business, a grant application and the improvements proposed to be partially funded by the grant. The business owner is required to provide proof of their contribution of at least half of the matching amount requested along with three competitive quotes supporting the funding request.

3. Review Grant Application

Once an eligible application and the supporting documents are received, the Director shall then conduct the mandatory criminal background check, at applicant's expense, and review the application to ensure that it meets all program eligibility requirements. The Director shall ensure compliance with the eligibility requirements and will consider the strength of the operation, budget, and growth plan described in the business plan. City staff will approve grants at its discretion based on the applicant's lease term, capital investment amount, experience, business plan, store design, and financial capacity.

4. Final Agreement and Construction

If approved for funding, the applicant shall sign the required Funding Agreement, included with this application, with the Community Development Department. Substantial modifications to final plans or change orders to construction documents that produce material changes in the previously approved items will require review and approval of the Community Development Director.

The Community Development Department reserves the right to deny a request for reimbursement if the completed improvements substantially deviate from the improvements originally contemplated in the Funding Agreement or if the applicant failed to obtain approval of such deviations from the Community Development Director. All grants are subject to funding availability.

5. Construction Approval

Upon completion of construction, grantees shall submit proof of completion and arrange for an on-site inspection by the Director to ensure that the terms of the Funding Agreement have been met. Discrepancies will be noted and a time frame for their correction will be established as necessary. Upon final approval by the Director, the grantee will submit a request for reimbursement to the Community Development Department. Payments will be made to Grantee on a reimbursement basis and in accordance with the City's accounting procedures.

6. Disbursements

Funds will be disbursed by a check payable to the grantee (1) upon the issuance of a Certificate of Completion or Occupancy (if required), and (2) upon verification by the Director that the work was completed as proposed in a satisfactory and professional manner. Funds will not be disbursed on projects that are completed in a manner not in accordance with the approved plans. Before funds will be disbursed, grantees must provide verification, satisfactory to the City, of all project costs, including contractor invoicing, lien release and evidence of payment of all expenses, including property owner and tenant matching funds, as applicable. All Grant funds shall be issued to the grantee on a reimbursement basis only.

Funds will only be dispersed on a first come, first serve basis after the following actions occur:

• For tenants, the Director verifies that a final lease with an initial lease term of at least five (5) years has been executed,

• Applicant has obtained a City of Palm Coast Business Tax Receipt and Certificate of Use,

• Applicant has secured a valid City of Palm Coast Certificate of Occupancy, or Temporary Certificate of Occupancy, and Releases of Liens are obtained from any and all contractors/subcontractors involved in making the improvements,

• Applicant has secured a valid Florida Department of Business Professional Regulation License,

• For tenants, applicant has provided a valid lease agreement from the lessor, describing the terms of the lease agreement.

• Applicant presents paid invoices and companion bank statements or canceled checks/evidence of payment from a financial institution for eligible work and/or rent and is then reimbursed up to the approved amount as described in the Funding Agreement,

• Applicant is in compliance with other terms of the Funding Agreement.

***ALL DISBURSEMENT TASKS LISTED ABOVE SHALL BE COMPLETED BY SEPTEMBER 30, 2027. FAILURE TO DO SO MAY RESULT IN GRANT MONIES BEING DENIED.**

F. <u>Program Terms</u>

The DUCIG program shall sunset on September 30, 2027. Funding is based on budget availability and will be considered on a “first come, first served” basis. Applying does not guarantee funding. Applications must be submitted with a detailed proposal of the improvement work, the cost of which is sought to be reimbursed by this Program. Applications will be reviewed for completeness and compliance with program criteria. Projects that do not comply with the program criteria and conditions will not be eligible for funding. An authorized corporate officer or partners of the applicant's business must sign the application, in addition to the property owner(s). Tenants who are applying for a Grant must supply proof of a lease for the subject property that identifies at least five (5) years remaining in the lease term. Owners of properties are liable to reimburse a pro rata share of the disbursed grant amount on an equal one-fifth basis for each full-year that the property fails to be open for business within the first five years of beginning operations. All funds must be dispersed by September 30, 2027.

Before consideration for Program funding, the subject property must be free from any liens (except mortgage liens), judgments, or encumbrances (except easements) of any kind, current with all City obligations, and in compliance with all City Code requirements. The City reserves the right to waive the requirement to be in compliance with City Codes on a case-by-case basis. The City reserves the right to contract for a title search and/or ownership and encumbrance report at the City's discretion, the cost for which will be deducted from the Grant funds at the time of disbursement, if Program funding is approved.

All applicants for program funding must submit to a criminal background check prior to approval of the grant. If the applicant is a corporate entity, then the president, director, or -authorized agent applying shall submit to a criminal background check. If the entity is a partnership, then all partners must submit to a criminal background check. To be eligible for funding, the applicant must not have any of the following: a felony conviction or nolo contendere within the past five (5) years; a felony conviction or nolo contendere for financial economic crimes within the past ten years; or a felony conviction or nolo contendere for violent or heinous crimes (including but not limited to murder, sexual battery, sexual assault, armed robbery or burglary, carjacking, home-invasion, kidnapping, arson, crimes against children, etc.) in their complete history. If the background check reveals any of the above, the applicant will be rendered ineligible for funding.

Any Grant funding awarded will be based on the lowest of at least three (3) qualified bids obtained and submitted by the applicant. The owner and/or applicant may choose a contractor other than the one with the lowest qualified bid but shall be responsible for all costs exceeding the lowest qualified bid. In all cases, the selected contractor must be licensed and insured. The City will not be responsible in any manner for the selection of a contractor. A property owner and/or tenant should pursue all activities necessary to determine contractor qualifications, quality of workmanship, and reputation. The property or business owner will bear full responsibility for reviewing the competence and abilities of prospective contractors and securing proof of their licensing and insurance coverage. If the tenant and/or property owner is unable to receive three (3) qualified bids, the Director reserves the right to allow for two (2) qualified bids at the tenant's or property owner's request.

Program funds will be disbursed in the form of a grant with a to be determined repayment requirement if the Grantee vacates the property or changes use. To ensure that funds are available, improvements to be made under a Grant must be initiated within 60 days of approved build-out permits, however all build-out improvements must be completed and verified by Community Development Director, or designee by August 15, 2027. Extensions may be granted by the Community Development Director or designee, given just cause by the applicant (Example: contractor delays, acts of God, etc.). All Grant funds shall be issued to the Grantee on a reimbursement basis only. However, no grant funds shall be dispersed after September 30, 2027.

G. <u>Available Funds</u>

Funding is based on budget availability and will be considered on a "first come, first served" basis. Applying does not guarantee funding. All funds must be dispersed by September 30, 2027.

H. <u>Disclosure</u>

The City expressly reserves the right to reject applications or request additional information from any and all applicants and grantees. The City retains the right to deviate from the program guidelines or amend the program guidelines, agreements, and application procedures. The City also retains the right to display and advertise properties that receive matching funds under this Grant.

I. <u>Controls and Oversight</u>

Throughout the Program and Award process, a number of checks and balances are employed to ensure that the grant investment contributes to the Program goals. The expiration of the grant program expires on September 30, 2027. If the Grant Recipient vacates the property or changes use or otherwise defaults on any agreed upon terms in the Funding Agreement, at the determination of the Director may require reimbursement to the City of the full grant amount or a partial amount. Repayment of grant funds is triggered by the Grant Recipient's vacation of the premises and newly created vacant space with no plan to re-lease the property within a six (6) month timeframe to another business that would otherwise have qualified under the DUCIG. Additionally, if the Applicant vacates the property or changes use, the Director must be notified.

J. Default

If a default or breach occurs as defined in the Funding Agreement, the Director will contact the Grant Recipient in an effort to determine the reason for the default. If the Director is not successful, he/she will inform the City Attorney's Office of the default. Once the City Attorney's Office confirms the default, the Community Development Director, or designee shall direct City staff to cease further payments to the Grant Recipient and instruct the City Attorney's Office to send a letter, notifying the Grant Recipient and property owner of the default and demanding reimbursement of funds paid to the restaurant as of the date of the default within thirty (30) days. The letter will also instruct the Grant Recipient to contact the Director to further discuss the matter. If the Grant Recipient either fails to respond to the demand letter within the requisite time period or does respond and proposes a payment schedule, the Director will coordinate a meeting of the Default Committee (as described below). The Director will send a letter to the Grant Recipient and property owner notifying him/her of the date and time of the meeting.

K. Default Committee

The Default Committee will meet on an as-needed basis and will make recommendations to the Economic Development Manager regarding the appropriate action to take with regard to seeking reimbursement of funds already paid to the restaurant owner. The Default Committee is comprised of the following officials or their designees:

- Director of Community Development Department, or designee.
- City of Palm Coast Planning Manager or his/her designee.
- City of Palm Coast Chief Financial Officer or his/her designee.

The Economic Development Manager, or his/her designee shall chair the Committee. The Manager will be a non-voting member of the Committee. The City Attorney's Office will provide legal counsel and advice to the Committee.

The Committee shall have the authority to do the following: (1) recommend that the City Attorney's Office initiate litigation in the event the restaurant owner fails to respond to the demand letter or refuses to reimburse the DUCIG Program; (2) discuss and vote on the terms of a settlement agreement in the event the restaurant owner proposes a payment schedule; or (3) decide to write-off the debt entirely. The Committee's decision shall be reported by the Economic Development Manager to the City Manager, or designee for approval.

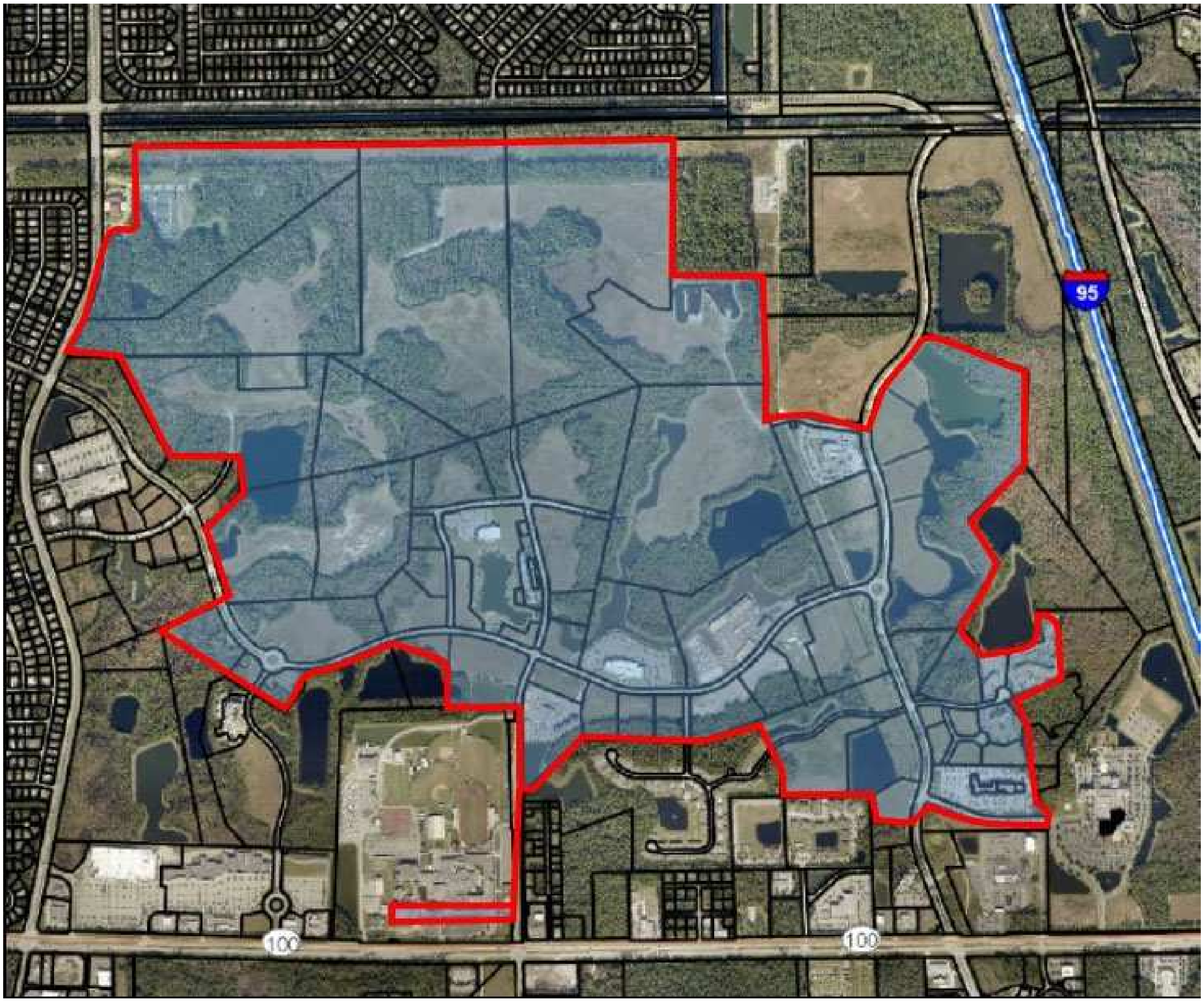
If a settlement agreement is recommended, the City Attorney's Office will draft such an agreement for signature by the restaurant owner, the property owner, and the City Manager, or designee. The Director shall present the settlement agreement to the City Manager for approval, subject to the City Manager's approval authority. If the restaurant owner defaults on the terms of the settlement agreement, the Director will coordinate a meeting of the Default Committee to determine further action.

If the restaurant owner proposes settlement after a claim has been filed in the courts and the proposal is accepted by the City Manager before a judgment is entered by the court, the case shall be dismissed once the settlement agreement is approved by the City Manager, or the City Council if the settlement agreement is above the City Manager's approval authority. However, litigation may be reinstated if the restaurant owner defaults on the terms of the settlement agreement.

If the Grant Recipient proposes settlement after a final judgment has been entered and the proposal is accepted by the City Council, the judgment and any corresponding lien will remain in force until the terms of the settlement agreement have been completely met. Once the terms of the settlement agreement are met, the City Attorney's Office will file a Notice of Satisfaction of Judgment with the court and any lien will be released.

EXHIBIT A

"DOWNTOWN URBAN CORE AREA"



PALM COAST DOWNTOWN URBAN CORE IMPROVEMENT GRANT

APPLICANT:

Name: ______________________________

Business Name: ______________________________

Business Mailing Address: ______________________________

Phone number: ______________________________

Email: ______________________________

Business Location (Existing/Future): ______________________________

Address: ______________________________

Parcel ID Number(s): ______________________________

City Zoning: ______________________________

City Council District: ______________________________

BUSINESS INFORMATION:

Business Name- [as filed with State]: ______________________________

*Must attach State of Florida incorporation documentation (Fictitious Name, incorporation documents, etc.)

Business Address: ______________________________

Type of Business: ______________________________

SIC Code(s): ______________________________

Federal Tax I.D. Number: ______________________________

Business Entity: ____Proprietorship Partnership ____Corporation

____Limited Liability Corporation ____Other

If business is a corporation:

City and State of incorporation:

Date incorporated:

If a subsidiary, name of parent company:

Publicly Traded:

JOBS:

of **Existing** Jobs: ___________ Part-Time __________ Full -Time

of **Proposed** Jobs: ___________ Part-Time _________ Full-Time

Average Wage (actual or proposed, excluding benefits):

Average Annual sales/Gross receipts (actual or estimated):

PROJECT OVERVIEW: (Please include description of business, any interior/exterior work to be done, improvements/upgrades to existing infrastructure, systems, etc.)

____

____

____

____

Estimated Construction Cost: ____________________

Estimated Equipment Cost: ______________________

Total Estimated Project Budget:___________________

SIGNATURE

The Applicant, assures that the information submitted as part of this application package, as well as any subsequent information submitted for review by City of Palm Coast Economic Division Staff and the Palm Coast City Council is true and correct, and that all information and documentation submitted, including this application and attachments, is deemed public record under the Florida Public Records Law, Chapter 119 of the Florida Statutes. Falsification or omission of information will result in rejection of the application. In addition, you may be subject to prosecution under State of Florida laws. The Economic Development Division maintains the right to request any additional information needed to process this Application.

If the Applicant is awarded funding from the Grant Program, the Applicant agrees that it will enter into a Funding Agreement with the City of Palm Coast with terms relating to, among other things, the City's right to receive re-payment of program funds, the City's right to review and audit any and all records related to the Agreement. In case of a default in terms of the Agreement, the Applicant may be responsible for repayment of distributed funds.

By signing below, the Applicant authorizes the City of Palm Coast to request criminal background checks from local, state, and federal agencies. Please note that a criminal background check is conducted on every applicant and that review of this application is contingent upon satisfactory completion of a criminal background check. By signing below, the Applicant/Property Owner acknowledges that they have read and agree to the Business Assistance Program policies, procedures, and conditions.

Applicant Signature: ______________________________

Date: ____________________

Property Owner Signature: __________________________

Date: ____________________