

*Northwood/Pleasant City  
Community Redevelopment Agency*

*Capital Improvement Grant Program*

## **I. INTRODUCTION**

The Northwood/Pleasant City Community Redevelopment Agency (CRA) of West Palm Beach, Florida was created by the City of West Palm Beach, Florida in 1993. The CRA is funded through a tax increment trust fund with the primary goal being the elimination of blight or slum and the encouragement of economic development in the CRA area.

The CRA, in its attempt to reduce or eliminate the blighted conditions within the CRA boundaries and pursue the redevelopment process, seeks to coordinate the creation of an advantageous loan program with local financial institutions.

The Interest Only Grant Program allows businesses and property owners whose ground floor space is retail or office to borrow for purposes related to exterior and interior property improvement. It has been proven that business loan programs can be a powerful tool for economic development, including the attraction of new businesses to an area and the creation of employment opportunities.

## **II. The Capital Improvement Program Grant**

### **A. Geographic Area**

Although business and property owners within the entire Northwood/Pleasant City CRA area are eligible to participate, the initial target area is the Northwood Business District, Broadway and Dixie Highway. Applicants meeting the criteria under section G of this program will have preference to ensure maximum impact to the district.

### **B. Type of Loans and Terms**

1. The commercial building must be located in a zoning district which allows a commercial business to operate. Exterior improvement for commercial properties may include: re-roofing, painting, doors, windows, exterior modifications, landscaping, awnings, rotten wood replacement, siding and exterior lighting. Loans will not be given for property acquisition.
2. Loans may be made to either a business owner or property owner who wishes to renovate the interior of a structure as well. Funds may not be used to purchase display materials or cases, inventory, or any other items not directly related to renovations. The lending institution will disburse the funds after the approved applicant submits invoices. The lending institution will set its specific terms of disbursement. The tenant must be one whose type of business is permitted at the location by the City's Zoning and Land Development Regulations.

3. Loans are amortized over a 5-year period; however participating financial institutions reserve the option to extend the loan period beyond 5 years. Any extension in the principal loan repayment period will not affect the amount paid by the CRA.

#### **C. Bank Lending Requirements**

Lending institutions will be approached to participate in the program. There is no minimum or maximum amount of lending institutions necessary to begin the program however each participant must sign an agreement with the City of West Palm Beach Community Redevelopment Agency. Each bank must establish its own criteria of lending requirements.

#### **D. Fees and Loan Costs**

There are no application fees required by the CRA, however other costs may be incurred by the applicant including recording and other fees. Financial institutions will not charge points in this loan program.

#### **E. Grant Payment**

In order to accommodate both large and small renovation plans, a wide range of loan activity is available. Please note that there is no repayment agreement between the CRA and the borrower. The CRA enters into separate agreements with the institution previously mentioned, with regard to specific payment terms on each loan. The CRA does not guarantee the loans. The interest rate (which is a fixed rate) for this program is set at prime rate to be calculated the day the loan is closed. Upon closing, the CRA will become obligated to pay the lending institution a calculated amount equal to 50% of the interest for a maximum of five years, which shall be used by the borrower solely for interior and exterior renovation to the property which is the subject of the loan. If a loan is amortized for a period in excess of five years, the percentage paid by the CRA will be reduced to an amount that would result in the same total payments by the CRA that would have resulted if the loan had been amortized for five years. The CRA's obligation to make any payments shall end upon prepayment or default by the borrower.

#### **F. Grant Approval Process**

The applicant must submit documentation to the CRA detailing the renovation to be performed, along with proof that the property is located within the CRA boundaries. The Northwood/Pleasant City CRA Advisory Board will review the Grant request. The application, with the Advisory Board recommendation, will be presented to the CRA Board. If the application for the grant is approved, the applicant can then apply for a loan at any one of the participating financial institutions. The applicant will have a maximum of 90 days after CRA approval to close the loan with the bank. If problems arise, the applicant can request a 90-day extension. Applicants must meet the individual bank's requirements to receive a loan.

**Subsidy will be given to applicants based on the following criteria:**

- ✓ Priority will be given to businesses located in the Northwood Business District, Broadway and Dixie Highway
- ✓ Businesses, that due to their success, will attract other businesses to the CRA district
- ✓ Businesses that have a successful track record
- ✓ Renovation that will spur additional development and private investment
- ✓ Renovation that will attract desirable new businesses and that create an effective business mix
- ✓ Renovation that will have a substantial visual impact
- ✓ Renovation that will result in filling vacant retail space
- ✓ Renovation that will increase square footage of retail space
- ✓ Renovation that will increase property value
- ✓ Renovation that will increase employment
- ✓ Projects that will work hand in hand with other major developments

**Please Note**

Property to be improved must be free of all municipal and county liens, judgments or encumbrances of any kind. This provision can be waived by the CRA Board of Commissioners if development plans for said property meets the goals and objectives as set forth in the Northwood/Pleasant City CRA Five Year Strategic Finance Plan. Upon grant approval, said property must remain free of all municipal and county liens, judgments or encumbrances of any kind under the term of the agreement.

**The Capital Improvement Program benefits are contingent upon funding availability and CRA approval and are not to be construed as an entitlement or right of a property owner or applicant. Properties in the designated CRA areas are not eligible for CRA funded programs when such funding conflicts with the goals expressed in the CRA Strategic Finance Plan or Community Redevelopment Plan.**

**PLEASE READ THE FOLLOWING PRIOR TO APPLICATION SUBMITTAL**

- Properties listed for sale may not apply. Properties sold within twenty-four months of receiving grant funding **must repay the full amount.**
- Prior to application submittal, a preliminary review of proposed renovations to property must be completed by the Planning Department.
- After approval process, the CRA will provide the applicant with an approved Grant Agreement for signature. It is recommended that **NO CONSTRUCTION** begin until the Grant Agreement is signed by all parties. Improvements completed prior to approval by the CRA Board, may not be eligible for reimbursement.
- If deemed necessary, the Community Redevelopment Agency (CRA) reserves the right to have the application and its contents evaluated and analyzed by an outside third party including but not limited to; the proposed business plan, partnership/ownership information with equity positions, mortgage on the property, lease agreements, letter of Intent from lending institution and any other documents provided by the applicant.
- If your site plan or application request includes landscaping, the landscaping must be a species and variety of native plants that are drought tolerant, require little irrigation and withstand the environmental conditions of West Palm Beach. Irrigation systems must prevent over spray and water waste and it is recommended a drip irrigation system be installed.
- Property to be improved must be free of all municipal and county liens, judgments or encumbrances of any kind. This provision can be waived by the CRA Board of Commissioners if development plans for said property meets the goals and objectives as set forth in the Downtown/City Center CRA Five Year Strategic Finance Plan. Upon grant approval, said property must remain free of all municipal and county liens, judgments or encumbrances of any kind under the term of the agreement.

I have read completely and understand the program, including the application guidelines and grant reimbursement process.

\_\_\_\_\_  
**Applicant Signature**

**Date**\_\_\_\_\_

\_\_\_\_\_  
**Property Owner**

**CRA PROJECT APPLICATION**

Date \_\_\_\_\_

1. Address of project requesting incentive:

2. Name of Applicant:

Address of Applicant:

Phone:

Fax:

Email:

3. Does the applicant own property? \_\_\_\_\_ Yes \_\_\_\_\_ No

If "No" box is checked, when will property be in control (own or long-term lease) of applicant?

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Indicate the owning entity of the property (i.e. name on property title)

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Bank Loan Amount \_\_\_\_\_

Total Project Cost (if different) \_\_\_\_\_

**Important: The following documentation must be submitted with the application:**

**Construction estimate(s)  
Preliminary drawings of the project**

Project Description (explain in detail the renovation project and work to be performed, include cost/construction estimates)

How will your business, due to its success, attract other businesses to the area?

Does your business have a successful track record?

Will the renovation attract desirable new businesses that create an effective merchandise mix?

Will the renovation result in filling vacant retail space?

Does the renovation increase square footage of retail space?

Will the renovation increase property value?

How many new jobs will be created as a result of the renovation or construction?

How does the project work hand in hand with other major developments?

**Authorized Representative**

\_\_\_\_\_  
Business Owner Signature

\_\_\_\_\_  
Property Owner Signature  
(If different)

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

**Please Note**

Property to be improved must be free of all municipal and county liens, judgments or encumbrances of any kind. This provision can be waived by the CRA Board of Commissioners if development plans for said property meets the goals and objectives as set forth in the Northwood/Pleasant City CRA Five Year Strategic Finance Plan. Upon grant approval, said property must remain free of all municipal and county liens, judgments or encumbrances of any kind under the term of the agreement.