

**West Palm Beach
Community Redevelopment Agency
Northwood/Pleasant City CRA
District**



**STRATEGIC INVESTMENT PROGRAM
(SIP)**

Strategic Investment Program

For Projects up to \$5,000,000

Policy Principles

The West Palm Beach Community Redevelopment Agency (CRA) will collaborate with private sector businesses, property owners, developers, institutions or civic organizations to expand the investment opportunities that implement the adopted CRA Strategic Finance Plan for the Northwood/Pleasant City CRA area. The intent of the CRA is to promote the economic welfare of the citizens of West Palm Beach in general, but more particularly the residents, employees and property and business owners within the CRA by encouraging development opportunities that expand the tax base, create jobs, enhance the urban design, and add to the quality of life.

The fundamental goal is to position the Northwood/Pleasant City CRA area as a mixed-use, neighborhood oriented, and commercial destination. The developments are to be of a quality that not only serve the needs of the adjacent resident population but also is attractive to the entire city population, especially those who regularly drive through the area. The program should re-invigorate the existing commercial corridor and add new, compatible uses as it fosters employment opportunities for residents.

The Strategic Investment Program (SIP) is designed to enhance the pace, content and quality of development in the Northwood/Pleasant City area. The program's focus is to support the CRA's goals and those of area stakeholders. It specifically addresses the infrastructure needs to create the environment necessary to attract private investment capital. It also acknowledges and respects the investments already made by property owners and residents of the neighborhood.

The initial application of this program will be limited to the Northwood Business District, Dixie Highway and Broadway Avenue. It is the intent of this policy to start strategically in a small area to build up the critical mass necessary to have an acknowledgeable economic, visual, and social impact. In targeting resources in a compact area, the program will attempt to leverage the greatest possible return on the public investment. The program will be in effect October 1, 2005, and renewed annually with approval of the Fiscal Year budget but may be revised as success warrants.

The intent of the SIP is to:

- Serve as a catalyst to stimulate private investment
- Reduce or eliminate financial gaps in development projects
- Support the development of new economic generator activities in mixed-use environments/facilities
- Generate leasing activity for retail, office and restaurant uses as well as residential uses
- Encourage quality design and secure key anchor tenants to enhance the marketability of adjacent properties

Project and Funding Criteria for Strategic Investment Program

The criteria for the final determination of projects approved for funding and the specific amount allocated to each project under the Strategic Investment Program follow a three-step process. The maximum amount allotted under this program is \$50,000. The initial step relates to the project's ability to meet specific CRA-related objectives. The objectives are presented in order of importance, and a corresponding numerical weight is attached to each as shown below. A one (1) score has the highest rating.

Applicant should review the following scoring mechanism before applying

Step I: Project's Ability to Meet CRA Objectives

	Priority #	Weighted #	
I.	1.0	1.0	Quality of design reinforces street life and urban environment as exemplified in "new urbanism" and has been officially approved by CRA prior to permitting process.
		1.5	Generally meets design requirements for the above
		3.0	Does not meet generally recognized "new urbanism" design criteria and does not have CRA approval
II.	1.0	1.0	Project has a leverage ratio of private investment to incentive dollars of at least 10:1
		1.5	Project has a leverage ratio of 5:1 to 9.9:1
		1.75	Project has a leverage ratio of 3:1 to 4.9:1
		3.0	Project has a leverage ratio of less than 3:1
III.	1.0	1.0	Project has a minimum equity investment of 15%
		1.5	Project has a minimum equity investment of 10%
		3.0	Project has less than 10% equity investment
IV.	2.0	1.0	Project includes a financial relationship with one or more private entities which may include equity, long-term lease, in-kind services related to building design or other assets CRA staff deems important to project.

		2.0	Project does not have other partners
V.	2.0	1.0	Project will be under construction within the next 12-16 months
		1.5	Project will be under construction within 17-24 months
		2.0	Project will be under construction after 24 months
VI.	3.0	1.0	Project's tax increment revenues will equal or exceed dollar amount of incentives within 10 years
		1.5	Project's tax increment will be equal to or exceed dollar amount of incentive within 15 years

The numerical priority # will be multiplied by the "weighted" # corresponding to appropriate project description under each element. The sum of each element will be totaled to determine the project's level of adherence to the CRA's objectives. The numerical scores will serve as a ranking list, with the lowest score ranked highest, for the allocation of resources.

Score range: 10.0 – 14.0	Project should be funded if resources are available
14.1 – 17.0	Project could be funded if all higher ranked projects are funded and resources are available
17.1 +	Project should not be funded

The above scoring criteria are established to provide the CRA staff with the means to relatively quickly determine the merits of a particular project submission. **Projects that score favorably are not guaranteed funding.** Once the score is established for each project it would then move to the second step of the evaluation.

Step II: Outside Business Plan/Financial Analysis

This step may include an analysis by a third party, outside firm, hired by the CRA to evaluate:

- Proposed business plan
- Development Pro forma
- Partnership/ownership information with equity positions
- Mortgage on property
- Lease agreements
- Letter of Intent from lending institution
- Any other documents provided by applicant

It is the intent of this review to provide the CRA with additional assistance in determining the business merits of each application.

Step III: Investment Criteria

Once steps I and II are concluded, each project will be ranked by scores (lowest score rated highest) and placed in one of the following three investment categories.

Projects that include investments up to \$500,000:

- Formula: $(\text{Projected new assessment} - \text{current assessment}) \times .80 \times \text{current city/county millage rates} \times 15 \text{ years} = \text{total incentive } \$$
- Eligible Uses:
 - Site improvements (sidewalks, landscaping, signage, etc.)
 - Building improvements (facades, awnings, roofs, etc.)
 - Tenant improvements (retail, restaurant, arts, residential, etc.)
- Bonus Eligible:
 - Projects that are minority owned and/or results in business owner occupying a residence in a mixed-use development may receive an extra **5%** above base rate.
 - Projects that will result in the creation of **5+** jobs may receive an extra **10%** above base rate.

Projects that are in \$500,001 - \$1,000,000 range:

- Formula: $(\text{Projected new assessment} - \text{current assessment}) \times .80 \times \text{current mills} \times 15 \text{ years} = \text{total incentive } \$$
- Eligible Uses:
 - Impact/building permit fees
 - Site improvements
 - Building improvements
 - Tenant improvements
- Bonus Eligible:
 - Projects that are minority owned and/or results in business owner occupying a residence in a mixed-use development may receive an extra **10%** above base rate.
 - Projects that will result in the creation of **5+** jobs may receive an extra **10%** above base rate.

Projects that are in \$1,000,001 - \$5,000,000 range:

- Formula: $(\text{Projected new assessment} - \text{current assessment}) \times .80 \times \text{current mills} \times 15 \text{ years} = \text{total incentive } \$$
 - Eligible Uses:
 - Impact/building permit fees
 - Site improvements
 - Building improvements
 - Tenant improvements
- Bonus Eligible:
 - Mixed-use (two or more retail, restaurant, residential, art, office, etc.)

with smallest use no less than 15% of total sq. ft. of project or 1,500 sq. ft., whichever is larger, project can receive an extra **20%** above base rate.

Projects that are minority owned and/or results in business owner occupying a residence in a mixed-use development may receive an extra **5%** above base rate.

Projects that will result in the creation of **5+** jobs may receive an extra **5%** above base rate.

Projects that will result in the creation of **10+** jobs may receive an extra **10%** above base rate.

Properties listed for sale may not apply. Properties sold within twenty-four months of receiving grant funding **must repay the full amount.**

The Strategic Investment Program benefits are contingent on 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 CRA areas are not eligible for City/CRA funded programs when such funding conflicts with the goals expressed in the CRA Strategic Finance Plan or Community Redevelopment Plan.

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.

**Strategic Investment Program
Application Form**

Date of Application _____

1. Address of project requesting CRA investment:

2. Name of Applicant:

Address of Applicant:

Phone:

Fax:

Email:

3. Does the applicant own project property? Yes No

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

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

4. What is the total estimated project investment?

Current assessed value : _____

New capital investment dollars: _____

Total estimated new assessment: _____

5. What is the percentage (%) amount of ownership equity relative to total estimated project investment?

- 20% or more
- 10% to 19.9%
- Less than 10%
- None

6. What is the percentage (%) of minority ownership of the project?

- 100%
- 50% or more
- Less than 50%
- None

7. How many jobs for neighborhood residents will be created upon completion of the project?

- 1-5
- 6-10
- 10+
- None

8. When is it anticipated that construction could begin, assuming project receives SIP assistance? (A detailed project schedule must accompany application)

- Less than 12 months
- 12 to 16 months
- 16 to 24 months
- Longer than 24 months

9. Include with this application:

Please read and initial beside each application requirement

A) A photograph of the property showing the area(s) for improvement, preliminary site plan, floor plans and renderings that enable staff to

determine quality of design; parking must be included in the site plan and meet current code regulations.

- B) ____ Meet with the Planning and Zoning Department to determine if the project will be in compliance with the City of West Palm Beach codes.
- C) ____ A site plan of infrastructure improvements, if applicable, in either the public ROW or on private property. 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.
- D) ____ Two (2) bids from licensed contractors. The bids must be typed written and contain the following information; contractors license number, name, address, phone number and fax number. Hand written bids will not be accepted.
- E) ____ If the property is not owned by the applicant, the application must be signed by the property owner authorizing the proposed improvements.
- F) ____ If applicable, a valid Business Tax License with the City of West Palm Beach must be submitted.
- G) ____ Preliminary project schedule
- H) ____ Tenant makeup (if applicable)
- I) ____ Resume of developer indicating related development experience
- J) ____ Business and Financial Information:
 - ____ Business Plan
 - ____ Pro forma
 - ____ Mortgage on property (property owner)
 - ____ Lease agreement
 - ____ Letter of Intent from lending institution (if applicable)
 - ____ Partnership and/or ownership information with equity positions.
- K) ____ Eligibility/Application Requirement Sheet initialed and signed by applicant.

Please acknowledge the following by initialing by each:

- L) _____ 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.

M) _____ Once the application is completed, it will initially be reviewed by CRA Staff within ten (10) business days who will then recommend approval or denial of the application. If additional information is required to finalize the application, additional time will be required for approval process.

N) _____ If the property is not owned by the applicant, the application must be signed by the property owner authorizing the proposed improvements.

10. _____ Applicant must submit 12 copies for distribution.

Authorized Representative

Name

Title

Signature

Date

The Strategic Investment Program benefits are contingent on 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 CRA areas are not eligible for City/CRA funded programs when such funding conflicts with the goals expressed in the CRA Strategic Finance Plan or Community Redevelopment Plan.

**Community Redevelopment Agency (CRA)
Eligibility/Application Requirements**

Applicant to initial their understanding of each application requirement

The incentive 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.

Step 1: Application Process

_____ **All CRA grants, are reimbursable grants and paid upon completion of the project.**

_____ Incomplete applications will not be accepted.

_____ It is recommended that no construction begin until a Grant Agreement is signed by all parties. Improvements completed prior to CRA staff review and approval by the CRA Board will not be eligible.

_____ Meet with CRA Staff to determine if the project/business is eligible for a CRA grant incentive.

_____ Meet with the Planning and Zoning Department to determine if the project will be in compliance with the City of West Palm Beach codes.

_____ Eligible businesses must have a valid Business Tax license with the City of West Palm Beach. A copy must be submitted with the application. The property must be free of all municipal and county liens, judgments or encumbrances of any kind.

_____ If the project is deemed eligible, a complete incentive application(s) must be submitted to CRA Staff with all applicable documents required for the program including bids from two (2) licensed contractors for each scope of the project. **The bids must be typed and contain the following information; contractors license number, name, address, phone number and fax number. Hand written bids will not be accepted. Bids from property owners will not be accepted.**

_____ CRA Staff will review the application within ten (10) business days of submittal. You will be notified if additional information is required to make a determination on whether your application can be submitted to the CRA Advisory Board (if applicable) and the CRA Board for formal approval. The process for approval by the CRA Board can take a minimum of ninety (90) days from the date of submittal to CRA staff. **If additional information is required to finalize the application, additional time will be required for approval.**

Step 2: Execution of Grant Agreements and Setting up a Financial Account

- _____ Following CRA Board approval, CRA Staff will provide the applicant with following but not limited to legal documents for signature; Grant Agreement, Promissory Note, Mortgage and Security, Guaranty, and Restrictive Covenant. Some documents may be recorded in the public records.
- _____ At this time a Social Security Number/and or Tax Identification number must be provided for financial documentation and reimbursement purposes.
- _____ You will be provided one (1) fully executed original of the Grant Agreement for your file.
- _____ Upon receipt of the executed legal documents, CRA staff will request a Purchase Order be issued by the City of West Palm Beach Purchasing Division which will allow for an account to be set up for reimbursement purposes. A Purchase Order will be mailed or faxed to the address provided in the Grant Agreement. The issuance of a Purchase Order may take up to four (4) weeks.

Step 3: Grant Reimbursement Procedures

- _____ All disbursements of the grant proceeds shall be made as a lump sum payment pending full completion of the project as described in Exhibit A of the Grant Agreement.
- _____ Written verification stating that the project is complete and the applicant is satisfied with the work is required prior to reimbursement submittal.
- _____ Upon completion of the project, the submission for reimbursement of the grant proceeds must be submitted in writing to the CRA and contain the following information: name as provided in the Grant Agreement, address, reimbursement amount and documentation establishing payment by the applicant of the total cost of all the improvements (all receipts, invoices, canceled checks and any other documents the CRA may require as proof of payment.)
- _____ The CRA will review the grant reimbursement request within ten (10) business days of submittal of the required documentation and forward it to the Finance Department to process the reimbursement payment. A check will be disbursed within thirty (30) days of the payment request to the Finance Department.

I have read completely and understand the application process, the execution of Grant Agreements, setting up a financial account and reimbursement procedures.

Signature

Date