

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 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

	Priorit y #	Weighte d #	
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
 3.0 above
 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

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.

Please Note

Property to be improved must be free of all municipal and county liens, judgments or encumbrances

- 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: $(\text{Projected new assessment} - \text{current assessment}) \times .80 \times 12.4 \text{ mils} \times 15 \text{ years} = \text{total incentive } \$$
- Eligible Uses:
 - Impact/building permit fees
 - Site improvements

Formula: (Projected new assessment – current assessment) x .80 x 12.4 mils x 15 years = 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.

- 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.

**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?

- 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:**

- **Description of proposed development/improvement of property**
- **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**
- **Infrastructure improvements, if any, in either the public ROW or on private property**
- **Preliminary project schedule**
- **Tenant makeup**

Business and Financial Information:

- *Business Plan**
- *Pro forma**
- *Mortgage on property**
- *Lease agreements**
- *Letter of Intent from lending institution**
- *Partnership and/or ownership information with equity positions**

10. Applicant must submit 25 copies for distribution.

Authorized Representative

Name

Title

Signature

Date

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.