

Town of Lake Park Community Redevelopment Agency

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RELOCATION/DEVELOPMENT INCENTIVE PROGRAM

Relocation and Development Incentive Program

I. Introduction

The Relocation/Development Incentive program is designed to support difficult redevelopment projects that cannot be accommodated under other CRA programs. Since not all redevelopment obstacles can be anticipated, this program allows the CRA Board the flexibility to choose from a variety of options to facilitate projects that would not happen without assistance at some level.

II. Objectives

- ✓ To ensure property development continues including rehabilitation and renovation of existing buildings
- ✓ To assist existing businesses or tenants relocating to a more suitable location and allow for re-merchandising of vacated space.
- ✓ To assist property owners in obtaining the highest and best use of vacant and semi-occupied properties
- ✓ To eliminate slum and blighted properties
- ✓ To attract private sector investment into the district using CRA owned property as leverage

III. Program Types

A. Tenant relocation including incentives and tenant replacement

As the Lake Park CRA area starts to develop, it is important to obtain a desirable mix of merchants.

This program allows the CRA and property owners to cooperatively work with existing businesses and those who wish to locate to the area to create a vibrant area of desired merchants. Commercial corridors are the targeted zones for this activity.

A merchandise mix plan would specify what types of businesses we would like to attract and provide a guideline for real estate brokers, property owners and developers. In some instances property owners might be locked into leases with tenants that are not supporting the goals of the CRA District as a whole. Assistance in relocating the tenant could allow the cooperative termination of the lease.

Property owners should be encouraged to seek specific tenants. They often end up leasing the property to an undesirable type of tenant because they need the rent to meet the debt service for the property. A more desirable type of tenant will be lost because the location they wanted is occupied and the current tenant will not be able to relocate on their own.

▪ Financial assistance relocating tenants

Specific tenants would be targeted for the relocation program. Each relocation would be handled on a case-by-case basis depending on variable factors. Square footage, the feasibility of relocation, required special amenities and the overall extent of the move must be considered when identifying tenants for relocation.

▪ Financial assistance for securing new tenants

It is preferable to secure a new tenant before relocating existing businesses. The most effective way to find a desirable new tenant is to prioritize a specific location.

NOTE: *Initiating financial assistance for relocation and offering incentives for new tenant attraction provides a powerful tool for managing the merchandise mix in the District. Since the costs and benefits associated with each transaction would vary, it is not recommended to establish a rigid dollar amount per incentive package. Each transaction is handled on a case-by-case basis.*

B. General Incentives for Business Attraction

Some instances won't require the relocation of a tenant. We can take advantage of properties that are already vacant or have the option of expansion or reconfiguring floor space and layout.

▪ Incentives to utilize vacant buildings

Vacant buildings will be targeted with specific types of tenants in mind. The incentive must ensure that the desired type of tenant can locate and begin operation immediately. If the desired use is a restaurant, incentives could translate into build out or amenities related to that particular use.

▪ Incentives to utilize vacant lots

There are currently vacant lots in the District both private and publicly owned. These lots would be targeted to attract tenants that require build to suit spaces or have the option for mixed-use or residential capabilities prior to construction.

▪ Incentives to utilize semi-occupied buildings

Some buildings are occupied on the ground floor only, with vacant space upstairs. Incentives would be applied to attract office or residential use.

C. Property Acquisition Combined with Incentives

Although a cooperative effort with existing property owners is ongoing, many properties will stand empty or dilapidated without further CRA assistance.

▪ Acquiring properties with absentee ownership

These types of properties are very difficult to work on since the landlord is usually not that interested in the fate of the District. They have a tenant and are collecting rent and that is sufficient for the landlord. The properties are usually not well maintained and the tenants are seldom interested in upgrading the property. These properties could be purchased for land assembly, resale, or redevelopment.

- **Acquiring financially troubled/dilapidated properties**

These properties are those that would require extensive rehabilitation with costs that could not be immediately recovered by simple rent collection. The owner either does not have the capital to upgrade the property or is waiting to capitalize on property value increase due to others' redevelopment efforts. These properties would either be purchased or targeted for business incentives.

IV. Benefits of the Relocation/Development Incentive Program

- Allows the CRA Board flexibility to address a multitude of obstacles under one program
- Increases property values
- Increases tax base and Tax Increment Finance (TIF)
- Improves merchandise mix
- Increases employment base in the District
- Increases residential base
- Reduces or eliminated vacancies
- Increases in square footage of leasable space
- Reduction of vacant land

V. Funding Sources

Funding initially will be TIF funds. Once plans are completed for the targeted areas, additional funding sources will be required including but not limited to CRA or other revenue sources.

VI. Program Selection Criteria

These projects will be processed on a first-come first-serve basis. Each criterion that is met is worth one point. A minimum of six points must be met to qualify. After analysis, it may be determined that not all projects are feasible even with the Relocation/Development Incentive Program. CRA staff will analyze the project and take the project application to the review committee.

Criteria Includes:

- Business located in the Lake Park CRA
- Increase property value
- Increase tax base and TIF
- Increases residential base
- Improves merchandise mix
- Increase square footage of leasable space
- Reduction of vacant land
- Renovation or construction that will spur additional development and private investment
- Renovation or construction that will have a substantial visual impact
- Job Creation
- Reduced or eliminated store vacancies
- Businesses that have a successful track record

Property owners can apply for a maximum of 10% of a project's cost on a flat incentive basis and show that conventional financing is not feasible via documentation from an established lending institution.

The Relocation and Development 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.

RELOCATION and DEVELOPMENT INCENTIVE PROGRAM

Date of Application _____

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?

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

4. Project Description:

5. Proposed Incentive(s):

6. Estimated Incentive value not to exceed:

Incentive Criteria:

- Is the Business located in the Target Area
- Increased Property Value
- Increased Tax Base and TIF
- Increased Residential Base
- Improved Merchandise Mix

- Increase in Square Footage of Leasable Space
- Reduction of Vacant Land
- Renovation that will Spur Additional Development and Private Investment
- Renovation that will have a Substantial Visual Impact

- Projects that Work Hand in Hand with other Major Developments
- Increased Employment Base
- Reduced or Eliminated Store Vacancies
- Business(es), that due to Their Success, will Attract other Businesses
- Business(es) that have a Successful Track Record are Involved

Authorized Representative

Name

Title

Signature

Date

Application must include the following:

Please read and initial beside each application requirement

Business or property owner must submit an application to the CRA Staff for initial review. At that time the application should include:

- A) _____ A photograph of the property showing the area(s) for improvement.
- B) _____ Conceptual design drawing(s) of the proposed improvements.
- C) _____ 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.
- D) _____ If this is a tenant improvement, a copy of the lease agreement must be provided.
- E) _____ If applicable, a copy of a valid Business Tax License with the Town of Lake Park.
- F) _____ The Eligibility/Application Requirements Sheet initialed and signed by applicant.

Please acknowledge the following by initialing by each:

- G) _____ 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 CRA Master 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.
- H) _____ 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.
- I) _____ If the property is not owned by the applicant, the application must be signed by the property owner authorizing the proposed improvements.

Authorized Representative:

Name

Title

Signature

Date

EXHIBIT A
Community Redevelopment Agency (CRA)
Eligibility and Application Requirements Form

*****Please read and initial beside each application requirement once complete.***

Step 1: Application Process/Requirements

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

_____ Complete application and review checklist to ensure all requirements have been met. Incomplete applications will not be accepted. *Please contact CRA Staff with any questions on the application.*

_____ Meet with the Community Development Department to determine that the initial review of the project will be in compliance with the Town of Lake Park codes subject to final review during the building permit process.

Signature of Planning Staff person

Meeting Date

_____ Provide a photograph of the property showing the area(s) for improvement.

_____ Conceptual design drawing(s) and/or site plan of the proposed improvements. Visual improvements must be shown. 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 Lake Park. Irrigation systems must prevent over spray and water waste and it is recommended a drip irrigation system be installed.

_____ Two (2) bids from licensed contractors. 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.

_____ If this is a tenant improvement, a copy of the lease agreement must be provided.

_____ If applicable, include a list of jobs to be created and filled, including job descriptions, pay range and a weekly schedule. For current businesses, provide a list of all current positions.

_____ If applicable, a copy of a valid Business Tax License with the Town of Lake Park.

_____ Submit the Eligibility and Application Requirements Form initialed and signed by applicant.

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 the following, but not limited to, legal documents for signature. Some documents may be recorded in the public record. Examples of agreements could include:

- Grant Agreements
- Promissory Note
- Mortgage and Security
- Guaranty
- Restrictive Covenant

_____ A Federal W-9 form and Taxpayer Identification form must be provided for financial documentation and reimbursement purposes.

_____ The CRA will require 3 original copies of the Grant Agreement be fully executed. One (1) shall be retained by the applicant.

_____ Upon receipt of the executed legal documents, CRA staff will request a Purchase Order be issued which will allow for reimbursement.

Step 3: Grant Reimbursement Procedures

_____ All grant funded improvements must commence prior to 180 days after CRA Board approval and must be substantially complete within 60 days of the grant expiration. Any request for modification of the Grant Agreement must be submitted not less than 60 days prior to the grant expiration in order to be considered by CRA Staff.

_____ Grant payments are on a reimbursable basis at the completion of the project. All disbursements of the grant proceeds shall be made as a lump sum payment pending full completion of the project as described in the Grant Agreement.

_____ Upon completion of the project, the submission for reimbursement of the grant proceeds must be submitted in an invoice to the CRA and contain the following information:

- Name as provided in the Grant Agreement
- Address
- Reimbursement amount
- Purchase Order Number
- Certificate of Occupancy and documentation establishing payment by the applicant of the total cost of all the improvements
 - Receipts, invoices, cancelled checks and any other documents the CRA may require as proof of payment.
- Digital photos of the completed project

_____ The CRA will review the grant reimbursement requires within then (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 forty-five (45) days of the payment requires to the Finance Department.

Acknowledgments (Please initial indicating your understanding):

_____ Property to be improved is 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 Lake Park CRA Master 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.

_____ Completed application(s) shall be initially reviewed by CRA Staff within ten (10) business days. If additional information is required to finalize the application, additional time will be required for approval process.

_____ The application must be signed by the property owner authorizing the proposed improvements.

_____ Properties that are sold within twenty-four months of receiving grant funding must repay the full amount if it's the property owner applying for the grant.

_____ I fully understand the Grant Reimbursement Requirements and Procedures as described within this document.

I have read and completely understand the program, including the Eligibility and Application requirements and Grant Reimbursement requirements and procedures.

Applicant Signature

Date

Print Applicant Name

I authorize the improvements as stated in this application:

Property Owner Signature

Date

Print Owner Name