

RESOLUTION NO. 2017- 11

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY (THE AGENCY) AUTHORIZING THE 2017 COMMERCIAL PROPERTY IMPROVEMENT GRANT INCENTIVE PROGRAM AND THE COMMERCIAL BEAUTIFICATION PROGRAM FOR AN AMOUNT NOT TO EXCEED \$350,000 DOLLARS IN ACCORDANCE WITH THE APPROVED BUDGET; APPROVING THE 2017 INCENTIVE UNDERWRITING CRITERIA ATTACHED AS EXHIBIT "A"; DIRECTING AND AUTHORIZING THE CHAIRMAN AND EXECUTIVE DIRECTOR TO TAKE SUCH ACTIONS AS SHALL BE NECESSARY AND CONSISTENT TO CARRY OUT THE INTENT AND DESIRE OF THE AGENCY; PROVIDING AN EFFECTIVE DATE.

* * * * *

WHEREAS, Chapter 163, Part III, Florida Statutes (Community Redevelopment Act) requires that community redevelopment plans provide for strategies for the redevelopment of property within the boundaries towards the goal of increasing property values within the redevelopment area; and

WHEREAS, the Adopted Community Redevelopment Plan provides for the use of property improvement grants as a strategy to improve property values, and promote redevelopment within the community redevelopment area; and

WHEREAS, on January 25, 2012, the Board approved the Economic Development Incentives Procedure manual, providing guidelines for a "toolkit" of Incentives including the Commercial Property Improvement Grant Incentive program and the Commercial Property Beautification program; and

WHEREAS, staff recommends that the Agency authorize the Property Improvement, and Beautification Programs, adopt the "2017 Incentive Underwriting Criteria" attached hereto as Exhibit A, and amend the Economic Development Incentives Procedure manual accordingly.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY THAT:

SECTION 1. The Agency hereby authorizes the 2017 Property Improvement Grant Program and Commercial Beautification Program for an amount not to exceed \$350,000 dollars, and approve the 2017 Incentive Underwriting Criteria attached hereto as Exhibit "A".

SECTION 2. No property owner, or business owner who previously received a grant award from the Agency Grant Incentive Program shall be permitted to apply in this years grant cycle.

SECTION 3: The Chairman and Executive Director are hereby authorized and directed to take such actions as shall be necessary and consistent to carry out the intent and desire of the agency

SECTION 4. This resolution shall be effective immediately upon its adoption.

PASSED AND ADOPTED this 24th day of May 2017.

RIVIERA BEACH COMMUNITY
REDEVELOPMENT AGENCY

By: Kathleen Miller Anderson
Name:
Title: Chairperson

ATTEST:

[Signature]
Executive Director

Approved as to form and legal sufficiency
[Signature]
J. Michael Haygood
Date 5/18/2017
J. Michael Haygood, PA
General Counsel to CRA

MOTION BY: D. Pardo
SECONDED BY: T. Davis Johnson

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MEMORANDUM

TO: Honorable Chair and Members, CRA Board of Commissioners
City of Riviera Beach, Florida

FROM:  Scott Evans
Interim Executive Director, CRA

COPY: J. Michael Haygood
General Counsel, CRA

DATE: May 17, 2017

SUBJECT: A Resolution approving the 2017 Commercial Grant Incentive Programs.

REQUEST FOR BOARD ACTION

The Agency is requesting the Board of Commissioners to approve a Resolution authorizing the 2017 Commercial Property Improvement Grant Incentive Programs for an amount not to exceed \$350,000 dollars in accordance with the approved budget, and amending the Economic Incentive Procedures Manual, adopting the 2017 Incentive Underwriting Criteria (Attached as Exhibit A) for the 2017 programs.

BACKGROUND / SUMMARY

On February 8, & February 22, 2017, the CRA Board considered the proposed Commercial Grant Incentive programs and requested that the program be amended to promote and encourage local participation of contractors who will perform the repair/improvement work and of locally-based business tenants who will occupy the improved spaces. The program's underwriting criteria have been amended to include these preferences with additional points awarded to applications that utilize Riviera Beach based contactors. Additional language has also been added to provide the following:

“It is the RBCRA Commission’s desire for Grant Recipients to fully utilize the services of local contractors to all of the remodeling work and improvements required in each project, consequently, applicants are ardently encouraged to utilize local Riviera Beach-based contractors for every job/task associated with the successful completion of their project(s)”.

Additionally the authorizing resolution for the 2017/2018 program has been revised to limit grant applications to property owners and business owners who have never received a grant previously.

Pursuant to the adopted Comprehensive Redevelopment Plan, and the CRA Plan adopted in 2011, the 2017 Commercial Incentive Program will include grant incentives to encourage the private sector to undertake redevelopment within the Community Redevelopment Area. This program was last offered by the Agency in 2013, and will return as key component of an incremental strategy to promote redevelopment of our existing commercial properties.

The two approved programs are the Property Improvement Incentive Program, and the Beautification Incentive. The Property Improvement Incentive Program will provide Business and Property Owners with grants of up to \$40,000 dollars to make property and façade improvements to their business and property. The program requires a 1:4 match for local property owners and provides bonus points for projects that have a 1:1 match or greater. The process for the program will start with a series of meetings and workshops to notify both local contractors and the eligible business and commercial property owners that the program is starting, and provide assistance in applying and participating in the program. The completed applications will be evaluated and ranked and presented to the CRA Board for approval based on the amount of available funds. The review process will verify that all applicants are fully compliant with the grant guidelines. All approved commercial incentive projects will be required to follow all city codes and regulations.

The Properties of Distinction Program enables the CRA to work with the property owners to design a customized plan of action that will result in the subject property achieving its “highest & best use.” It will focus on projects which will attract at least \$500,000 in Public & Private capital investments; the CRA’s investment in these types of project is expected to be leveraged by at least three times the amount in Private capital.

The Commercial Beautification program provides up to \$4,000 dollars for visual exterior improvements to commercial property. The improvements are for painting, installation of surveillance equipment, minor parking lot repair, signage and landscaping. The program allows the CRA to fund up to 100% of these small projects up to a maximum contribution of \$4,000.00 dollars.

The Agency passed Resolution No. 2012-02, adopting an Economic Development Incentives Procedure Manual Neighborhood Initiatives Procedure Manual on January 25, 2012, and completed a total of two rounds of the program between 2010 and 2014.

The 2017 program will include evaluation criteria for the applications that will promote high quality projects that utilize Riviera Beach based contractors and sub-contractors. The Evaluation Criteria is attached as Exhibit A.

Attached as background are the program elements of the board approved Manual that will be included in our proposed 2017 program offering.

FISCAL IMPACT & SCHEDULE

The Agency Board approved the budget for this program of \$350,000 in the annual budget. The program will take approximately one year to complete beginning with a community outreach to identify local contractors, and to notify local business and property owners to participate in the

program, followed by a ranked application process, CRA Board approval, construction, and project close-out.

RECOMMENDATIONS

Staff recommends Board approval of the attached Resolution authorizing the 2017 Commercial Property Improvement Grant Incentive Programs to include the Property Improvement Incentive Program, the Beautification Incentive for 2017, and the Evaluation criteria attached as Exhibit A.

Riviera Beach CRA Economic Incentives Underwriting Criteria¹				
Criteria	Max. Points/ Evaluation			Notes
	Yes	No	N/A	
<p><u>The Applicant/Business</u></p> <p>Eligibility Checklist:</p> <p>1) Venture will be located in the CRA</p> <p>2) Licenses:</p> <p>1) Proof of Legal Business Entity</p> <p>2) Proof of Tax Identification</p> <p>3) Proof of Occupational License</p> <p>4) Proof of any Professional Licenses/Credentials required</p> <p>3) City/CRA Attorney Records Search – no evidence of a lawsuit</p> <p>4) Property Appraisal Records – no evidence of unpaid property taxes</p>				Completeness: Pass/Fail
<p>5) Lien Search / Adverse Records:</p> <p>a) Dunn & Bradstreet</p> <p>b) City Clerk Property Records Search⁵</p> <p>c) Police Dept. Records Search⁵</p>	<p>Not Adverse</p> <p>a) 0 pts</p> <p>b) 10 pts</p> <p>c) 10 pts</p>	<p>Adverse</p> <p>a) 0 pts</p> <p>b) 0 pts</p> <p>c) 0 pts</p>		<p>⁵ Discretionary to determine if improvements will address the adverse conditions (Acutely adverse situations could result in a 5-point deduction)</p>
<p>6. Three or more years of operation in Riviera Beach</p>	5 points			
<p><u>The Project</u></p> <p>1. Elimination of Blight:</p> <p>a) Improves a dilapidated, deteriorated, aged or obsolete structure or roof; or internally improves mechanical system, plumbing, and HVAC system</p> <p>b) Addresses adverse environmental conditions</p>	<p>a) 5 – 20 points</p> <p>b) 5 - 10 points</p>			See Blight Table below

¹ Applicable to Property Improvement, Properties of Distinction, Business Relocation Assistance, Rental Assistance and Beautification Incentive Programs. Modifications in award selection criteria may apply and is explained in the Agency's Economic Incentives Procedural Manual.

<u>Riviera Beach CRA Economic Incentives Underwriting Criteria¹</u>		
<i>Criteria</i>	<i>Max. Points/ Evaluation</i>	<i>Notes</i>
2. TIF Increase:		
a) Proof of applicant's investment in excess of 1:1 Match	10 points	
3. Local Preference:		
a) The project's tenant has a signed long-term lease and is a Riviera Beach resident	35 points	Local Tenant will be required to furnish Proof of Domicile in order to receive points
<u>Community Development Impacts</u> Attraction of Goods & Services:		
a) Healthy Food Choices (Grocery Stores, health-conscious eateries, etc.)		Points based on primary industry code or organization mission if the applicant is a not-for-profit.
b) Health Care Services (Medical, Dental, Elder Care, etc.)		
c) Retail & Leisure (dine-in restaurants, cultural arts establishments, etc.)	5 points	
d) Hospitality (Hotels, themed establishments, cruise lines, destination spas, etc.)		
e) Education (Charter Schools, Childcare, Youth Programs)		
f) Marine Industry		
g) Green Industry (Solar, Green Batteries, Energy Mgmt Companies, etc.)		
<u>Economic Impacts</u> Jobs Created/Retained:		
New Business, Relocation or Expansion:		
a) enterprise hires 5 employees or more	5 points	7 Employed Worker Training, On-the-Job Training, Incumbent Worker Training, and The Quick Response Training Program
b) evidence that at least 20% the enterprise's employees (non-owners) have salaries above the Living Wage (\$11 per hour)	5 points	
c) evidence of the utilization of PBC Career Source Job Training Incentive Programs ⁷	5 points	

<p>Existing Business Impact:</p> <p>a) More than four (4) employees residing in Riviera Beach d) evidence that at least 20% the enterprise's employees (non-owners) have salaries above the Living Wage (\$11 per hour)</p>	<p>5 points 5 points</p>	
<p>Contractor Selection: Evidence that contractor(s) domiciled in Riviera Beach received work (valued at % of total contract) on the improvements done on the project.</p>	<p>25% 5 points 50% 10 points 75% 20 points</p>	<p>It is the RBCRA Commission's desire for Grant Recipients to fully utilize the services of local contractors to all of the remodeling work and improvements required in each project, consequently, applicants are ardently encouraged to utilize local Riviera Beach-based contractors for every job/task associated with the successful completion of their project(s).</p>

* An application has to achieve a minimum score of 10 points in the Applicant/Business Eligibility Checklist to be eligible for consideration to receive an incentive.

Blight Criteria

	Points Assigned →	0 - 5	6 - 10	11 - 15
<p>Location: On a major corridor On a secondary corridor</p>		<p>n/a ✓</p>	<p>✓ n/a</p>	<p>n/a n/a</p>
<p>Condition of Building & Site: Shell is dilapidated Shell is aged/deteriorated Unattractive/Cosmetic Blemishes Attractive/Cosmetic</p>		<p>n/a n/a ✓ ✓</p>	<p>n/a ✓ ✓ n/a</p>	<p>✓ n/a n/a n/a</p>

2.1 Property Improvement Incentive Program

2.1.1 Program Description

The Property Improvement Incentive Program awards grant funds to improve commercial real property under competitive criteria. The program focus is on improving the property located along the major right-of-way corridors in the CRA. The applicant is required to invest a minimum of \$10,000 for improvements to building and/or site for a maximum CRA award of \$40,000. The applicant will be eligible for a grant from the CRA for up to \$40,000 based on \$1 private for every \$4 in public funds match criteria. The Board reserves the right to increase or decrease the award amount; including any amount approved for leverage; providing that such changes are communicated prior to Marketing & Intake Procedures (explained below).

The Property Improvement Incentive is designed to eliminate blighted conditions by incenting commercial property owners to make exterior improvements. The grant can serve as a match or be used to leverage other economic development incentives programs offered by others (loans, grants or investments).

2.1.2 Marketing & Intake Procedures

1. Each round will open with RBCRA announcing the Application Period (no less than 60-days). In addition to publishing this program's features on the CRA's website and program brochures, RBCRA will initiate outreach efforts through staff and consultants (if applicable) to commercial realtors and business organizations such as Chambers of Commerce, Business Development Boards, Economic Councils, Regional Planning Councils and local Business Networking Groups to market this program.
2. RBCRA staff will request that the applicants (owners/managers of the prospective properties) complete an Application Packet that staff will use as a part of the initial assessment process. The assessment process includes reviews of:
 - A Sources & Uses worksheet that explains, in detail, how the project will be financed (see Appendix A-11)
 - Evidence of sustainability: An existing business must show two or more years of profitable operations in Riviera Beach at the Incentive Location. A new business will be required to present financial projections.
 - Engineering Plans & Specifications (that demonstrate that the technical aspects of the project are compliant with the City's regulations and that they will facilitate successful execution of the Business Model); renderings and designs of the project's architectural elements, etc. The RBCRA reserves the right to require improvements to be consistent with architectural guidelines if established in the target area as a condition for the grant funds.
 - Copies of Business Licenses, Certifications, Registrations, etc.

- Written communication from the City of Riviera Beach's Planning & Zoning Department indicating that the project is consistent with the City's Zoning & Land Use regulations.
3. Each application will be assigned a RBCRA staff person (or consultant) who will serve as its "designated project manager" and ensure that the application is processed expeditiously and that the applicant is kept informed throughout the various stages of processing the application
 4. RBCRA Staff will form a Selection Review Committee to consist of no less than five members who are appointed by the Executive Director and may consist of staff, consultants or volunteers. Each applicant will undergo a review by no less than two reviewers (one staff and one external reviewer). Any anomaly in score will be reviewed by the Executive Director and adjusted based on the Selection Criteria and Underwriting Guidelines outlined below.

2.1.3 Selection Criteria

The Property Improvement Incentive challenges its applicants to achieve a high threshold of performance in order to be eligible for an award. A Highly Qualified Applicant must achieve a minimum aggregate score of "60" to the extent that funds are available. The RBCRA staff will present a list of applicants from the highest score to the least for the Board's review and approval. The Program's selection criteria shall include:

1. An Eligibility Checklist. This review consists of a pre-requisite set of criteria that deems the Applicant qualified to proceed for competitive review (property is located in the CRA; evidence of a business entity; and no adverse lawsuits or unpaid fines against the City or CRA).
2. Project Criteria. This section assesses the project's impacts: the degree to which it eliminates blight, increase tax revenues and is located in Board approved Redevelopment Priority Areas.
3. Community Development Impacts: Bonus points are allocated to the extent that the business provides goods & services for industry targets set by the Board.
4. Economic Impacts: Bonus points are allocated for jobs created or retained; evidence that business pays a higher or livable wage; evidence that business is recruiting applicants through PBC Workforce Alliance or Riviera Beach Mayor's Initiative; addresses targeted economic conditions set by the Board such as juvenile delinquency; and evidence that contractors domiciled in Riviera Beach are performing the improvements.

2.1.4 Underwriting Guidelines

See the Appendix

2.1.5 Approval Procedures

1. Application Process – All applicants are strongly encouraged to meet with CRA staff in order to determine eligibility before submitting an application. Funding requests will not be considered until all required documentation is submitted to the CRA office. Application packets must include the following documentation:
 - a) Completed/executed application
 - b) Copy of executed multi-year commercial lease or proof of ownership
 - c) Business plan, including executive summary and three-year financial projections of revenues and expenses
 - d) 3-year historical financials (as applicable)
 - e) List of all jobs to be relocated to or created in the Riviera Beach CRA. Include qualifying jobs as well as non-qualifying jobs. Also, include brief job descriptions, salaries and benefits
 - f) Schedule of proposed Eligible Reimbursable Costs
 - g) Additional items as required in the Application Form
2. Approval of Funding Request – Once eligibility is verified and all required documentation has been submitted, CRA staff will present the funding request to the CRA Board of Commissioners for approval. Staff will notify the applicant and landlord of approval, if granted.
3. Grant Agreement – Following approval of the Grant Application by the CRA Board of Commissioners, the CRA and the Applicant shall negotiate and enter into a Grant Agreement which will clarify the terms and conditions of the PDI Grant, subject to the approval of the CRA Board of Commissioners.
4. Grant Payments – Subject to the terms and conditions of the Grant Agreement, reimbursement will be made within ninety days from the CRA receiving the following:
 - a) Invoices and proof of payment for Eligible Reimbursable Costs
 - b) Certificate of Occupancy or Certificate of Completion (if construction was involved)
 - c) Verification that the jobs are in place including payroll records.

Alternatively, it is within the CRA Director's discretion to authorize that partial grant payments be issued on a draw schedule so as to facilitate the timely completion of some of the approved projects (see the Business Incentive Payment Checklist form below).

5. Site Visits – CRA staff will conduct a site visit before grant payment is made in order to verify that the business is in operation. Staff may also conduct unannounced site visits periodically in order to ensure compliance with the terms of the grant agreement.
6. Reporting – By accepting the grant, the applicant agrees to comply with any reporting procedures deemed necessary by CRA staff to verify that the required job

positions are properly fulfilled and maintained. Reporting may include, but is not limited to, payroll records, work schedules, and reporting forms.

2.1.6 Disbursement & Compliance Procedures

1. RBCRA will provide stewardship over the project and ensure that its plans review and approval processes get placed on the "fast track" within City Hall.
2. RBCRA will provide further project management involvement in terms of grant/incentive administration, interaction with City Departments (example: Police & Sanitation) on behalf of the property, marketing support, and other forms of technical support as needed.
3. As stipulated in the project agreement, RBCRA will release funds to the client on a reimbursement basis at the completion of the entire project (upon examination of the project's Certificate of Occupancy) or pursuant to processing each draw request (see Draw Request Form in Appendix A-10) in an expeditious manner (within ten working days).
4. RBCRA staff will perform monitoring exercises at least three times per year to record the applicant's compliance with the grant's requirements (i.e. job creation/retention, use of local contractors, etc.). The monitor will formally report the applicant's level of compliance to the RBCRA Director, and will also report any corrective action plans that the applicant has committed to implementing in order to achieve the agreed upon compliance goals in the grant agreement.

2.5 Beautification Incentive

2.5.1 Program Description

This program awards funds for visual (exterior) improvements to commercial real estate property. These improvements are for painting, parking lot resurfacing, signage, and landscaping, etc. Labor and materials may be contributed by the CRA in lieu of grant funds or a portion of the grant award. Maximum CRA grant awards cannot exceed \$4,000. The **Beautification Incentive Program** was established by the CRA to encourage existing building owners or operators to improve the exterior of their buildings to provide "curb appeal." The program allows the CRA to fund 100% of the cost to paint, landscape and/or pressure cleaning an existing building with the Riviera Beach CRA, up to \$4,000. Property or business owners must submit a completed application accompanied by two estimates from licensed painters or landscapers and, if the grant request is part of a larger project, a total project budget. To be considered, an applicant must achieve an aggregate application score of "60" points to be considered qualified – see Underwriting Guidelines.

2.5.2 Marketing & Intake Procedures

1. Each round will open with the RBCRA announcing the Application Period (no less than 60-days advance notice). In addition to publishing this program's features on the CRA's website and on program brochures, the CRA's staff will initiate outreach efforts to targeted businesses, property owners and associations.
2. The applicant will select two color choices—building and trim (recommended color palette options are available upon request.), and secure detailed proposals from two licensed and insured painters. The CRA reserves the right to require the applicant to chose urban design or architectural standards approved by the CRA Board for the area, if applicable.
3. See Section 2.1.2 for additional details.

2.5.3 Selection Criteria

Eligible structures include commercial buildings within the CRA. Business must be properly licensed and approved by the City of Riviera Beach. The following structures, expenses and projects will be automatically ineligible for assistance:

- ✓ Structures not located within the CRA District
- ✓ Trailers and other mobile/temporary structures
- ✓ Painting and pressure cleaning projects started prior to approval of application by CRA Board
- ✓ Projects done without the proper City approvals or licenses
- ✓ Projects using colors not approved by the Riviera Beach CRA and the City's Planning and Zoning Department.

2.5.4 Underwriting Guidelines

See the Appendix

2.5.5 Approval Procedures

1. After processing the application, staff will forward it to the CRA board for final approval
2. After the application receives final approval, the applicant will be contacted and told to move forward with the project.

2.5.6 Disbursement & Compliance Procedures

1. Reimbursement will not be provided for projects completed before the application for assistance is approved.
2. To receive reimbursement, the applicant must submit: a copy of the work contract signed by both the vendor and the applicant, a copy of the work permit from the City of Riviera Beach, and proof of payment in the form of front and back of the cancelled check showing that the applicant has paid for at least 50% of the project.
3. The CRA will reimburse the applicant directly for up to 50% of the project costs - the CRA will not pay paint contractors directly; payment of contractors is the sole responsibility of the applicant.