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Florida's Dynamic
Waterfront Community

**INFRASTRUCTURE INVESTMENT
PROGRAM (IIP) GUIDELINES**



Riviera Beach Community Redevelopment Agency
August 12, 2020

INFRASTRUCTURE INVESTMENT PROGRAM (IIP) POLICY PRINCIPLES

A goal of the Riviera Beach Community Redevelopment Agency's (CRA) is to create a prosperous, resilient, and sustainable economy, to ensure equal access and opportunity for residents and businesses within the Riviera Beach Community Redevelopment Area and the City of Riviera Beach as a whole. In order to promote these redevelopment efforts, the CRA is expanding its incentive programs and tools to provide limited financial assistance for privately funded projects, in accordance with adopted Community Redevelopment Plan and Section 163.345, Florida Statutes - Encouragement of private enterprise. The CRA's Economic Development Incentive Programs are structured to catalyze private investment, encourage economic growth, reduce or eliminate financial gaps in development projects, create jobs, and enhance the quality of life for citizens.

OBJECTIVE

Projects in the Riviera Beach Community Redevelopment Area may be eligible for an infrastructure improvement incentive known as the Infrastructure Investment Program (IIP). The intent of this program is to encourage property owners to make improvements within or adjacent to the public rights of way of commercial buildings. CRA would invest its capital in return for fulfilling the following objectives:

- improving both the physical appearance of the redevelopment area and the property values/marketability of surrounding properties;
- improving existing properties and their value;
- creating an improved infrastructure on both public and private land; and
- facilitating commercial development in the CRA District

Targeted projects are projects that include quality new and/or existing commercial buildings, industrial, hotel projects, multi-family residential and mixed-use buildings, office space including new and/or existing commercial buildings, hotel projects, and mixed-use buildings throughout the CRA District, especially along the Broadway and Blue Heron Boulevard corridors.

The incentive is a CRA program in which a for-profit private organization requests grant funds for the reimbursement of a portion of the cost of exterior improvements to a site. Improvements may be either on private or public land, on the public right of way, or both.

DESCRIPTION OF THE INCENTIVE

The Infrastructure Investment Program is a CRA incentive program in which the CRA reimburses a private for-profit organization a percentage of the costs of eligible infrastructure improvements for an eligible redevelopment project, up to an amount not to exceed the percentage indicated below of the projected Tax Increment Funds ("TIF") generated by the improvements over the ten (10) year period following project completion. Qualified improvements may be either on private land or on the public right-of-way or both. Incentive reimbursement would occur in ten annual disbursements, beginning after the entire project, including the building structure, is

complete, a Certificate of Occupancy has been issued for the project, and payment of ad valorem property taxes has been validated prior to each payment. A formal incentive agreement would be prepared for final approval by the CRA Board. To maintain eligibility, CRA Board approval must be obtained prior to a final investment decision by the developer.

In an effort to support the Community Redevelopment Plan, and CRA's goals and objectives, the IIP includes a requirement for the developer/applicant to provide a local employment program to provide employment opportunities in both the construction phase of the project and the initial employment phase of the completed project, as applicable.

The IIP will be available for a five-year period, with Phase I in effect for two years and Phase II for three (3) years. Phase I will become effective October 1, 2020 and Phase II incentives will take effect on October 1, 2022. The incentives for the two phases are as follows:

Phase I (10-1-2020 - 9-30-2022): 50% - 75%
Phase II (10-1-2022 - 9-30-2025): 50%

A project's estimated assessed value after completion shall be determined by an MAI certified appraisal report; provided however that the annual final assessed value will be that certified by the Palm Beach County Property Appraiser. The IIP incentive is contingent on funding availability, CRA Board approval, and the execution of the Incentive Agreement by the CRA and the Applicant, and is not to be construed as an entitlement or right of a property owner or applicant.

The CRA may at its sole discretion cease offering incentives under the IIP, in its sole discretion and absolute determination, if it feels that the assistance no longer benefits the furtherance of the CRA District.

ELIGIBLE REIMBURSEMENT COSTS

Applications to the IIP Program will be accepted for a six-year period, starting on October 1, 2020, and ending on September 30, 2025. Costs eligible for reimbursement may include, but are not limited to, the following:

- Landscaping, irrigation, exterior site lighting, sidewalks, plazas, site walls, permanently affixed site furniture, bicycle racks, etc., located on either public right-of-way adjacent to the private development, or on a portion of the private property that is accessible to the public.
- Public right-of-way improvements along a street or alley and adjacent to the private development, including paving, sidewalks, curb & gutters, storm drainage systems, landscaping, street lighting, traffic signals, on-street public parking spaces.
- Signage, limited to street signage, directional signage, or monument signs, and excluding tenant signage.
- Underground and above ground public utilities, including, but not limited to, water mains, sewer mains, irrigation lines, natural gas lines, and electric utility lines.
- The construction of publically dedicated parking lots and parking structures (on-

site or off-site), or portions thereof, are eligible for reimbursement.

LOCAL HIRING PROGRAM

The IIP includes a requirement for the developer/applicant to provide a local employment program to provide employment opportunities in both the construction phase of the project and the initial employment phase of the completed project, as applicable.

Qualifying job positions are limited to employees residing in the 33404 zip code, as documented by valid forms of accepted identification. Job positions whose wages are not reported to the state or federal government will not qualify. Grantees will be required to submit certified payroll records, proof of employee residency, and other documents as specified by the approved incentive agreement. Incentive funds will be disbursed once proof of jobs and wages have been validated to the CRA's satisfaction, as specified in the incentive agreement. Additional terms and conditions will be specified in the incentive agreement.

ELIGIBILITY REQUIREMENTS

Applicants must meet all the following requirements in order to be eligible to receive assistance through the Infrastructure Investment Program:

1. Proposed projects must be located in the CRA District (refer to the attached map).
2. Applicants must illustrate a "but for" scenario, demonstrating that securing a CRA incentive will be a deciding factor in the decision to develop the project.
3. The applicant must enter into an Incentive Agreement with the CRA, which must be approved by the CRA Board and fully executed by the CRA and applicant prior to the issuance of building permits.
4. Non-profit entities subject to Property Tax Exemptions are not eligible to qualify for the Infrastructure Incentive Program.
5. Properties are not eligible for CRA funded programs when the proposed improvements are inconsistent with the Community Redevelopment Plan, or when such funding conflicts with the goals and strategies expressed in the Community Redevelopment Plan.
6. The project is anticipated to create at least \$1 million in net new taxable value in the first full year following completion.
7. Applicants must demonstrate property control through ownership, contract for purchase, or an executed multi-year lease (30-year minimum) with the property owner, as approved by the primary lender.
8. The applicant agrees to pay all CRA costs to hire or retain third party experts to review the application and provide expert advice to the CRA, including but not limited to, legal counsel, general contractors, economic development specialists, planners, and marketing agencies;
9. A local employment program must be submitted to provide employment opportunities in both the construction phase of the project and the initial employment phase of the completed project, as applicable.

10. The Project owner or developer must have a minimum of 20% of project costs (equity) in the financing structure. Land cost may be included as part of developer's equity.
11. Property to be improved must be free of all municipal and county liens, judgments, or encumbrances of any kind. Upon incentive approval, the property must remain free of all municipal and county liens, judgments, or encumbrances of any kind under the term of the agreement.

APPLICATION PROCEDURES

All applicants are strongly encouraged to meet with CRA staff in order to determine eligibility before submitting an application. The final incentive agreement is subject to approval by the CRA Board and must be fully executed by the applicant and the CRA before obtaining building permits for the demolition and construction of any portion of the project.

1. **Application Process** – Funding requests will not be considered until all required documentation is submitted to the CRA office. All applicants are required to demonstrate that the proposed development project would not proceed in Riviera Beach without the investment of an IIP incentive. Application packets must include the following documentation:
 - a. Completed/Executed Application Form
 - b. Listing of resumes and bios for business owners and/or executive-management team, including relevant development projects and experience
 - c. If an existing business, copy of articles of incorporation, proof of active corporation status and current business tax receipts (City and County).
 - d. 3-year historical financials of owner(s) or related entity.
 - e. Description of the project, scope of improvements, tentative project timeline and projected local economic impact of the project. The tentative project timeline must identify, at a minimum, the following development milestones: property acquisition/lease; preliminary drawings; site plan approval; final drawings; final cost estimates; building permits; and construction commencement and completion.
 - f. A letter prepared by the City's Development Services Department/Planning and Zoning Division indicating that the project conceptually meets the requirements of the City of Riviera Beach's Code of Ordinances.
 - g. Preliminary construction cost estimate, as prepared by a certified construction industry professional
 - h. Proposed project site plan, floor plans and building elevation (see Application Form for specific requirements)
 - i. Copy of executed multi-year lease (min. 30-year term) or proof of ownership for the property
 - j. Business Plan, including executive summary, development costs, & ten-year operation Pro Forma including financial projections of revenues and expenses (see application form for specific requirements)

- k. Preliminary estimate of Construction Cost prepared by a licensed General Contractor (as required in application form)
 - l. Description of proposed uses, and copies of any lease agreements or Letters of Interest from prospective tenants
 - m. Ten-year operating Pro Forma including financial projections of revenues and expenses (see application form for specific requirements)
 - n. Total Project Cost Analysis prepared by a licensed General Contractor, or prepared by an MAI Appraiser with construction costs certified by a licensed General Contractor
 - o. Revisions to any documents submitted as part of the initial funding request.
 - p. Additional items as required by CRA staff
2. **Third Party Analysis** – The CRA reserves the right to have the application and its contents evaluated and analyzed by an outside third party hired by the CRA, including but not limited to: partnership/ownership information with equity positions, proposed business plan, development pro forma, financial assets, mortgage on the property, tenant lease agreements, letter of Intent from lending institution, economic impact of the project, return on CRA investment and any other aspect as deemed necessary by the CRA.

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

3. **Approval of the Funding Request and Incentive Agreement** – After all required documentation has been submitted and reviewed by staff and a third party consultant as deemed necessary, staff will negotiate incentive terms with the applicant, in accordance with prior direction and subject to the approval of the CRA Board of Commissioners, in accordance with Chapter 163, Part III, Florida Statutes, as may be amended from time to time. The draft incentive agreement, including a recommended maximum incentive amount, will be presented for CRA Board for consideration. Following CRA Board approval of the funding request, the CRA and the Applicant shall execute an Incentive Agreement which will clarify the terms and conditions of the incentive. A memorandum of the agreement will be recorded in the public records of Palm Beach County.
4. **Start of Construction** – Construction shall start within the time frame specified in the Incentive Agreement. If construction does not start within the specified time frame, the Incentive Agreement and the Infrastructure Investment Program approval may be terminated.

INCENTIVE REIMBURSEMENT PROCEDURES

1. **Payments** – Subject to the terms and conditions of the Incentive Agreement, Incentive funds for reimbursement of eligible and pre-approved expenses shall occur only after the entire project, including the building structure, has reached completion and the applicant has obtained a certificate of occupancy (CO) from the City of Riviera Beach Development Services Department/Building Services Division. Incentive proceeds shall be paid by the CRA to the grantee in annual payments made in accordance with a payment schedule that will be established in the Incentive Agreement, only to the extent TIF is generated for the project.

2. **Site Visits** – CRA staff will conduct site visits before the initial reimbursement payment is made in order to verify that improvements are complete as presented in the approved application. Staff may also conduct unannounced site visits periodically in order to ensure compliance with the terms of the Incentive Agreement.
3. **Reporting** – By accepting Payment, the applicant agrees to comply with any reporting procedures deemed necessary by CRA staff to verify terms of the Incentive Agreement are being adhered to including but not limited to, that any required project timeframes are being adhered to, that construction is completed as represented in the scope of improvements, that local hiring program goals are met.

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

Applicant Signature

Date

Printed Name, First and Last

Please note that the Riviera Beach CRA is a public agency. As such, the CRA is governed by Section 119.07, et.seq., Florida Statutes, the “Florida Public Records Law.” Any documents provided by the Applicant may be subject to production by the CRA, upon receipt of a public records request, subject to any exemptions provided by Florida Law.

PROGRAM INQUIRIES

Please direct inquiries on the Infrastructure Investment Program, including obtaining a complete application packet, to:

Senior Project Manager

Riviera Beach CRA
2001 Broadway, Suite 300
Riviera Beach, FL 33404
561-844-3408