



Summary of Economic Development Incentive Program

Infrastructure Investment Program (IIP)

At its meeting on July 22, 2020, the CRA Board was presented three (3) economic development incentive programs for consideration: Infrastructure Investment Program (IIP), Job Creation Bonus Program (JCB), Relocation and Development Assistance Program (RDA). Based on the Board direction, the Infrastructure Investment Program Guidelines (copy attached) are now before the Board for consideration. A presentation will be made regarding the program guidelines by Jeff Costello, CRA Consultant. The JCB and RDA Program Guidelines are tentatively scheduled for the August 26th CRA Board meeting.

Provided below is a description of the incentive program.

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.