

**POMPANO BEACH
COMMUNITY REDEVELOPMENT
AGENCY**



**Real Estate Development Accelerator (REDA)
Tax Incentive for Projects
Over \$5,000,000**

~~REV~~Revised September 201619

Real Estate Development Accelerator (REDA)

Projects in the City of Pompano Beach Community Redevelopment Agency (CRA) Northwest area may be eligible for a tax incentive known as the Real Estate Development Accelerator (REDA). This incentive will be instituted to expedite development in the Northwest CRA Area.

Although businesses within the entire Pompano Beach Community Redevelopment Agency area are eligible to participate, emphasis shall be placed on those businesses within the ~~Martin Luther King Business District target area and property owners with the Old Pompano Downtown Pompano Transit Oriented Development Area,~~ and ~~property owners within the Old Pompano,~~ 27th and 31st Avenue corridors. Applicants meeting the location criteria of this program will have preference to ensure maximum impact to the district.

REDA, a performance-based tax incentive, is a phased-in program that provides larger incentives to developers during the initial development stage. The developers who bring projects to the area in the early stages are accepting more risk; they will incur more costs for marketing their development and may experience slower sales than projects that are built after the market is established. Costs to develop the projects are also generally higher due to the lenders ability to mitigate risk by charging higher interest rates or to require more up-front equity, thus negatively effecting the developer's pro forma.

A clearly defined need must exist and be proven by each development initiative before funding under REDA will be considered. Any incentive that is approved by the CRA Board will be paid during and/or after construction of a project. Approved projects will require a Development Agreement among the CRA and the developer.

Disbursements of the Grant proceeds may be made on a reimbursement basis or paid directly to the Service Provider, in accordance with the Scope of Services attached to application and provided applicant first approves of payment to Service Provider.

Should an applicant choose to engage the services of an agent (individual or company) to assist/represent applicant in this aspect of the process, the expenses for the agent's service will be borne by the applicant. Such expenses are not reimbursable under the terms of any of the CRA's incentive programs. CRA funds cannot be applied to services other than architecture, engineering, etc. related to the construction of the interior or exterior of the building.

The REDA incentive is contingent on funding availability and CRA approval, and is not to be construed as an entitlement or right of a property owner or applicant. Properties in the CRA areas are not eligible for City/CRA funded programs when such funding conflicts with the goals expressed in the CRA Strategic Finance Plan or Community Redevelopment Plan.



The REDA program will be available for a six-year period, with Phase I in effect for four years and Phases II and III for one year each. Phase I will be effective from October 2016~~19~~ and will expire September 2019~~2023~~. At that point Phase II incentives will take effect for one year, followed by the final stage, Phase III. The incentives for the three phases are as follows:

| | Phase I 10/2016 – 10/2019- <u>9/2023</u> | Phase II 10/2019-2023- <u>9/2020-2024</u> | Phase III 10/2020-2024 <u>9/2021-2025</u> |
|------------------------------------|---|--|--|
| Costs Covered | 50-80% | 35-60% | 5-40% |
| Land Cost Mark-down | X | | |
| Development Costs | X | | |
| Relocation Assistance | X | X | |
| Demolition, Site-Prep, Remediation | X | X | |
| Infrastructure Assistance | X | X | X |
| Assembly Assistance | X | X | X |

The CRA may exceed the 80% threshold in Phase 1 provided all of the following criteria are included in the application:

- The development project is the first of its kind within the Downtown Pompano Transit Oriented Development and the 27th and 31st Avenue corridors;

- The property is privately owned;
- The project is in excess of \$50 million in total development costs;
- The project is mixed-use and provides market rate housing with amenities;
- The gap in the development proforma cannot be recovered within the life span of the NW CRA (Year 2040).

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PLEASE READ THE FOLLOWING PRIOR TO APPLICATION SUBMITTAL

- Properties listed for sale may not apply. Properties sold within twenty-four months of receiving grant funding **must repay the full amount**.
- Prior to application submittal, a preliminary review of proposed renovations to property must be completed by the Planning Department.
- After approval process, the CRA will provide the applicant with an approved Grant Agreement for signature. It is recommended that **NO CONSTRUCTION** begin until the Grant Agreement is signed by all parties. Improvements completed prior to approval by the CRA Board, may not be eligible for reimbursement.
- 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 Pompano 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 Northwest 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.

All work must commence within 12 months of application approval. If work has not commenced within 12 months, funds will be reprogrammed.

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

Applicant Signature

Date_____

Property Owner

**REAL ESTATE DEVELOPMENT ACCELERATOR
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 the applicant?

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

4. What is the total estimated project investment?

Current assessed value: _____

New capital investment dollars: _____

Total estimated new assessment: _____

5. What is the percentage (%) amount of ownership equity relative to total estimated project investment?

- ☐ 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 the neighborhood residents will be created upon completion of project?

- ☐ 1-5
- ☐ 6-10
- ☐ 10+
- ☐ None

8. When is it anticipated that construction could begin, assuming project receives REDA assistance from this program? (A detailed project schedule must accompany application)

- ☐ Less than 12 months
- ☐ 12 to 16 months
- ☐ 16 to 24 months
- ☐ Longer

9. Include with this application:

- Description of proposed development/improvement to the 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 or identify variances
- Infrastructure improvements, if any, in either the public ROW or on private property and estimated costs
- Preliminary project schedule
- Tenant makeup
- Resume of developer indicating related development experience`
- 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
- A minimum of 3 copies of the completed application

The Real Estate Development Accelerator benefits are contingent on 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 CRA areas are not eligible for City/CRA funded programs when such funding conflicts with the goals expressed in the CRA Strategic Finance Plan or Community Redevelopment Plan. The CRA may obtain an analysis by a third party or outside firm hired by the CRA to evaluate the application.

Signature of Applicant

Date