

**West Palm Beach  
Community Redevelopment Agency**

**Downtown/City Center CRA  
District**

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**CAPITAL IMPROVEMENT GRANT  
PROGRAM**

## **I. INTRODUCTION**

The Downtown/City Center Community Redevelopment Agency (CRA) of West Palm Beach, Florida was created by the City of West Palm Beach, Florida in 1984. The CRA is funded through a tax increment trust fund with the primary goal being the elimination of blight or slum and the encouragement of economic development in the CRA area.

The CRA, in its attempt to reduce or eliminate the blighted conditions within the CRA boundaries and pursue the redevelopment process, seeks to coordinate the creation of an advantageous loan program with local financial institutions.

The Capital Improvement Grant Program allows businesses and property owners whose ground floor space is retail or office to borrow for purposes related to exterior and interior property improvement. It has been proven that business loan programs can be a powerful tool for economic development, including the attraction of new businesses to an area and the creation of employment opportunities.

## **II. THE CAPITAL IMPROVEMENT GRANT PROGRAM**

### **A. Geographic Area**

Although business and property owners within the entire Downtown/City Center CRA area are eligible to participate, the initial target area is the Northwest and Brelford Park areas. Applicants meeting the criteria under Section G of this program will have preference to ensure maximum impact to the district.

### **B. Type of Loans and Terms**

1. The commercial building must be located in a zoning district which allows a commercial business to operate. Exterior improvement for commercial properties may include: re-roofing, painting, doors, windows, exterior modifications, landscaping, awnings, rotten wood replacement, siding and exterior lighting. Loans will not be given for property acquisition.
2. Loans may be made to either a business owner or property owner who wishes to renovate the interior of a structure as well. Funds may not be used to purchase display materials or cases, inventory, or any other items not directly related to renovations. The lending institution will disburse the funds after the approved applicant submits invoices. The lending institution will set its specific terms of disbursement. The tenant must be one whose type of business is permitted at the location by the City's Zoning and Land Development Regulations.
3. Loans are amortized over a 5-year period; however participating financial institutions reserve the option to extend the loan period beyond 5 years. Any extension in the principal loan repayment period will not affect the amount paid by the CRA.

### **C. Bank Lending Requirements**

Lending institutions will be approached to participate in the program. There is no

minimum or maximum amount of lending institutions necessary to begin the program however each participant must sign an agreement with the City of West Palm Beach Community Redevelopment Agency. Each bank must establish its own criteria of lending requirements.

#### **D. Fees and Loan Costs**

There are no application fees required by the CRA, however other costs may be incurred by the applicant including recording and other fees. Financial institutions will not charge points in this loan program.

#### **E. Grant Payment**

In order to accommodate both large and small renovation plans, a wide range of loan activity is available. Please note that there is no repayment agreement between the CRA and the borrower. The CRA enters into separate agreements with the institution previously mentioned, with regard to specific payment terms on each loan. The CRA does not guarantee the loans. The interest rate (which is a fixed rate) for this program is set at prime rate to be calculated the day the loan is closed. Upon closing, the CRA will become obligated to pay the lending institution a calculated amount equal to 50% of the interest for a maximum of five years, which shall be used by the borrower solely for interior and exterior renovation to the property which is the subject of the loan. If a loan is amortized for a period in excess of five years, the percentage paid by the CRA will be reduced to an amount that would result in the same total payments by the CRA that would have resulted if the loan had been amortized for five years. The CRA's obligation to make any payments shall end upon prepayment or default by the borrower.

#### **F. Grant Approval Process**

The applicant must submit documentation to the CRA detailing the renovation to be performed, along with proof that the property is located within the CRA boundaries. The application will be presented to the CRA Board. If the application for the grant is approved, the applicant can then apply for a loan at any one of the participating financial institutions. The applicant will have a maximum of 90 days after CRA approval to close the loan with the bank. If problems arise, the applicant can request a 90-day extension. Applicants must meet the individual bank's requirements to receive a loan.

#### **G. Subsidy will be given to applicants based on the following criteria:**

- ✓ Priority will be given to businesses located in the Northwest and Brelford Park neighborhoods and Dixie Highway north of Quadrille Boulevard
- ✓ Businesses, that due to their success, will attract other businesses to the CRA district
- ✓ Businesses that have a successful track record
- ✓ Renovation that will spur additional development and private investment
- ✓ Renovation that will attract desirable new businesses and that create an effective business mix
- ✓ Renovation that will have a substantial visual impact

- ✓ Renovation that will result in filling vacant retail space
- ✓ Renovation that will increase square footage of retail space
- ✓ Renovation that will increase property value
- ✓ Renovation that will increase employment
- ✓ Projects that will work hand in hand with other major developments

Properties listed for sale may not apply. Properties sold within twenty-four months of receiving grant funding must repay the full amount.

**The Capital Improvement Grant 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.**

**CAPITAL IMPROVEMENT PROGRAM  
APPLICATION**

Date \_\_\_\_\_

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?

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

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Bank Loan Amount \_\_\_\_\_

Total Project Cost (if different) \_\_\_\_\_

4. **How will your business, due to its success, attract other businesses to the area?**

5. Does your business have a successful track record?
  
6. Will the renovation attract desirable new businesses that create an effective merchandise mix?
  
7. Will the renovation result in filling vacant retail space?
  
8. Does the renovation increase square footage of retail space?
  
9. Will the renovation increase property value?
  
10. How many new jobs will be created as a result of the renovation or construction?
  
11. How does the project work hand in hand with other major developments?

**Important: The following documentation must be submitted with the application:**

**Please read and initial beside each application requirement**

- A) \_\_\_\_ A photograph of the property showing the area(s) for improvement, 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.
- B) \_\_\_\_ Meet with the Planning and Zoning Department to determine if the project will be in compliance with the City of West Palm Beach codes.
- C) \_\_\_\_ Site plan of the infrastructure improvements, if any, in either the public ROW or on private property. 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 West Palm Beach. Irrigation systems must prevent over spray and water waste and it is recommended a drip irrigation system be installed)
- D) \_\_\_\_ 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.
- E) \_\_\_\_ If the property is not owned by the applicant, the application must be signed by the property owner authorizing the proposed improvements.
- F) \_\_\_\_ If this is a tenant improvement, a Valid Business Tax license with the City of West Palm Beach must be submitted.
- 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 Downtown/City Center 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.
- H) \_\_\_\_ Preliminary project schedule
- I) \_\_\_\_ Tenant makeup
- J) \_\_\_\_ Resume of developer indicating related development experience
- K) \_\_\_\_ Business and Financial Information:
  - \_\_\_\_ Business Plan
  - \_\_\_\_ Pro forma
  - \_\_\_\_ Mortgage on property (if property owner)
  - \_\_\_\_ Lease agreement
  - \_\_\_\_ Letter of Intent from lending institution (if applicable)
  - \_\_\_\_ Partnership and/or ownership information with equity positions.

L) \_\_\_\_\_ Eligibility/Application Requirement Sheet initialed and signed by applicant

M) \_\_\_\_\_ **Applicant must submit 12 copies for distribution.**

**Authorized Representative:**

\_\_\_\_\_  
**Business Owner Signature**

\_\_\_\_\_  
**Property Owner Signature  
(If different)**

\_\_\_\_\_  
**Print Name**

\_\_\_\_\_  
**Print Name**

## Community Redevelopment Agency (CRA) Eligibility/Application Requirements

### Applicant to initial their understanding of each application requirement

The 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.

### Step 1: Application Process

- \_\_\_\_\_ **All CRA grants are reimbursable grants and paid upon completion of the project.**
- \_\_\_\_\_ Incomplete applications will not be accepted.
- \_\_\_\_\_ It is recommended that no construction begin until a Grant Agreement is signed by all parties. Improvements completed prior to CRA staff review and approval by the CRA Board will not be eligible.
- \_\_\_\_\_ Meet with CRA Staff to determine if the project/business is eligible for a CRA grant incentive.
- \_\_\_\_\_ Meet with the Planning and Zoning Department to determine if the project will be in compliance with the City of West Palm Beach codes.
- \_\_\_\_\_ Eligible businesses must have a valid Business Tax license with the City of West Palm Beach. A copy must be submitted with the application. The property must be free of all municipal and county liens, judgments or encumbrances of any kind.
- \_\_\_\_\_ If the project is deemed eligible, a complete incentive application(s) must be submitted to CRA Staff with all applicable documents required for the program including bids from two (2) licensed contractors for each scope of the project. **The 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. Bids from property owners will not be accepted.**
- \_\_\_\_\_ CRA Staff will review the application within ten (10) business days of submittal. You will be notified if additional information is required to make a determination on whether your application can be submitted to the CRA Advisory Board (if applicable) and the CRA Board for formal approval. The process for approval by the CRA Board can take a minimum of ninety (90) days from the date of submittal to CRA staff. **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 following but not limited to legal documents for signature; Grant Agreement, Promissory Note, Mortgage and Security, Guaranty, and Restrictive Covenant. Some documents may be recorded in the public records.
- \_\_\_\_\_ At this time a completed W9 form must be provided for financial documentation and reimbursement purposes.
- \_\_\_\_\_ You will be provided one (1) fully executed original of the Grant Agreement for your file.
- \_\_\_\_\_ Upon receipt of the executed legal documents, CRA staff will request a Purchase Order be issued by the City of West Palm Beach Purchasing Division which will allow for an account to be set up for reimbursement purposes. A Purchase Order will be mailed or faxed to the address provided in the Grant Agreement. The issuance of a Purchase Order may take up to four (4) weeks.

## Step 3: Grant Reimbursement Procedures

- \_\_\_\_\_ All disbursements of the grant proceeds shall be made as a lump sum payment pending full completion of the project as described in Exhibit A of the Grant Agreement.
- \_\_\_\_\_ Written verification stating that the project is complete and the applicant is satisfied with the work is required prior to reimbursement submittal.
- \_\_\_\_\_ Upon completion of the project, the submission for reimbursement of the grant proceeds must be submitted in writing to the CRA and contain the following information: name as provided in the Grant Agreement, address, reimbursement amount and documentation establishing payment by the applicant of the total cost of all the improvements (all receipts, invoices, canceled checks and any other documents the CRA may require as proof of payment.)
- \_\_\_\_\_ The CRA will review the grant reimbursement request within ten (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 thirty (30) days of the payment request to the Finance Department.

**I have read completely and understand the application process, the execution of Grant Agreements, setting up a financial account and reimbursement procedures.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date