

**West Palm Beach
Community Redevelopment Agency**

Downtown/City Center CRA District



REAL ESTATE DEVELOPMENT ACCELERATOR (REDA)

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

Projects in the City of West Palm Beach Community Redevelopment Agency (“CRA”) Downtown/City Center area may be eligible for a tax incentive known as the Real Estate Development Accelerator (REDA). This incentive will be instituted to assist with public capital improvements associated with new development in the Downtown/City Center CRA Area.

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 City of West Palm Beach, the CRA and the developer.

The Real Estate Development Accelerator (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.

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.



The REDA program will be available for a five-year period, with Phase I in effect for three years and Phases II and III for one year each. Phase I will become effective upon funding availability. 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:

Costs Covered	Phase I 10/17-09/20 50-80%	Phase II 10/19-20/21 35-60%	Phase III 10/21-09/22 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

*** Amounts other than the formula provided may be approved by the CRA Board on a case by case basis.**

REAL ESTATE DEVELOPMENT ACCELERATOR
APPLICATION

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

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Authorized Representative:

Name

Title

Signature

Date