

**West Palm Beach
Community Redevelopment Agency**

Downtown/City Center CRA District



RELOCATION AND DEVELOPMENT ASSISTANCE INCENTIVE PROGRAM

Relocation and Development Assistance Incentive Program

I. Introduction

The Relocation and Development Assistance Incentive program is designed to support difficult redevelopment projects that cannot be accommodated under other CRA programs. Since not all redevelopment obstacles can be anticipated, this program allows the CRA Board the flexibility to choose from a variety of options to facilitate projects that would not happen without assistance at some level.

II. Objectives

- ✓ To ensure property development continues including rehabilitation and renovation of existing buildings
- ✓ To assist existing businesses or tenants relocating to a more suitable location and allow for re-merchandising of vacated space.
- ✓ To assist property owners in obtaining the highest and best use of vacant and semi-occupied properties
- ✓ To eliminate slum and blighted properties
- ✓ To attract private sector investment into the district using CRA owned property as leverage

III. Program Types

A. Tenant relocation including incentives and tenant replacement

As the Downtown/City Center area continues to develop, it is important to obtain a desirable mix of merchants.

This program allows the CRA and property owners to cooperatively work with existing businesses and those who wish to locate to the area to create a vibrant area of desired merchants. Commercial corridors are the targeted zones for this activity.

A merchandise mix plan would specify what types of businesses we would like to attract and provide a guideline for real estate brokers, property owners and developers. In some instances property owners might be locked into leases with tenants that are not supporting the goals of the CRA District as a whole. Assistance in relocating the tenant could allow the cooperative termination of the lease.

Property owners should be encouraged to seek specific tenants. They often end up leasing the property to an undesirable type of tenant because they need the rent to meet the debt service for the property. A more desirable type of tenant will be lost because the location they wanted is occupied and the current tenant will not be able to relocate on their own.

- **Financial assistance relocating tenants**

Specific tenants would be targeted for the relocation program. Each relocation would be handled on a case-by-case basis depending on variable factors. Square footage, the feasibility of relocation, required special amenities and the overall extent of the move must be considered when identifying tenants for relocation.

- **Financial assistance for securing new tenants**

It is preferable to secure a new tenant before relocating existing businesses. The most effective way to find a desirable new tenant is to prioritize a specific location.

NOTE: *Initiating financial assistance for relocation and offering incentives for new tenant attraction provides a powerful tool for managing the merchandise mix in the District. Since the costs and benefits associated with each transaction would vary, it is not recommended to establish a rigid dollar amount per incentive package. Each transaction is handled on a case-by-case basis.*

B. General Incentives for Business Attraction

Some instances won't require the relocation of a tenant. We can take advantage of properties that are already vacant or have the option of expansion or reconfiguring floor space and layout.

- **Incentives to utilize vacant buildings**

Vacant buildings will be targeted with specific types of tenants in mind. The incentive must ensure that the desired type of tenant can locate and begin operation immediately. If the desired use is a restaurant, incentives could translate into build out or amenities related to that particular use.

- **Incentives to utilize vacant lots**

There are currently vacant lots in the District both private and publicly owned. These lots would be targeted to attract tenants that require build to suit spaces or have the option for mixed-use or residential capabilities prior to construction.

- **Incentives to utilize semi-occupied buildings**

Some buildings are occupied on the ground floor only, with vacant space upstairs. Incentives would be applied to attract office or residential use.

C. Property Acquisition Combined with Incentives

Although a cooperative effort with existing property owners is ongoing, many properties will stand empty or dilapidated without further CRA assistance.

- **Acquiring properties with absentee ownership**

These types of properties are very difficult to work on since the landlord is usually not that interested in the fate of the District. They have a tenant and are collecting rent and that is sufficient for the landlord. The properties are usually not well maintained and the tenants are seldom interested in upgrading the property. These properties could be purchased for land assembly, resale, or redevelopment.

- **Acquiring financially troubled/dilapidated properties**

These properties are those that would require extensive rehabilitation with costs that could not be immediately recovered by simple rent collection. The owner either does not have the capital to upgrade the property or is waiting to capitalize on property value increase due to others' redevelopment efforts. These properties would either be purchased or targeted for business incentives. Some properties may be maintained by an absentee Landlords or the owner is simply not interested in cooperating with the redevelopment efforts in this case the property type may qualify for eminent domain actions

IV. Benefits of the Relocation and Development Incentive Program

- Allows the CRA Board flexibility to address a multitude of obstacles under one program
- Increases property values
- Increases tax base and Tax Increment Finance (TIF)
- Improves merchandise mix
- Increases employment base in the District
- Increases residential base
- Reduces or eliminated vacancies
- Increases in square footage of leasable space
- Reduction of vacant land

V. Funding Sources

Funding amounts and sources will be determined on a case by case basis by the CRA Board.

VI. Program Selection Criteria

These projects will be processed on a first-come first-serve basis. Each criterion that is

met is worth one point. A minimum of **six points** must be met to qualify. After analysis, it may be determined that not all projects are feasible even with the Relocation and Development Incentive Program. CRA staff will analyze the project and take the project application to the CRA Board for grant approval and with a recommendation for the grant amount.

A clearly defined need must exist and be proven by each development initiative before funding under this program 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.

Criteria Includes:

- ___ Business located in the Northwest, Clematis Street, Brelsford Park or Dixie Highway north of Quadrille Boulevard area.
- ___ Business located within the Downtown Core target area.
- ___ Increase property value
- ___ Increase tax base and TIF
- ___ Increases residential base
- ___ Improves merchandise mix
- ___ Increase square footage of leasable space
- ___ Reduction of vacant land
- ___ Renovation or construction that will spur additional development and private investment
- ___ Renovation or construction that will have a substantial visual impact
- ___ Job Creation
- ___ Reduced or eliminated store vacancies
- ___ Businesses that have a successful track record

The Relocation and Development Assistance 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.

**RELOCATION AND DEVELOPMENT ASSISTANCE
INCENTIVE PROGRAM
APPLICATION**

Date of Application: _____

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?

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

4. Project Description:

5. Proposed Incentive(s):

6. Estimated Incentive value not to exceed:

Incentive Criteria:

- ___ Is the Business located in the Target Area
- ___ Increased Property Value
- ___ Increased Tax Base and TIF
- ___ Increased Residential Base
- ___ Improved Merchandise Mix
- ___ Increase in Square Footage of Leasable Space
- ___ Reduction of Vacant Land
- ___ Renovation that will Spur Additional Development and Private Investment
- ___ Renovation that will have a Substantial Visual Impact
- ___ Projects that Work Hand in Hand with other Major Developments
- ___ Increased Employment Base
- ___ Reduced or Eliminated Store Vacancies
- ___ Business(es), that due to their Success, will Attract other Businesses
- ___ Business(es) that have a Successful Track Record are Involved

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Authorized Representative:

Name

Title

Signature

Date