



**DEVELOPMENT INFRASTRUCTURE ASSISTANCE (DIA)
PROGRAM GUIDELINES**

**Margate Community Redevelopment Agency
June 8, 2016**

DEVELOPMENT INFRASTRUCTURE ASSISTANCE PROGRAM (DIA)

INTRODUCTION

Projects that cost \$1 million or more in the City of Margate Community Redevelopment Area (“MCRA”) may be eligible for a site improvement incentive known as the Development Infrastructure Assistance (“DIA”) Program. This incentive is instituted to encourage property owners to make a substantial investment in the redevelopment area, and to make improvements within or adjacent to the public rights of way of commercial buildings. The MCRA would invest its capital in return for fulfilling the following objectives:

- improving both the physical appearance of the redevelopment area and the property values/marketability of surrounding properties;
- improving existing properties and their value;
- creating an improved infrastructure on both public and private land;
- facilitating commercial development in the MCRA District; and
- facilitate commercial development that creates employment opportunities within walking distance of transit.

Targeted projects are those that include quality office and commercial space, including new and/or existing commercial buildings, hotel projects, and mixed-use buildings. Auto oriented uses are not eligible unless they address a specific need (i.e., providing jobs for hard-to-employ persons, filling a gap in a particular service, or otherwise meeting a need identified in the Margate Community Redevelopment Plan.)

HISTORY

The success of the MCRA’s community redevelopment efforts is largely dependent upon the economic vitality of the area. The MCRA Plan outlines the importance of projects aimed at increasing job growth and generating activity in the commercial areas of the MCRA District, as well as the MCRA’s commitment to promoting economic development activities. As a result, the MCRA Plan “District Wide Projects” section recommends Economic Development Incentive Programs to “establish a diverse, identifiable character for the City within the Redevelopment Area while promoting economic vitality through private sector investment.”

DESCRIPTION OF THE PROGRAM

The Development Infrastructure Assistance Program is a MCRA incentive program in which the MCRA reimburses a private for-profit organization 50% of the costs of eligible site improvements for an eligible commercial project, up to an amount not to exceed 75% of the projected Tax Increment Funds (“TIF”) generated by the improvements over a three year period following project completion, up to a maximum reimbursement of \$250,000. Qualified improvements exceeding \$1 million may be either on private land or on the public right of way, or both. Reimbursement will occur in three annual disbursements, beginning after the entire project, including the building structure, is complete, a Certificate of Occupancy has been issued, the improvements are included on the property tax roll, and

payment of ad valorem property taxes has been validated. A formal agreement establishing the terms of reimbursement is prepared for approval by the MCRA Board.

ELIGIBLE REIMBURSEMENT COSTS

Applications for the DIA Program will be accepted for a five-year period, starting on June 9, 2016. Costs eligible for reimbursement may include but are not limited to the following:

- Landscaping, irrigation, exterior site lighting, sidewalks, plazas, site walls, permanently affixed site furniture, bicycle racks, etc., located on either public right of way adjacent to the private development, or on a portion of the private property that is accessible to the public.
- Public right of way improvements along a street or alley and adjacent to the private development, including paving, sidewalks, curb & gutters, storm drainage systems, traffic signals, on-street public parking spaces.
- Signage, including street signage, directional signage, monument signs, and tenant signage.
- Underground and above ground public utilities, including but not limited to water mains, sewer mains, irrigation lines, natural gas lines, and electric utility lines.
- The construction of publically dedicated parking lots and parking structures, or portions thereof.

Costs associated with residential uses in mixed-use projects will not be included in the valuation of eligible reimbursable costs.

GRANT LIMITS

The maximum amount of the reimbursement grant shall be calculated at a rate of 50% of the cost of eligible reimbursable expenses. In addition, the DIA grant award may not exceed 75% of the projected three-year Tax Increment Revenues generated by the improvements. In no event shall the total award exceed \$250,000.

The Project's estimated assessed value after completion shall be based upon a review of the project costs and relevant market data. If deemed necessary by MCRA staff, the services of an appraiser or financial specialist may be required to more accurately gauge the projected impact. The DIA grant is contingent on funding availability, MCRA Board approval, and the execution of the Grant Agreement by the MCRA and the Applicant, and is not to be construed as an entitlement or right of a property owner or applicant.

The MCRA may at its sole discretion cease offering funding under the DIA Program if, in its sole discretion and absolute determination, it feels that the assistance no longer benefits the furtherance of the MCRA District.

ELIGIBILITY REQUIREMENTS

Applicants must meet all of the following requirements in order to be eligible to receive assistance through the DIA Program:

1. Proposed projects must be within the commercial or mixed use zoning districts of the CRA area.

2. The final grant agreement must be approved by the MCRA Board and be fully executed by the MCRA and applicant prior to the issuance of building permits. Exceptions to this requirement may be made during the first 180 days of the program's operations, on a case by case basis.
3. Non-profit entities subject to Property Tax Exemptions are not eligible for the DIA Program.
4. Properties are not eligible for MCRA funded programs when the proposed improvements are inconsistent with the Community Redevelopment Plan, or when such funding conflicts with the goals expressed in the Community Redevelopment Plan.
5. Applicants must either own the property or must have an executed multi-year lease (10-year minimum) with the property owner, as approved by the primary lender.
6. At least 25% of the net floor area of the proposed project must consist of commercial (exclusive of multi-family residential), office, industrial and/or hotel space in order to be eligible for a DIA incentive.
7. The Project owner or developer must have a minimum of 20% of project costs (equity) in the financing structure. Land cost may be included in the determination of equity.
8. In order for on-site parking lots or parking structure costs to be eligible for the DIA Program, parking spaces must be dedicated for public use.
9. Property to be improved must be free of all municipal and county liens, judgments or encumbrances of any kind and must remain free of all municipal and county liens, judgments or encumbrances of any kind during the term of the agreement. Failure to do so may impact payment of the reimbursement award.
10. The Applicant may not employ or retain any company or person, other than a bona fide employee working solely for the applicant, to solicit or secure the incentive award, and not pay or agree to pay any person, company, corporation, individual or firm, other than a bona fide employee working solely for the applicant, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of the incentive award.
11. Project cost must be a minimum of \$1 million.

PROCEDURES FOR IMPLEMENTATION

Grant approval is a two-step process, with preliminary and final funding approvals required by the MCRA Board before improvements are made in the project.

If a certification of eligibility is granted, the MCRA Board will pass a resolution to make DIA program funds available to the proposed project, subject to it being carried out and subsequent terms being agreed upon by the MCRA and applicant in a final grant agreement. Following certification of eligibility, applicants must submit additional information to demonstrate that a decision to commence development has been made and verifying consistency of the proposed project with MCRA priorities. This information will be used to determine eligible expenditures and calculate the grant award. The final grant agreement is subject to approval by the MCRA Board and must be fully executed by the applicant and the MCRA before obtaining building permits for the demolition and construction of any portion of the project. Exceptions to this requirement may be made during the first 180 days of the program's operations, on a case by case basis, to ensure that projects that are in the pre-development phases at the time the program is established are not excluded from participating.

1. **Pre-Application Meeting** All prospective applicants are required to meet with MCRA staff prior to the submission of any funding request, in order to discuss the conceptual project idea, general MCRA objectives, and review the approval process.
2. **Preliminary Funding Request** The following information must be submitted to the MCRA before a preliminary funding request will be taken to the MCRA Board for consideration:
 - a. Completed/executed application form (preliminary)
 - b. Description of the business and NAICS code
 - c. Listing of and bios for business owners and/or executive-management team, including relevant development projects and experience
 - d. If an existing business, copy of articles of incorporation, proof of active corporation status and current Business Tax Receipts (City and County).
 - e. 3-year historical financials of owner(s) or related entity
 - f. Description of the project, scope of improvements, tentative project timeline and projected local economic impact of the project. The tentative project timeline must identify, at a minimum, the following development milestones: property acquisition or lease timeframe; preliminary drawings; site plan approval; final drawings; final cost estimates; building permits; and construction commencement and completion
 - g. Zoning Verification Letter prepared by the City's Economic Development Department indicating that the project conceptually meets the requirements of the City of Margate's Land Development Regulations
 - h. Preliminary construction cost estimate, as prepared by a certified construction industry professional.
3. **Final Funding Request** – Funding requests will not be considered until after the MCRA Board has certified the eligibility of the proposed project and all required documentation has been submitted to the MCRA office. Application packets must include the following documentation:
 - a. Completed/executed application form (final)
 - b. Copy of executed land lease (min. 10-year term) or proof of ownership of the property
 - c. Proposed project site plan, floor plans and building elevation (see Application Form for specific requirements)
 - d. Description of proposed uses, and copies of any lease agreements or Letters of Interest from prospective tenants
 - e. Five-year operating Pro Forma including financial projections of revenues and expenses (see application form for specific requirements)
 - f. Total Project Cost Analysis prepared by a licensed General Contractor, or by a Florida licensed real estate appraiser with construction costs certified by a licensed General Contractor
 - g. Revisions to any documents submitted as part of the initial funding request
 - h. Additional items as required by MCRA staff.
4. **Third Party Analysis** – The MCRA reserves the right to have the application and its contents evaluated and analyzed by an outside third party, including but not limited to:

partnership/ownership information with equity positions; financial assets; mortgage on the property; tenant lease agreements; letter of Intent from lending institution; economic impact of the project; return on MCRA investment, and any other aspect deemed appropriate by the MCRA.

5. **Approval of the Final Funding Request and Incentive Agreement** – After all required documentation has been submitted and reviewed by staff and a third party consultant as deemed necessary, staff will negotiate incentive terms with the applicant, according to prior direction and subject to the approval of the MCRA Board of Commissioners and Section 163.380, Florida Statutes, as may be amended from time to time. The draft grant agreement, including a recommended maximum funding amount, will be presented for Board consideration. Applicants are strongly encouraged to be present at the MCRA Board meeting, prepared to present its development proposal and to answer questions by the MCRA Board. Following MCRA Board approval of the final funding request, the MCRA and the Applicant shall execute a DIA Grant Agreement which will clarify the terms and conditions of the funding.
6. **Start of Construction** – Construction shall start within the time frame specified in the Grant Agreement. If construction does not start within the specified time frame, the Grant Agreement and the Development Infrastructure Assistance Program approval may be terminated.
7. **Payments** – Subject to the terms and conditions of the Grant Agreement, MCRA funds for reimbursement of eligible and pre-approved expenses shall occur only after the following milestones are met: a) the entire project, including the building structure, has reached completion and the applicant has obtained a Certificate of Occupancy (“CO”) from the City of Margate b) the project has been included on the Broward County property tax rolls and is shown to be generating tax increment revenues to the MCRA, and c) verification is submitted that the property taxes have been paid. The grant award shall be paid by the MCRA in annual payments made in accordance with a payment schedule that will be established in the Grant Agreement.
8. **Site Visits** – MCRA staff will conduct site visits before the initial reimbursement payment is made in order to verify that improvements are complete as presented in the approved application. Staff may also conduct unannounced periodic site visits in order to ensure compliance with the terms of the Grant Agreement.
9. **Reporting** – By accepting Payment, the applicant agrees to comply with any reporting procedures deemed appropriate by MCRA staff to verify that any required project timeframes included in the incentive agreement are being adhered to, and that construction is completed as represented in the scope of improvements.

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

Applicant Signature

Date

Printed Name, First and Last

Please note that the Margate MCRA is a public agency. As such, the MCRA is governed by Section 119.07, et.seq., Florida Statutes, popularly known as the “Florida Public Records Law.” Any documents provided by the Applicant may be subject to production by the MCRA upon receipt of a public records request, subject to any exemptions provided by Florida Law.

PROGRAM INQUIRIES

Please direct inquiries on the Development Infrastructure Assistance Program, including obtaining a complete application packet, to:

Executive Director

Margate MCRA
5790 Margate Boulevard
Margate, FL 33063
954-935-5323