

City of New Port Richey, Florida
Community Redevelopment Agency

Commercial Real Estate Redevelopment Grant Program

The Commercial Real Estate Redevelopment Grant is a CRA incentive program that serves to support private redevelopment projects with a \$500,000 minimum in capital investment.

Objectives:

- Ensure redevelopment continues, including rehabilitation and renovation of the City's existing larger, older commercial buildings and to improve building infrastructure.
- Assist businesses relocating to a more suitable location and allow for re-merchandising of vacated space.
- Support commercial property owners and listing realtors in obtaining the highest and best use of vacant and semi- occupied properties.
- Eliminate blighted properties and to offset costs of such upgrades as; ADA, building code, sprinkler systems, egress, and parking.
- Attract private sector investment
- Grow employment and business opportunities to sustain the economic health of New Port Richey and enhance the quality of life for its residents.

Reimbursement Categories:

The Commercial Grant Program is designed to support difficult redevelopment projects. Since not all redevelopment obstacles are the same, this program allows the CRA the flexibility to choose from a variety of options to facilitate projects that would not happen without CRA assistance at some level. Grant funds will require a redevelop agreement and target four specific elements of the project.

- I. Purchase and/or significant upgrade of commercial properties.
- II. Improvements to the leasehold space in a comprehensive manner so the building can be prepared for multiple tenants and/or an anchor tenant.
- III. Redesign of the building facade and exterior grounds of the property.
- IV. Jobs creation and business growth loan program

Evaluation Criteria:

The project will be evaluated based upon the following criteria.

- Economic benefit to the surrounding properties and targeted redevelopment district.
- Increase in commercial ad valorem taxable value
- Amount of improved square footage
- Renovation or construction that will spur additional development and private investment
- Renovation or construction that will have a substantial visual impact
- Job Creation

- Reduces or eliminates slum and blight
- Businesses that have a successful track record and credit scoring
- Property owner and/or business is in good standing with the city.

Grant Criteria:

In addition to the evaluation criteria, to qualify, there must be a substantial impact that will be a transformation to the targeted redevelopment district. Grantees must submit a site plan and business narrative describing in detail the level of investment, parties involved and how the investment will work toward eliminating slum and blight and contribute to the welfare of the community.

Any applicant tenant must identify the number of jobs created and retained, provide a narrative outlining how the funds will be used and explain clearly the community benefit that will occur during the lease term.

If approved, an agreement will be negotiated highlighting the benchmarks that will trigger the incentive payments (percent complete, milestones, number of employees, certificate of occupancy, final permitting, etc.). Applicants selected for the grant will be required to accept the grant award via the signing of an agreement within thirty (30) days of award notification, and must commence development within 90 days. All proposals must meet State building code requirements as well as City of New Port Richey code requirements.

Balance of the grant will be forfeited if the owner sells without city approval, does not comply with City of New Port Richey Building Codes, Ordinances and Regulations or fails to pay property taxes during the life of the grant period.

- Such projects must be of benefit to the quality of life for city residents and serve to eliminate slum and blight.**
- Grant funds shall be capped at 20% of the overall cost of the redevelopment project or a maximum of \$100,000.**
- Funding is limited by the amount budgeted in the CRA each year.**
- Each grant award is subject to approval by the CRA board.**

How does this grant program differ from the current incentive program?

The current CRA business incentive program targets smaller, individualized properties. These smaller projects typically yield two-dollars and fifty cents for each CRA dollar invested (2.5:1).

The Commercial Real Estate Redevelopment Grant program seeks a greater return on CRA investments—four dollars for each CRA dollar invested (4:1). Additionally, this incentive will require that the project involve an investment of \$500,000 or greater and target properties, when renovated, contribute significantly to the CRA redevelopment district and serve to increase the ad valorem taxable value baseline.

Why is this grant program necessary?

The challenge for New Port Richey is that of West Pasco County, the commercial building stock has aged considerably. Much of the new investment capital has shifted to east. Local commercial property owners have been reluctant to make major improvements. With existing property owners preferring to lease out office space, because there is less tenant damage. This dynamic has resulted in a decline in available quality retail space.

The goal of this incentive is not only to create jobs, but to create a competitive environment that encourages the purchase and renovation of tired commercial properties that are substantial in size, or have been on the market for significant periods of time. The objective being, that when renovated, the targeted property will compel nearby properties owners to make improvements as a result of the recovered economic conditions surrounding the improved area.

What areas of the city are included?

Any commercial property within the CRA boundaries may apply for Commercial Real Estate Redevelopment Grant.

What are the parameters of the grant awards?

Each grant request will be reviewed by City staff and if it is determined to meet the goal of eliminating slum and blight, job creation, design and code upgrades and improving the surrounding area of the district, it will be submitted to the CRA Board for approval.

There are four grant categories that serve to target various aspects of each project. Grant proceeds are capped at 20% of the overall project including job creation/retention grant amounts. Allocation of the proceeds over each of the four categories is determined based upon the grantees narrative, project elements and redevelopment proposal for the targeted property. City staff will then determine the allocation of proceeds over the four available categories.

The CRA reserves the right to cap or limit the amount of the award.

A. Commercial Repairs Improvement

Only the property owner can apply. To qualify, the property must be substantial in size, and a detriment to the community if left vacant or unproductive. Improvements must become part of the real property. Included are items such as new air conditioning, fixtures, utilities, new roof, structural changes or elements that improve code compliance. The primary focus is preparing the structure for long-term, code-compliant, commercial use.

B. Commercial/Business Facade

To qualify, the property must be substantial in size with a design element that will not only benefit the structure itself but fits well within the district.

In general, grant assistance is restricted to visible improvements of the exterior area of the commercial property. The following exterior improvements are eligible examples, but not limited to:

- Removal of a false material that may cover the original building appearance, such as plywood, metal or deteriorated stucco.
- Pressure cleaning
- New stucco or stucco repair
- Painting
- New windows or replacements
- New doors or replacements
- New or replacement woodwork
- Masonry work (new or repointing of mortar joints)
- Signs (including the removal of old signs and the design, production and installation of new signs)
- Awnings (including the removal of old awnings and installation of new awnings)
- Tear out required to build a new entrance into the building
- Landscaping and planters
- Repair of parking lot
- Lighting of the exterior
- Brick or textured pavement
- ADA improvements

C. Commercial/Business Leasehold Improvement

The intent of the guidelines is to prepare the space for one an anchor tenant, or multiple tenants. The following improvements, but not limited to, are eligible:

- Utility and structural upgrades
- Fixed improvements to interior spaces.
- Interior painting and finishing
- Flooring (tile, carpet or wood)
- Ceiling improvements (including drop - ceiling systems)
- Additional lighting
- Storefront lighting
- Installation in preparation of kitchen equipment, micro-brewery, or such items needing structural modification.
- ADA and code compliance

D. Job Creation and Retention Grant

To facilitate the relocation and startup cost, anchor tenants will be afforded a zero interest 'line of credit' to be amortized/forgiven over the term of the lease, provided certain agreed upon benchmarks, such as job creation and employment retention are achieved each year.

This incentive is designed to allow the tenant to borrow up to \$50,000. The zero interest loan will be forgiven over the life of the lease agreement provided the tenant meets certain employment performance metrics as described in the tenant’s plan. The award is equal to \$2,000 per year for each full-time equivalency created. Or in the case of a relocation \$2,000 for each FTE job retained.

Benchmark metrics include:

- Job Creation & Retention
- Capital Investment of the overall project must exceed \$500,000
- Square footage and use of that space
- Elimination of slum and blight
- Benefits to City Residents
- Credit rating of the tenant.

<u>Total Redevelopment Investment</u>	<u>Tenancy Term</u>	<u>Dollar Limit</u>
\$500,000	3 Years	\$30,000
\$750,000	4 Years	\$40,000
\$1,000,000 +	5 Years	\$50,000

Reporting Requirement

Line of credit recipient businesses are responsible to submit a payroll register showing FTE calculations with supporting RTC-6 as employment verification. The employment verification report due date will be identified in the grant award agreement.

If the job creation requirements are not reached, the agreement will be terminated and the balance of the loan that has not been forgiven will be called as due. If the participant should cease business at the site, the participant shall repay its obligations to City as provided in the executed agreement.

**City of New Port Richey
Community Redevelopment Agency (CRA) Commercial Real Estate Redevelopment
Grant Application**

- 1. Name of Property Owner: _____
Name of Co-Owner: _____
Name of Tenant (if not property owner): _____
Business Name: _____
Property Address: _____
Mailing Address: _____
E-mail Address: _____
Parcel ID #: _____

- 2. Description of the improvement(s):

Attach a drawing or rendering of the planned improvements, as well as any descriptive material.

- 3. Current photos of the property or structure must be attached to this application.

- 4. Total Redevelopment Project Costs: _____

- 5. Attach estimates or project cost list:

- I. Acquisition Costs & Significant Building Upgrades..... _____
- II. Interior and Leasehold Improvements..... _____
- III. Building Façade & Exterior Grounds..... _____
Other..... _____
Total Redevelopment Project Costs..... _____
Eligible Amount (20% of Project Costs)..... _____
Requested Amount..... _____
- IV. Job Creation and Retention Loan
Term of Lease..... _____
Number of Jobs Created/Retained..... _____
Eligible Amount..... _____
Requested Amount..... _____

Total Amount Requested..... _____

6. The undersigned applicant agrees to utilize any grant funds received in strict conformance with the provisions set forth by the CRA Commercial Real Estate Redevelopment Grant Program.
7. All Grant Applications must receive approval by The City of New Port Richey CRA.
8. All Applicants that are awarded a grant understand that when submitting for reimbursement that "cash receipts" will not be accepted due to auditing requirements. (NO EXCEPTIONS) You must pay for materials/services by personal check, money order or by credit card. Applicant must submit final documentation, including copies of any permits & licenses, certificate of completion, documentation of payment of all project costs including canceled checks and paid receipts with name matching the business and/or property owner, any lien releases and after photos.
9. Work can be completed by either a contractor (specializing in the area that is applied for) or by the applicant themselves. If an applicant chooses to perform their own work, they may not request reimbursement for their own labor or major tool purchases.
10. Available to Property Owners and Tenants (with permission of Property Owner) in the CRA zoning districts. Tenants must have a minimum three-year lease. Property must be current in water/sewer/garbage, and tax bills and without City liens. All businesses on the property must have a Business Tax Receipt.

(Applicant Signature)	(Date)	(Phone#)
(Printed Name)		
(Co-Applicant Signature)	(Date)	(Phone#)
(Printed Name)		