



SITE DEVELOPMENT ASSISTANCE PROGRAM

PURPOSE

The Site Development Assistance Program is open to existing commercial properties within the Community Redevelopment Area. The program encourages business and property owners to improve their existing business sites through interior and exterior improvements and/or business expansion projects.

The intent of the Site Development Assistance Program is to help defray the cost of interior and exterior improvement projects to commercial properties that result in a publicly visible improvement or the enhanced viability of business activity within the CRA District. Reimbursable costs generally include design, labor, installation and material costs associated with building expansions, renovations and activations.

Criteria that will be considered in the review of an application may include, but are not limited to:

1. The visual impact of the project on the area
2. The impact the project will have on property values in the area
3. The project's probability of success
4. The number of new jobs that the business will create, particularly for area residents
5. The level of appropriateness for the type of business use in its respective location as consistent with CRA and City plans, including the 2005 Cluster Analysis and Retail Development Strategy ("Cluster Study"), Downtown Master Plan, West Atlantic Redevelopment Plan, North Federal Highway Redevelopment Plan, and other high priority areawide plans
6. The amount of private funds being invested into the project

ELIGIBILITY AREAS & GENERAL PROVISIONS

Exterior and/or interior improvement projects for CRA-owned commercial properties are generally eligible for funding under the Site Development Assistance Program in Sub-Areas #3, #4, #5, #6, #7 and #8 of the CRA District. Commercial business functions properties may include general retail, office, restaurant, medical, automotive, professional services and facilities, recreational and other commercial uses as allowed by the City of Delray Beach Land Development Regulations. Mixed-use properties are generally eligible for funding (excluding multi-family residential), provided that the commercial component makes up at least 51% of the square footage of the structure. For mixed-used projects with a commercial component that makes up less than 51% of the use of the structure, only the portion of exterior improvement costs that can be attributed specifically to the commercial space may be eligible for reimbursement.

In CRA Sub-Areas #1 and #2, the Site Development Assistance Program is restricted solely to art galleries, art studios, office users, personal service providers, and retail businesses. An office user is defined as any business entity primarily engaged in professional, administrative and/or clerical activities, including but not limited to company headquarters, financial services (excluding banks), insurance agencies, architects, lawyers, engineers, real estate offices, marketing, advertising or design firms, travel agencies, consulting firms, software and technology firms, abstract and title agencies. The term "office user" does not include medical offices or medical



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clinics, call centers. A personal service provider is defined as any business entity primarily engaged in services such as barbershops or salons.

Pursuant to the goals of the CRA and the City of Delray Beach Land Development Regulations, the following businesses/uses will be considered automatically ineligible for assistance under the Site Development Assistance Program:

- a. Any business or property within CRA Sub-Areas #1 and #2, with the exception of art galleries, art studios, and office users, as defined within these program guidelines.
- b. Religious institutions or organizations throughout the CRA District
- c. Single-family properties throughout the CRA District
- d. Residential condominium properties throughout the CRA District
- e. Non-condominium multi-family residential properties of less than eight units
- f. Any business which is a non-conforming use as determined by the City of Delray Beach

Grantees under this program agree to complete the project that the funding was awarded for, according to the scope of work presented in the application. Furthermore, all work must be done in compliance with applicable State, County, and City of Delray Beach laws, ordinances, and regulations, and must have the appropriate permits and Certificates of Completion issued.

The Site Development Assistance Program benefits are contingent on funding availability, approval of the Funding Assistance Application by the CRA Board of Commissioners, and the approval and execution of the Funding Agreement by the CRA Board of Commissioners, and are 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 Redevelopment Plan. The CRA reserves the right to deny any Site Development Assistance Program application if, in its sole and absolute discretion, it determines that the business or project will not further the goals and objectives established for the economic development of the CRA District. The CRA may obtain an analysis by a third party or outside firm hired by the CRA to evaluate the application.

Applicants may not apply for funding through the Site Development Assistance Program if previously awarded funding under the same program within the last ten (10) years. Businesses expanding to add additional locations may be eligible to reapply. New businesses applying for funding assistance cannot have the same officers/partners/directors/members as an existing or previous grantee business.

GRANTEE PERSONAL LIABILITY

To safeguard the CRA's investment to local small businesses while also promoting business success and sustainability, each Site Development Assistance Funding Award will include a Grantee Personal Liability. In the event that the Grantee's business does not remain in business/operation at the same location for which funding was approved, the Grantee becomes personally liable for ten percent (10%) of the funding award amount (or 10% of the actual total amount disbursed if the disbursed amount is lower than the award amount), which is to be paid back to the CRA. For every year that the Grantee remains in business/operation at that same



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location, two percent (2%) of the liability will be forgiven. After five (5) years of remaining in business/operation at the same location, the Grantee Personal Liability will be forgiven in full.

FUNDING & AWARD LIMITS

Funding is available for eligible projects in two tiers, and is calculated based on eligible project costs. Tier One funding is available in high-priority areas of the CRA District (CRA Sub-Areas #3, #4, #7 and #8). Tier Two funding is available in all other sub-areas of the CRA District (CRA Sub-Areas #1, #2, #5 and #6) with some restrictions.

Tier One: 75% of eligible project costs, up to a maximum award of \$75,000.

Available to new business only, eligible project costs may be reimbursed at a rate of 100% up to \$10,000, with remaining eligible costs reimbursed at 75%, with a total maximum award of \$75,000. A new business is defined as any business operating for the first time and cannot be more than two (2) years. A new business is a business that was not previously in operation at a different location or engaged in any business activity by any other name.

Tier Two: 40% of eligible project costs up to a maximum award of \$50,000.

Any single eligible expenditure included in the project budget which exceeds \$25,000 may be subject to a reduced reimbursement percentage rate as determined by the CRA Board.

~~Applicants may not apply for funding through the Site Development Assistance Program more than once within any fiscal year. No property may receive more than the maximum allowed grant award, as set forth within these guidelines, within a five-year period.~~

Funding for the Site Development Assistance Program is allocated annually as needed. Assistance from this program may, at the sole discretion of the CRA, be combined with assistance from other programs. Funding for approved projects may be carried from one fiscal year to the next at the sole discretion of the CRA.

ELIGIBLE EXPENSES

Expenses specifically eligible for reimbursement include, but are not limited to, the following items:

- Landscaping and Irrigation
- Exterior alterations and repairs, stucco, painting and other general façade improvements
- Exterior Windows, Exterior Doors and Storefront Improvements
- The installation and improvement of parking, driveways, and sidewalks
- Interior and exterior lighting fixtures and related electrical work
- Exterior Signage
- Awnings and canopy features
- HVAC repair or replacement

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- Ceilings
- Flooring
- Interior doors and walls, including repair, replacement, demolition or reconfiguration
- Interior painting
- Interior mechanical/engineering/plumbing improvements
- Interior permanent fixtures, including but not limited to cabinetry, countertops, sinks, ceiling fans, toilets, and permanent displays
- Hood and fire suppression systems
- Design, permitting and engineering fees

Expenses specifically ineligible for reimbursement include the following items:

- Purchase of appliances, equipment, inventory, furnishings, decorations, or supplies
- Purchase of real property
- Rent, lease, or mortgage payments
- Interior improvements to residential portions of any property
- Security system repair and/or replacement
- Roof Repair or Replacement, with the exception of roof projects that structurally alter the façade of the building and are visible from adjacent roadways (i.e., change from flat to pitched roof, or significant increase in roof pitch, etc.)
- Contractor Overhead and General Supervision Fees
- Construction Mobilization and General Conditions
- Drainage
- Site Utilities
- Cleaning and Grading
- Attorney fees

Notwithstanding the fact that the expense is listed above, any specific expense may be deemed ineligible at the sole discretion of the CRA.

PROCEDURES FOR IMPLEMENTATION

1. **Application Process** – All applicants are strongly encouraged to meet with CRA staff in order to determine eligibility before submitting an application. Funding requests will not be considered until all required documentation is submitted to the CRA office.

Application packets must include the following documentation:

- a. Completed/executed application form
- b. Copy of executed commercial lease OR warranty deed
- c. Business Plan; or Business Plan Summary pertaining to the use, management and occupancy of the property
- d. Description of the legal organizational structure of the applicant business including the title and names of the officers/partners/directors/members over the last three years (if the applicant entity is affiliated with another entity, please provide a statement representing the nature of the affiliation along with the other entity's name, address, phone number, and a listing of the officers/partners/directors/members)
- e. Business organizational charts over the last three (3) years, signed and certified, showing the business officers/partners/directors/members

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- d-f. Three-year financial projections of property operations/maintenance
 - g. Evidence of financial ability to pay for the complete project (approved loan, cash balance, line of credit, etc.)
 - e-h. IRS Income Tax Returns for the business, 2 years' worth (total gross receipts or sales cannot exceed \$1 Million)
 - f-i. Narrative description of entire renovation project being undertaken, including sources of project financing and anticipated benefit to property and CRA District
 - g-i. Detailed budget for entire renovation project, broken down into interior and exterior improvements and/or renovations
 - h-k. Detailed breakdown of interior/exterior renovations and improvements for which funding is being requested under the program
 - i-l. All associated plans and renderings
 - j-m. Verification of approved site plan modification application from City of Delray Beach and/or other approvals required by the City of Delray Beach Development Services Department (i.e. received/stamped permit application, approved building permit)
 - k-n. Photographs of the existing conditions of interior/exterior of the property
 - l-o. Completed W-9 Form – A form completed by the vendor(s) that should be paid must be on file with the CRA.
2. **Approval of Funding Request & Grant Agreement** – Once eligibility is verified and all required documentation has been submitted, CRA staff will present the funding request and grant agreement to the CRA Board of Commissioners for approval. Staff will notify the applicant of the Board's decision.
 3. **Payments** – Funds are dispersed to approved applicants by reimbursement or may be paid directly to contractors/vendors for eligible and pre-approved expenses only.
 4. **Site Visits** – CRA staff may conduct site visits before issuing funding disbursements in order to verify that improvements are being completed as presented in the approved application.
 5. **Discontinuation of Payment** – The receipt of past payments is not a guarantee of future payments. The CRA retains the right to discontinue payments at any time according to its sole and absolute discretion.

FUNDING DISBURSEMENT PROCESS

- CRA funds shall only be dispersed for eligible, pre-approved expenses verified as complete. Improvements may only be deemed complete upon receipt of a Temporary Certificate of Occupancy, Certificate of Occupancy, or the issuance of all necessary and satisfactory inspection notices, except as provided for herein.
- Before the CRA will release funding disbursements, approved applicants must submit the following:
 - Detailed work invoice – from the vendor, corresponding to the completed approved reimbursable improvements



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- Proof of payment to vendor – in the form of a cancelled check or credit card statement. Cash receipts are not satisfactory for purposes of reimbursement.
- CRA staff may request additional information to accompany reimbursement requests, including, but not limited to, photographs, verification of vendor certifications, building permits, licenses, business tax receipts, or other documentation.
- For projects in the high-priority areas of the CRA District (Sub-Areas #3, #4, #7 and #8), reimbursement is at the approved Tier 1 funding rate of 75% of the final eligible expenses, as presented for reimbursement, up to the maximum approved award, unless otherwise specified by the CRA Board. For new businesses within Tier 1, the reimbursement rate is 100% for the first \$10,000 of final eligible expenses, and 75% of final eligible expenses thereafter, up to the maximum approved award. Projects in all other areas of the CRA District will be reimbursed at the approved Tier 2 funding rate of 40% of final eligible expenses, unless otherwise specified by the CRA Board.
- Approved applicants may submit monthly funding disbursement requests for eligible expenses that have been completed prior to the completion of the overall project. No more than 75% of the approved award may be disbursed prior to the receipt of a Temporary Certificate of Occupancy, Certificate of Occupancy, or receipt of all necessary and satisfactory inspection notices.
- After receipt of a Temporary Certificate of Occupancy, Certificate of Occupancy, or all necessary and satisfactory inspection notices, approved applicants may submit the final reimbursement request to the CRA. Final grant disbursements will not be released until staff verifies that there are no active liens or code enforcement violations on the property, and that the completed improvements have been sufficiently completed to the satisfaction of the terms of the approved grant, as determined by an on-site inspection. In cases where the approved applicant is also the owner of the business operating at the subject location, the business must also be in operation at the site and have a valid Business Tax Receipt before the final payment may be disbursed.
- The CRA may impose any additional or alternate terms and conditions it deems appropriate to protect the assets of the organization, with regards to funding and reimbursement.



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Delray Beach CRA Sub-areas Map

