



Legislation Details (With Text)

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On agenda: 9/11/2018 **Final action:**
Title: EXTENSION OF CRA INCENTIVES - JOB CREATION BONUS PROGRAM AND DEVELOPMENT INFRASTRUCTURE ASSISTANCE PROGRAM
Sponsors:
Indexes:
Code sections:
Attachments: 1. Agenda Cover Report, 2. Exhibit A - JCB Program Guidelines - DRAFT - 08.28.18, 3. Exhibit B - DIA Program Guidelines - DRAFT - 08.28.18

Date	Ver.	Action By	Action	Result
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TO: CRA Board of Commissioners
FROM: Elizabeth Burrows, Economic Development Manager
THROUGH: Jeff Costello, CRA Executive Director
DATE: September 11, 2018

Extension of CRA Incentives - Job Creation Bonus Program and Development Infrastructure Assistance Program

Recommended Action:

- 1) Approve the proposed modification to the Job Creation Bonus Incentive Program guidelines, extending the program expiration date to September 30, 2021.
- 2) Approve the proposed modification to the Development Infrastructure Assistance Program guidelines, extending the program expiration date to September 30, 2021.

Background:

In 2010, the CRA established six economic development incentive programs, designed to complement its long-established business grant programs. The goal of the incentives, authorized by Section 3.12 of the Community Redevelopment Plan (Ordinance No. 27-14), has been to encourage the development and occupancy of new and existing office buildings in and around the downtown area. Because high quality office space creates opportunities for office users that bring high-value job positions, these incentive programs are an integral component of a larger strategy intended to diversify wages of our local workforce.

Among the six incentive programs created in 2010 were the Job Creation Bonus (JCB) Program and the Development Infrastructure Assistance (DIA) Program. The JCB Program was created to help attract companies that were adding or relocating high-wage job positions to the CRA District. On June 25, 2015, the CRA Board approved several modifications to the JCB Program, streamlining the eligibility criteria and calculation of funding awards, reducing the length of the incentive period to provide value sooner, and adding a Local Hiring Bonus element to encourage quality job opportunities for Delray Beach residents. At that time, the program was also extended through September 30, 2018.

The DIA Program is a tool that offers to repay developers a portion of the cost of eligible infrastructure improvements associated with commercial development or redevelopment projects. Qualifying improvements must be made within the public right-of-way, or within areas of private property adjacent to the right-of-way and accessible to the public. In January 2016, the DIA Program was also extended through September 30, 2018 and modified so that the incentive would not be available within the downtown core or beach area (CRA Sub-Areas #1 and #2). The incentive period was also reduced to 5 years, and the maximum award amount was established at \$250,000.

Staff now recommends extending the term of both programs through September 30, 2021. With construction in progress or nearing commencement for several new commercial developments throughout the CRA District-such as Midtown Delray Beach, Atlantic Crossings, and Fourth and Fifth Delray-the inventory of quality office space will grow by hundreds of thousands of square feet within the next three years. The JCB Program can help attract growing companies that will create the high value jobs we desire for the community. Likewise, the DIA Program can help catalyze commercial development beyond the downtown, in target areas where office and commercial space is still desired, such as West Atlantic Avenue, and North/South Federal Highway corridors. It is further noted, the recently released RFP for the CRA-owned properties in the SW 600-800 Blocks on West Atlantic Avenue referenced these incentive programs. No additional changes are recommended at this time. However, the CRA Board may approve additional modifications to either program at any time.

Attachments: Exhibit A - Job Creation Bonus Program guidelines; Exhibit B - Development Infrastructure Assistance Program guidelines

CRA Attorney Review:

N/A

Finance Review:

N/A

Funding Source/Financial Impact:

N/A

Timing of Request:

N/A