



JOB CREATION BONUS PROGRAM (JCB)



**Delray Beach Community Redevelopment Agency
April 23, 2010**

Job Creation Bonus (JCB) Incentive Program **Incentive for Job Creation for non-retail business**

Introduction

New or existing non-retail businesses in the City of Delray Beach Community Redevelopment Agency (CRA) may be eligible for an incentive known as the Job Creation Bonus Program (JCB). This incentive will be instituted to accelerate development in the CRA Redevelopment Area, create jobs that support other activities and to increase the supply of professional office jobs in the City. Targeted projects are Class "A" office buildings whose tenants may include the following industries:

- Communications/Information Technology
- Life Science
- Business / Financial Services
- Clean Energy
- Emerging Technologies
- Aviation / Aerospace
- Corporate Headquarters

The applicant must generate a minimum value of five (5) New or Relocated qualifying jobs whose annual wages equal or exceed 115% of the County's Average Annual Wage. Annual wages exclude commissions and tips.

History

The 2009 amendment to the CRA Plan identified sections of the Downtown Master Plan which emphasized the importance of the creation of new office space and high-paying jobs in the downtown to complement the service sector jobs. Attracting a year-round day-time population of business people will support the downtown merchants and downtown restaurants. In addition, well paying jobs in the City of Delray Beach would strengthen the City's tax base, the economic wellbeing of the local residents, and the local residential real estate markets. The CRA Plan recognizes that the downtown's pedestrian friendly nature, unique amenities, proximity to I-95 and Tri-Rail, and the CRA funded shuttle bus make it an attractive location for the development of office buildings. The addition of high-paying jobs to the CRA Districts would complete a sustainable and successful district where both businesses and residents can support a healthy tax base.

PROGRAM & FUNDING LIMITS

The incentive program is a grant contribution program that is paid out over a five-year period, in equal installments. The amount of the total grant contributed by the CRA to a project is based upon the qualifying jobs generated by the project according to the following criteria:

- a) 5% of all certifiable annual wages -up to \$10,000 per job or \$50,000 per year for five years- for the new qualifying jobs created anywhere in the CRA District;
- b) 10% of all certifiable annual wages -up to \$10,000 per job or \$50,000 per year for five years- for new qualifying jobs created in a newly constructed Class-A office building;

- c) 20% of all certifiable annual wages -up to \$10,000 per job or \$50,000 per year for five years- for new qualifying jobs created in:
- 1) A newly constructed Class-A Office Buildings in the CRA's Redevelopment Sub-Area 3 (West Atlantic Avenue between Swinton Avenue and Interstate 95)
 - 2) A newly constructed or rehabilitated office building with the CBD-RC Zoning District

The incentive amounts shall be calculated based on the annual wages that are paid to the qualifying employees at the start of employment. A salary raise given to a qualifying employee after the job starts will not increase the incentive amount. However, a salary reduction that occurs after the job starts will automatically void the grant approval for the entire company.

Applications to the JCB program will be accepted for a five-year period commencing on May 1st, 2010. The Delray Beach CRA will initially budget a maximum of \$250,000 per Fiscal Year to the JCB program, starting on October 1st 2010 for the 2010/11 FY.

ELIGIBILITY REQUIREMENTS

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

1. The minimum number of new qualifying jobs for grant consideration is five (5). Qualifying Jobs must be full-time equivalent W-2 employees whose wages are reported to the state and federal government. Qualifying Employee wages shall be equal to or exceed 115% of the most recent County's Average Annual Wage published by the Workforce Alliance. At the start of the program, on April 2010, the Average Annual Wage for Palm Beach County is listed as **\$44,510**; therefore, the CRA qualifying annual wage for this program is set at **\$51,186.50**. Applicants shall check with the CRA's Economic Development Director for actual CRA qualifying annual wage at the time of application, as the number may change.

Annual wages exclude commissions and tips. Employment positions occupied by the business owner or majority shareholders of the business shall not count toward the qualifying job positions.

2. The qualifying jobs must be maintained for a full calendar year each year before payment is issued. The Applicant must provide the CRA with copies of W-2 forms for each qualifying wage each year, as verification of compliance by the company with the performance standards of the grant agreement.
3. In order to qualify for funding under the JCB Program the qualifying jobs must be either New Jobs or Relocated Jobs, defined as follows:
 - a. A **New Job** must be full time (minimum of 2,080 hours annually) and shall: be created in the Delray Beach CRA District and add to the City's total job base; add incrementally to the company's payroll; result in a net increase in the number of employees of the Applicant Company; and involve only a new employee working on-site at the company's facility that is located in the Delray Beach CRA District. A New full time or equivalent job may include permanent salaried and leased employees. All jobs must be located in the Delray Beach CRA District building. A New Employee excludes an existing employee on current payroll of a business located in the City of Delray Beach or in a municipality immediately adjacent to the borders of the City of Delray Beach.

- b. A **Relocated Job** involves full time (minimum of 2,080 hours annually) positions currently identified on the company's payroll that is being relocated to the Delray Beach CRA District, and shall: add to the City's total job base; and involve only an employee working on-site at the new company's facility that is located in the Delray Beach CRA District. A Relocated Job may include permanent salaried and leased employees. A Relocated Job exclude an existing employee of an Applicant Company located in other areas of the City of Delray Beach, or in a municipality immediately adjacent to the borders of the City of Delray Beach. Employees relocating from un-incorporated areas of Palm Beach County will be evaluated for eligibility on a case by case basis.
4. Grant Approval by CRA Board and the approval of the Grant Agreement by the CRA Board must occur before the jobs are added. A business that enters into a Grant Agreement with the CRA must add the jobs within **6** months of execution of the Grant Agreement by the CRA; if the jobs are not added within the **6** month period, the grant approval will expire. When jobs are being created in a newly constructed office building, jobs shall be added within 24 months of the execution of the Grant Agreement, or the approval will expire.
5. A Business must either own the property or have an executed multi-year lease (5-year minimum) for the location in the eligibility area.
6. A Business must be properly licensed and approved by the State, County and the City of Delray Beach.
7. Businesses that do not report employees' wages are not eligible for assistance under the JCB Program.
8. Retail Businesses, Bank Branches, Restaurants, bars, and/or entertainment venues are not eligible for assistance under the JCB Program.
9. The JCB incentive is contingent on funding availability, CRA Board approval, and the execution of a Grant Agreement by the CRA and the Applicant, and is not to be construed as an entitlement or right of a property owner or applicant. Properties in the CRA areas are not eligible for CRA funded programs when such funding conflicts with the goals expressed in the CRA Redevelopment Plan.

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
 - b. Copy of executed multi-year commercial lease or proof of ownership
 - c. Business plan, including executive summary and three-year financial projections of revenues and expenses
 - d. 3-year historical financials (for existing businesses only)
 - e. List of all jobs being created. Include qualifying jobs as well as non-qualifying jobs. Also, include brief job descriptions, salaries and benefits
 - f. Additional items as required in the Application Form

2. **Approval of Funding Request** – Once eligibility is verified and all required documentation has been submitted, CRA staff will present the funding request to the CRA Board of Commissioners for approval. Staff will notify the applicant and landlord of approval, if granted.
3. **Grant Agreement** – Following approval of the Grant Application by the CRA Board of Commissioners, the CRA and the Applicant shall negotiate and enter into a Grant Agreement which will clarify the terms and conditions of the JCB Grant, subject to the approval of the CRA Board of Commissioners.
4. **Grant Payments** – Subject to the terms and conditions of the Grant Agreement, the JCB incentive grant shall be paid out over a five-year period, in equal installments. The first of the five payments will commence within 90 days after: a) the jobs have been in place for a full calendar year; and b) payroll statements and any and all forms of job verification documents are provided to the CRA. Subsequent payments will be made each additional year in the same manner.
5. **Site Visits** – CRA staff will conduct a site visit before grant payments begin in order to verify that the business is in operation. Staff may also conduct unannounced site visits periodically in order to ensure compliance with the terms of the grant agreement.
6. **Reporting** – By accepting the grant, the applicant agrees to comply with any reporting procedures deemed necessary by CRA staff to verify that the required job positions are properly fulfilled and maintained. Reporting may include, but is not limited to, payroll records, work schedules, and reporting forms.
7. **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.

Program Inquiries

Please direct inquiries on the Job Creation Bonus Program, including obtaining a complete application packet, to the following: Francisco Perez-Azua, Economic Development Director, Delray Beach CRA, 20 North Swinton Avenue, Delray Beach, FL 33444, 561-276-8640; perezazua@ci.delray-beach.fl.us

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

PLEASE READ THE FOLLOWING PRIOR TO APPLICATION SUBMITTAL

- 1) If deemed necessary, the Community Redevelopment Agency (CRA) reserves the right to have the application and its contents evaluated and analyzed by an outside third party including but not limited to: the proposed business plan, partnership/ownership information with equity positions, mortgage on the property, lease agreements, letter of Intent from lending institution and any other documents provided by the applicant.
- 2) Property to be occupied must be free of all municipal and county liens, judgments or encumbrances of any kind. Upon grant approval, the property must remain free of all municipal and county liens, judgments or encumbrances of any kind under the term of the agreement.
- 3) The Applicant is prohibited from lobbying any member of the CRA Board or the City commission. Failure to meet this requirement may result in automatic denial of the application.
- 4) The Applicant will provide annually certified wage statements to the CRA including W-2 forms, employee leasing contracts, subcontractor contracts or other as requested by the CRA.
- 5) 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 grant 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 grant award.
- 6) The Applicant agrees that the project shall meet the following criteria in order to qualify as a Class -A Office Building:
 - a) Office space shall have ten feet minimum clear ceiling heights
 - b) Office building must be multi-story, and Floor to Floor heights shall not be less than 13 feet
 - c) There must be a public entrance lobby at the ground floor, and the entrance Lobby at ground floor shall be large enough to accommodate information desk and to allow occupants and guests to congregate.
 - d) Elevator access must be through an interior lobby, and lobbies in all floors shall be air-conditioned
 - e) All common exit corridors and public access ways to upper floor tenant occupied spaces shall be air-conditioned space (no exterior walkways)
 - f) HVAC system shall be free of HCFC's and Halons
 - g) Project must utilize impact resistant glazing and impact resistant entry points
 - h) First floor lobby floor finishes shall be a hard surface such as granite or similar (no thin-set tile with grout joints, no carpet)

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

Applicant Signature

Date_____

Property Owner Signature

Date_____

APPLICATION FORM
JOB CREATION BONUS PROGRAM

Date of Application: _____

1. Applicant Name: _____

2. Business Name: _____

3. Is the Applicant tax exempt? _____

4. New Business Address in the CRA District:

5. Mailing Address:

6. Phone: _____ Fax: _____

7. Email: _____

8. Federal ID#: _____

9. Dates at New Location: _____

10. Monthly Rent: _____

11. Landlord Name: _____

12. Landlord SSN/EIN: _____

13. Landlord's Contact Information:

a. Mailing Address: _____

b. Telephone: _____ Fax: _____

c. Landlord's Email: _____

14. Was this business previously located at another site: Yes No Dates: _____

15. If relocating, provide current Address:

16. Current total number of employees: _____

17. Proposed total number of employees: _____

18. For Existing Business:

a. Does the addition of employees require the business to expand into additional office space? _____

b. If so, is new construction required? _____

c. When is it anticipated that construction could begin or move-in will occur, assuming the project receives a grant from this program? (A detailed project schedule must accompany the application)

19. Include with this application:

- a. Description of the business;
- b. Description of proposed improvement to the property, if any;
- c. Office Floor Plan
- d. Site Plan of building
- e. Preliminary project and move-in schedule;
- f. Resume of business owner(s);
- g. List of all jobs and corresponding anticipated salaries; separate the qualifying jobs from the non-qualifying jobs; provide copies of employee management contracts, and other contract types of jobs located within the space of the business;
- h. Business and financial information:
 - i. Business Plan of applicant or corporate brochure
 - ii. Mortgage information on property (If applicable)
 - iii. Copy of executed Lease agreements with landlord (if applicable)
 - iv. Itemized cost of tenant improvements, identifying costs covered by tenant and costs covered by landlord.
 - v. Letter of Intent from lending institution, if financing required;

Provide a minimum of **3 copies** of the completed application and required documentation.

The JCB Program benefits are contingent on funding availability, approval of the Grant Application by the CRA Board of Commissioners, and the approval and execution of the Grant 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 may obtain an analysis by a third party or outside firm hired by the CRA to evaluate the application.

Signature of Applicant

Date

Signature of Property Owner

Date

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