



## **RELOCATION AND DEVELOPMENT INCENTIVE PROGRAM (RDI)**



**Delray Beach Community Redevelopment Agency  
APRIL, 2010**

# Relocation and Development Incentive Program

## Introduction

Non-retail businesses relocating to the City of Delray Beach Community Redevelopment Area (CRA) may be eligible for an incentive known as the Relocation and Development Incentive Program (RDI). This incentive's intent is to attract businesses that bring a minimum of twenty-five (25) jobs whose wages are equal to at least 115% of the County's Average Wage ("Qualifying Jobs"). Targeted industries include the following:

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

Generally the program's objective is to attract new businesses with high-paying jobs into Delray Beach's CRA District. Other objectives include the following:

- Assist property owners who need to attract an important tenant to its building;
- Encourage the Development of new office buildings
- Help attract companies to Delray Beach that are receiving State and/or County incentives, and are sponsored by the Business Development Board of Palm Beach County;
- Assist property owners in obtaining the highest and best use of vacant and semi-occupied properties;

## 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 compliment 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 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, which would complete a sustainable and successful district where both businesses and residents can support a healthy tax base.

## Program

The incentive program is a grant contribution program that is paid out within 90 days after a business has relocated or moved to the CRA District and the qualifying jobs are in place. The business must hold a current City of Delray Beach business license after occupancy and must have received a certificate of occupancy from the City, if applicable. The amount of grant contributed by the CRA to a business is based upon the company's relocation costs. The CRA will analyze the

cost estimate provided by the applicant and would provide a grant equal to twenty percent (20%) of the costs, up to \$50,000.

The applicant must provide paid receipts and invoices for the costs of the relocation. Any RDI incentive that is approved by the CRA Board will be paid after construction of the improvements are complete; after a certificate of occupancy (or certificate of completion) is received from the City of Delray Beach; and after the qualifying jobs are in place.

### **FUNDING LIMITS & ELIGIBILITY REQUIREMENTS**

Applications to the RDI program will be accepted for a five-year period starting on May 1<sup>st</sup>, 2010. The CRA will budget a maximum of \$250,000 per year for RDI Grants.

The maximum funding for each business is 20% of eligible relocation expenses up to \$50,000. The use of the CRA Grant is limited to several categories as described below. The total funds allocated to the RDI program will be identified in the CRA annual budget, which is entirely contingent on approval by the CRA Board. CRA payments to the Applicant will be made after invoices and proof of payment has been presented by the applicant.

Applicants must meet all of the following requirements in order to be eligible to receive assistance through the Relocation and Development Incentive Program:

1. Business must be relocating to the Delray Beach CRA District. A CRA District Map may be downloaded from the Delray Beach CRA website, [www.delraycra.org](http://www.delraycra.org)
2. Companies relocating from within the City of Delray Beach or from cities immediately adjacent to the City of Delray Beach do not qualify for the RDI Program. Companies relocating from unincorporated areas of Palm Beach County will be evaluated on a case by case basis.
3. Grant Approval by CRA Board and approval of the Grant Agreement by the CRA Board must occur before company relocates. A business that enters into a Grant Agreement with the CRA must relocate within **6** months of receiving the approval. If the business does not relocate within that time frame, 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.
4. Business must either own the building or must have an executed multi-year lease (5-year minimum) for the new location in the eligibility area.
5. Business must employ a minimum of twenty-five (25) qualifying 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.

6. 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 RDI Program.
8. Retail Businesses, Bank Branches, Restaurants, bars, and/or entertainment venues are not eligible for assistance under the RDI Program.
9. The RDI incentive is contingent on funding availability, CRA Board approval, and the execution of the 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.

### **Eligible Reimbursable Costs**

The following are costs that qualify for the grant:

- Moving Expenses paid to a licensed moving company
- Signage
- Interior Tenant Improvements
- Fixed Equipment Costs subject to CRA Approval
- Other Costs approved in advance by 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
  - 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 (as applicable)
  - e. List of all jobs to be relocated to or created in the Delray Beach CRA. Include qualifying jobs as well as non-qualifying jobs. Also, include brief job descriptions, salaries and benefits
  - f. Schedule of proposed Eligible Reimbursable Costs
  - g. 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 RDI Grant, subject to the approval of the CRA Board of Commissioners.

4. **Grant Payments** – Subject to the terms and conditions of the Grant Agreement, reimbursement will be made within ninety days from the CRA receiving the following:
  - a. Invoices and proof of payment for Eligible Reimbursable Costs
  - b. Certificate of Occupancy or Certificate of Completion (if construction was involved)
  - c. Verification that jobs are in place including payroll records.
5. **Site Visits** – CRA staff will conduct a site visit before grant payment is made 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.

### **Program Inquiries**

Please direct inquiries on the Relocation and Development Incentive 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](mailto:perezazua@ci.delray-beach.fl.us). For website information go to [www.businessdelray.org](http://www.businessdelray.org).

**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**

- a) Prior to application submittal, a preliminary review of proposed tenant renovations to a property must be completed by the CRA and City Planning Department.
- b) The applicant understands that the maximum incentive is \$50,000 and that twenty-five (25) qualifying jobs must be created that equal 115% of the County Average wage. The applicant must have a signed lease for a minimum of five (5) years.
- c) After approval process, the CRA will provide the applicant with a Grant Agreement for signature. **NO CONSTRUCTION** shall begin until the Grant Agreement is approved by the CRA Board of Commissioners, and signed by all parties. Improvements completed prior to approval by the CRA Board are not eligible for reimbursement.
- d) 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.
- e) 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.
- f) Property to be improved must be free of all municipal and county liens, judgments or encumbrances of any kind. Upon grant approval, said property must remain free of all municipal and county liens, judgments or encumbrances of any kind under the term of the agreement.

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

\_\_\_\_\_  
**Applicant Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Date**

APPLICATION FORM

**RELOCATION and DEVELOPMENT INCENTIVE 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. Business previous Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

16. If tenant improvement or construction project is required, please provide project information:

a. Brief Description of project:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

b. Property Control Number: \_\_\_\_\_

c. Zoning District: \_\_\_\_\_

d. Existing Use of Property:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

e. Project size: \_\_\_\_\_ sq. ft.

f. Total project cost: \_\_\_\_\_ 100%

Construction cost: \_\_\_\_\_ %

Other costs: \_\_\_\_\_ %

17. Proposed Incentive amount and use(s):

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18. Incentive Information:

Will the business be located in the West Atlantic Avenue Target Area? \_\_\_\_\_

Will the business likely Increase Property Values? \_\_\_\_\_

Is there an increase in square footage of leasable space to the property? \_\_\_\_\_

Will the business help attract additional tenants to the area? \_\_\_\_\_

Explain: \_\_\_\_\_  
\_\_\_\_\_

Will the improvements to the property have a substantial visual impact? \_\_\_\_\_

Explain: \_\_\_\_\_  
\_\_\_\_\_

Will the business Increase the City's employment base? \_\_\_\_\_

Does the business have a successful track record? \_\_\_\_\_ How many years? \_\_\_\_\_

Is the business a targeted Industry, and if so, which one? \_\_\_\_\_  
\_\_\_\_\_

19. Term of Lease:

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20. How many total employees will be working upon occupancy? \_\_\_\_\_ How many new jobs will be created because of the new space? \_\_\_\_\_ Are any jobs being lost due to downsizing?

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21. If Construction is involved, when is it anticipated that construction could begin, assuming the project receives assistance from this program? (A project schedule must accompany the application)

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22. 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 Relocation and Development Incentive Program benefits are contingent on funding availability, approval by the CRA Board of the Grant Application, 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.

I, the undersigned, being a principal of the business applying for a Grant under the Relocation and Development Incentive (RDI) Program, certify that the business represented herein is a new business to the Delray Beach CRA District, and has never been in business in the City of Delray Beach before.

I understand that A CRA staff person will visit my business on a monthly basis or as otherwise deemed appropriate to verify that staffing and operating requirements are being adhered to.

I understand that this application is not a guarantee of assistance. I understand that if this application is incomplete, it will not be processed.

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**Applicant's Signature**

**Date**

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**Printed Name**

**Title**

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