EAST

CRA

POMPANO BEACH

REAL ESTATE DEVELOPMENT ACCELERATOR PROGRAM (REDA)

Real Estate Development Accelerator (REDA)
Tax Incentive for Projects
Over $5,000,000

Projects in the City of Pompano Beach Community Redevelopment Agency (CRA) East District area may be eligible for a tax incentive known as the Real Estate Development Accelerator (REDA). This incentive will be instituted to expedite development in the East District CRA Area.

REDA, a performance-based tax incentive, is a phased-in program that provides larger incentives to developers during the initial development stage. The developers who bring projects to the area in the early stages are accepting more risk; they will incur more costs for marketing their development and may experience slower sales than projects that are built after the market is established. Costs to develop the projects are also generally higher due to lenders' ability to mitigate risk by charging higher interest rates or to require more up-front equity, thus negatively affecting the developer's pro forma.

A clearly defined need must exist and be proven by each development initiative before funding under REDA will be considered. Any incentive that is approved by the CRA Board will be paid during and/or after construction of a project. Approved projects will require a Development Agreement among the City of Pompano Beach, the CRA and the developer.

The REDA incentive is contingent on funding availability and CRA approval, 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 City/CRA funded programs when such funding conflicts with the goals expressed in the CRA Strategic Finance Plan or Community Redevelopment Plan.

Disbursements of the Grant proceeds may be made on a reimbursement basis or paid directly to the Service Provider, in accordance with the Scope of Services attached to application and provided applicant first approves of payment to Service Provider.

Should an applicant choose to engage the services of an agent (individual or company) to assist/represent applicant in this aspect of the process, the expenses for the agent's service will be borne by the applicant. Such expenses are not reimbursable under the terms of any of the CRA's incentive programs. CRA funds cannot be applied to services other than architecture, engineering, etc. related to the construction of the interior or exterior of the building.

The REDA program will be available for a five-year period, with Phase I in effect for three years and Phases II and III for one year each. Phase I will be effective from October 2013 and will expire September 2016. At that point Phase II incentives will take effect for one year, followed by the final stage, Phase III. The incentives for the three phases are as follows:

Costs Covered	Phase I 10/13-9/16 50-80%	Phase II 10/16-9/17 35-60%	Phase III 10/17-9/18 5-40%
Land Cost Mark-down	X		
Development Costs	X		
Relocation Assistance	X	X	
Demolition, Site-Prep, Remediation	X	X	
Infrastructure Assistance	X	X	X
Assembly Assistance	X	X	X

PLEASE READ THE FOLLOWING PRIOR TO APPLICATION SUBMITTAL

- Properties listed for sale may not apply. Properties sold within twenty-four months of receiving grant funding **must repay the full amount**.

- Prior to application submittal, a preliminary review of proposed renovations to property must be completed by the Planning Department.

- After approval process, the CRA will provide the applicant with an approved Grant Agreement for signature. It is recommended that **NO CONSTRUCTION** begin until the Grant Agreement is signed by all parties. Improvements completed prior to approval by the CRA Board, may not be eligible for reimbursement.

- 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.

- If your site plan or application request includes landscaping, the landscaping must be a species and variety of native plants that are drought tolerant, require little irrigation and withstand the environmental conditions of Pompano Beach. Irrigation systems must prevent over spray and water waste and it is recommended a drip irrigation system be installed.

- Property to be improved must be free of all municipal and county liens, judgments or encumbrances of any kind. This provision can be waived by the CRA Board of Commissioners if development plans for said property meets the goals and objectives as set forth in the Pompano Beach CRA East District Five Year Strategic Finance Plan. 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.

_____ **Date**_____

Applicant Signature

_____

Property Owner

REAL ESTATE DEVELOPMENT ACCELERATOR
APPLICATION FORM

Date of Application_____

1. **Address of project requesting CRA investment:**

2. **Name of Applicant:**

   Address of Applicant:

   Phone: **Fax:**

   Email:

3. **Does the applicant own project property?** ____ **Yes** _____ **No**

   If "no" box is checked, when will property be in control (own or long-term lease) of the applicant?

   _____

   Indicate the owning entity of the property (i.e. name on property title):

   _____

   _____

4. **What is the total estimated project investment?**

   Current assessed value: _____

   New capital investment dollars: _____

   Total estimated new assessment: _____

5. **What is the percentage (%) amount of ownership equity relative to total estimated project investment?**

   _____ **20% or more**

   _____ **10% to 19.9%**

   _____ **Less than 10%**

   _____ **None**

6. **What is the percentage (%) of minority ownership of the project?**

   _____ **100%**

   _____ **50% or more**

   _____ **Less than 50%**

   _____ **None**

7. **How many jobs for the neighborhood residents will be created upon completion of project?**

   _____ **1-5**

   _____ **6-10**

   _____ **10+**

   _____ **None**

8. **When is it anticipated that construction could begin, assuming project receives REDA assistance from this program? (A detailed project schedule must accompany application)**

   _____ **Less than 12 months**

   _____ **12 to 16 months**

   _____ **16 to 24 months**

   _____ **Longer**

9. **Include with this application:**

- **Description of proposed development/improvement to the property**
- **Preliminary site plan, floor plans and renderings that enable staff to determine quality of design; parking must be included in the site plan and meet current code regulations or identify variances**
- **Infrastructure improvements, if any, in either the public ROW or on private property and estimated costs**
- **Preliminary project schedule**
- **Tenant makeup**
- **Resume of developer indicating related development experience`**
- **Business and Financial Information:**
  - ***Business Plan**
  - ***Pro forma**
  - ***Mortgage on property**
  - ***Lease agreements**
  - ***Letter of Intent from lending institution**
  - ***Partnership and/or ownership information with equity positions**
- **A minimum of 3 copies of the completed application**

The Real Estate Development Accelerator benefits are contingent on funding availability and CRA approval, 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 Strategic Finance Plan or Community 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**