



**COMMUNITY REDEVELOPMENT AGENCY BOARD MEETING**  
**CITY OF NEW PORT RICHEY**  
NEW PORT RICHEY CITY HALL COUNCIL CHAMBERS  
5919 MAIN STREET, NEW PORT RICHEY, FLORIDA  
March 21, 2017  
IMMEDIATELY FOLLOWING THE REGULAR CITY COUNCIL MEETING

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**AGENDA**

ANY PERSON DESIRING TO APPEAL ANY DECISION MADE BY THE CITY COUNCIL, WITH RESPECT TO ANY MATTER CONSIDERED AT ANY MEETING OR HEARING, WILL NEED A RECORD OF THE PROCEEDINGS AND MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED. THE LAW DOES NOT REQUIRE THE CITY CLERK TO TRANSCRIBE VERBATIM MINUTES; THEREFORE, THE APPLICANT MUST MAKE THE NECESSARY ARRANGEMENTS WITH A PRIVATE REPORTER (OR PRIVATE REPORTING FIRM) AND BEAR THE RESULTING EXPENSE. (F.S. 286.0105)

**ORDER OF  
BUSINESS**

- 1 Call to Order - Roll Call
- 2 Approval of the October 18, 2016 CRA Minutes - Page 2
- 3 FY 2016 Annual Report and Public Notice - Page 5
- 4 Request for Waiver of Penalty Fees from Pasco County - Page 14
- 5 Commercial Real Estate Grant Program - Page 18
- 6 Adjournment

Agendas may be viewed on the City's website: [www.citynpr.org](http://www.citynpr.org) This meeting is open to the public. In accordance with the Americans with Disabilities Act of 1990 and Section 286.26, Florida Statutes, all persons with disabilities needing special accommodations to participate in this meeting should contact the City Clerk, 727-853-1024, not later than four days prior to said proceeding.



# NEW PORT RICHEY

5919 MAIN STREET . NEW PORT RICHEY, FL 34652 . 727.853.1016

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**TO:** Members of the Community Redevelopment Agency  
**FROM:** Judy Meyers, City Clerk  
**DATE:** 3/21/2017  
**RE:** Approval of the October 18, 2016 CRA Minutes - Page 2

**REQUEST:**

The request is for the Board of Directors to approve the minutes from the October 18, 2016 CRA meeting.

**DISCUSSION:**

The Board of Directors for the City's CRA met on October 18, 2016 for its regularly scheduled meeting. The minutes from that meeting are attached for the Board's review and approval.

**RECOMMENDATION:**

Staff requests that the Board approve the minutes as submitted.

**BUDGET / FISCAL IMPACT:**

No funding is required for this item.

**ATTACHMENTS:**

Description	Type
❏ October 18, 2016 CRA Meeting Minutes	Backup Material



**MINUTES OF THE COMMUNITY REDEVELOPMENT AGENCY BOARD MEETING**  
**CITY OF NEW PORT RICHEY**  
**NEW PORT RICHEY CITY HALL COUNCIL CHAMBERS**  
**5919 MAIN STREET, NEW PORT RICHEY, FLORIDA**  
**October 18, 2016**  
**IMMEDIATELY FOLLOWING THE REGULAR CITY COUNCIL MEETING**

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**MINUTES**

**ORDER OF**  
**BUSINESS**

**1 Call to Order - Roll Call**

The meeting was called to order by Chairman Rob Marlowe at 7:53 pm. Those in attendance were, Director Bill Phillips, Director Judy DeBella Thomas and Director Jeff Starkey. Director Chopper Davis was excused.

Also in attendance were Executive Director Debbie Manns, City Attorney Timothy Driscoll, City Clerk Judy Meyers, Chief of Police Kim Bogart, Development Director Lisa Fierce, Fire Chief Chris Fitch, Economic Development Director Mario Iezzoni, Assistant Public Works Director Barret Doe, Assistant Library Director Ann Scott, Parks and Recreation Director Elaine Smith, Technology Solutions Director Bryan Weed, and Human Resources Manager Bernie Wharran.

**2 Approval of the August 2, 2016 and September 15, 2016 Minutes - Page 2**

Motion was made to approve the minutes as presented.

Motion made by Judy DeBella Thomas and seconded by Bill Phillips. The Motion Passed. 4-0. Ayes: DeBella Thomas, Marlowe, Phillips, Starkey Absent: Davis

**3 Hacienda Change Order #3 -Balconies & Bank Street Doorways - Page 7**

Executive Director Manns stated that Mr. Iezzoni would be presenting the item to the Board. Mr. Iezzoni stated that earlier today he had made presentation in Tallahassee for the grant. He stated the item before the Board was for balconies and doorways. He stated the purpose of the agenda item was to improve the overall appearance as the redevelopment continues.

Upon opening the floor to public comment, no one came forward therefore Chairman Marlowe returned the floor to the Board. Director Phillips stated that the prices for this project have continued to rise. Director Phillips stated that the city keeps investing into this project. He stated he would like to have a work session to discuss this issue further. He stated it was hard to see any improvements due to the fence and the hay bales that are around the property. Director Starkey asked Mr. Iezzoni to summarize his visit to Tallahassee. He stated that there are many funding sources available and \$750,000 eligible for grant funds. He stated the key point is the degree of the government and

community involvement. Mr. Iezzoni stated that positive actionable steps have gotten them to where they currently are. In regards to the RFP there is an analysis being done which will be included in the RFP. Motion was made to approve the item as presented.

Motion made by Bill Phillips and seconded by Judy DeBella Thomas. The Motion Passed. 4-0. Ayes: DeBella Thomas, Marlowe, Phillips, Starkey Absent: Davis

4 Adjournment

Chairman Marlowe asked for any final comments and Director Phillips stated that he met with the city attorney of what it would take to add a ballot referendum as to what the city should do as the CRA. He stated he would like to know what is the end game of the Hacienda. Do we want to own it? He stated that the architects and engineers love it. He would like to know what is on the citizens minds as it is a non performing asset. At some point something needs to be sold and be moving along. He stated the city should not be in the real estate business.

Chairman Marlowe stated that he was not sure if he was in favor of creating a ballot measure as it has the potential of tying the city's hands. His concern is not if we fix it or sell it but the end game that the place is occupied and active part of our downtown again. Mr. Iezzoni stated there are various leasing options available that could be pursued. Director DeBella Thomas stated she did not think the referendum was the best course of action. She stated that she thought it was important that the Board know how other cities have dealt with the same issue. She stated she would like to know the pros and cons of each option. Chairman Marlowe asked when the fencing may be coming down and Mr. Iezzoni stated once the windows are complete the fencing can be scaled down. Director Starkey stated he felt a referendum would tie the city's hands. He stated that it is a very limited market but he is confident that the right developer will come along. He also stated that there are many supporters of the Hacienda who live outside the city limits who would not be eligible to vote. He stated we should continue pursuing the government funding.

There being no further business to consider, upon proper motion, the meeting adjourned at 8:28 pm.

(signed) \_\_\_\_\_  
Judy Meyers, City Clerk

Approved: \_\_\_\_\_ (date)

Initialed: \_\_\_\_\_



**TO:** Members of the Community Redevelopment Agency

**FROM:** Crystal S. Feast, Finance Director

**DATE:** 3/21/2017

**RE:** FY2016 Annual Report and Public Notice - Page 5

**REQUEST:**

The Board is asked to review and approve the following annual report of activities and financial statements for the Community Redevelopment Agency for FY2016.

**DISCUSSION:**

Pursuant to Chapter 163.356(3)(c), Florida Statutes, the New Port Richey CRA is required to file an annual report of the CRA's activities and financial statements with the State. In addition, the CRA is required to notify the public of the availability of this report. The public notice is scheduled to be published on March 25, 2017. Attached to this memorandum is a final draft of the report that will be submitted to the State.

**RECOMMENDATION:**

It is recommended that City Council approve the annual report for FY2016.

**BUDGET / FISCAL IMPACT:**

None

**ATTACHMENTS:**

Description	Type
☐ FY2016 Annual Report	Exhibit

# COMMUNITY REDEVELOPMENT AGENCY CITY OF NEW PORT RICHEY, FL



FY2015 – 2016

## Annual Report

“Proud of Our Progress”

# Community Redevelopment Agency City of New Port Richey, FL

## ANNUAL REPORT

### BOARD OF DIRECTORS

The City of New Port Richey's City Council serves as the Community Redevelopment Agency's Board of Directors. The members for Fiscal Year 2015 – 2016 are as follows:

**Robert Marlowe, Mayor**

**Bill Phillips, Deputy Mayor**

**Judy DeBella Thomas, Board Member**

**Jeff Starkey, Board Member**

**Chopper Davis, Board Member**

### CRA STAFF

Debbie L. Manns, CRA Executive Director

Mario Iezzoni, Economic Development Director

Joyce Haasnoot, Sr. Assistant to the CRA Director & Economic Development Director

Lisa L. Fierce, Development Services Director

5919 Main Street

New Port Richey, FL 34652

(727) 853 – 1019

[iezzonim@cityofnewportriches.org](mailto:iezzonim@cityofnewportriches.org)

[haasnootj@cityofnewportriches.org](mailto:haasnootj@cityofnewportriches.org)

Financial data has been provided by Crystal S. Feast, Finance Director.

## MISSION STATEMENT

It is the mission of the Community Redevelopment Agency (CRA) to nurture an environment that supports the growth and retention of businesses, increases property values, and enhances the quality of life for New Port Richey residents.

## PURPOSE OF THIS REPORT

This annual report is required by Florida Statute, Chapter 163.356(3)(c), the governing statute for all community redevelopment agencies across the state, and covers redevelopment activities from October 1, 2015 through September 30, 2016. The statute also requires the report to contain a complete financial statement of assets, liabilities, income and operating expenses, amount of tax increment funds collected and a record of key accomplishments for the fiscal year.

## OVERVIEW

Authorized by Chapter 163, Part III, Florida Statutes, a community redevelopment agency is created to guide redevelopment activities that are designed to return properties to their highest and best use and to improve the economic vitality of a specially designated area, rendering it more appealing for private sector investment. When properly administered, the general purpose of a community redevelopment agency is to reserve and enhance the redevelopment district's tax base through development activities and the establishment of public-private partnerships.

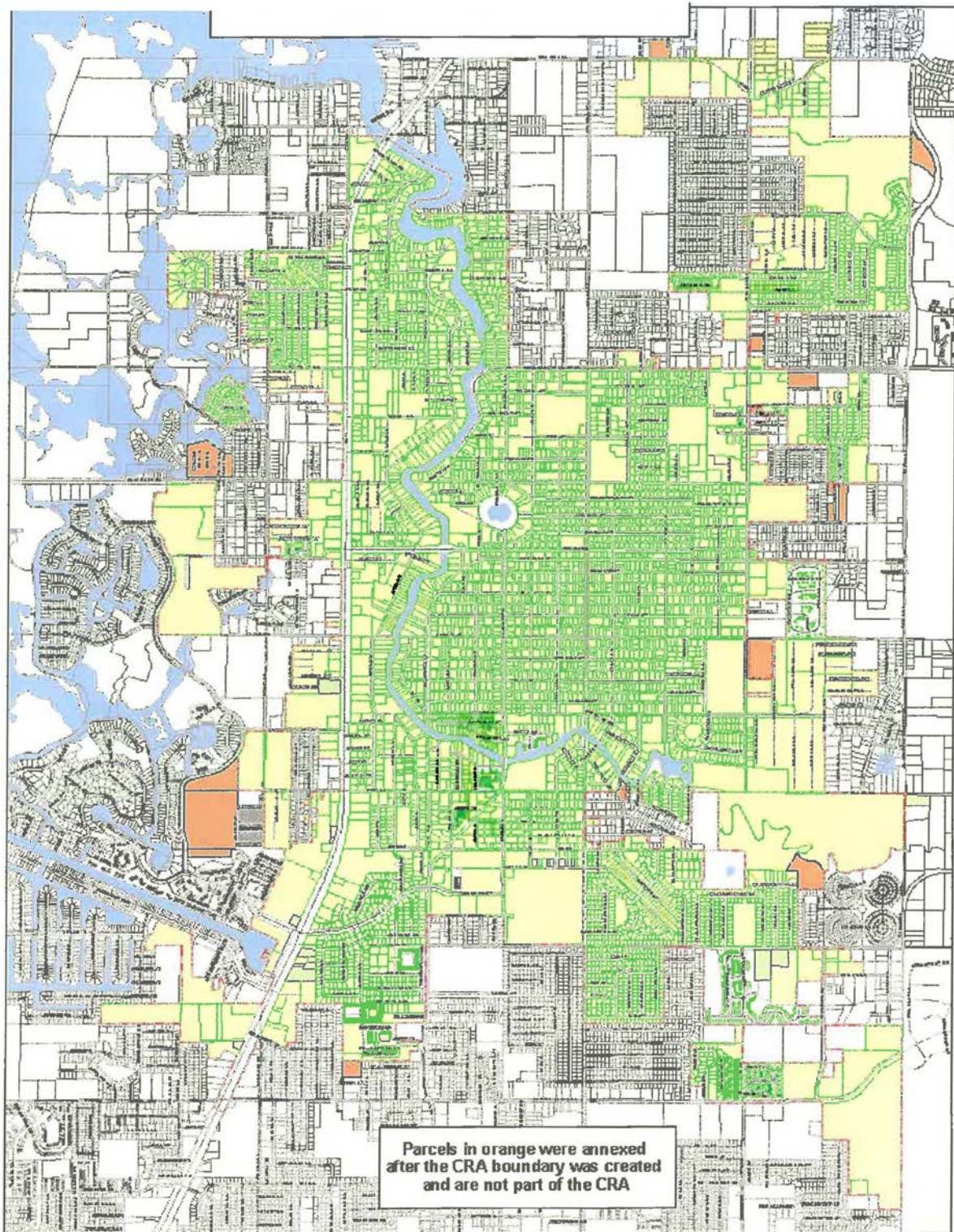
Redevelopment endeavors are implemented through a public body, which is known as a community redevelopment agency. Community redevelopment agencies have the ability to utilize a designated funding tool, known as Tax Increment Financing, which is available to cities and counties for redevelopment activities. Tax Increment Financing is used to leverage public funds to promote private-sector activity in the denoted area or areas. When established, the dollar value of all real property in a redevelopment district is determined as of a fixed date, also known as the "frozen value." Taxing authorities that contribute to the redevelopment district continue to receive property tax revenues based on the frozen value, and these frozen value revenues are available for general government purposes. However, any revenues from increases in real property value, referred to as "increment," are deposited into a community redevelopment agency trust fund and are allocated to the redevelopment district.

Under the authority of Chapter 163, Part III, Florida Statutes, the New Port Richey City Council established the City of New Port Richey Community Redevelopment Agency on November 15, 1988 as a dependent special district to guide the City in its redevelopment efforts.

The CRA boundaries were originally established in 1988 and included the central business district or urban core of the City and some surrounding neighborhoods. In 2001, The City expanded its CRA boundaries to include all properties within the city limits.



## CRA DISTRICT



## FY2015 – 2016 Major Highlights

The redevelopment of our community is a central focus of the Community Redevelopment Agency. It is the responsibility of the Agency to plan, coordinate, and facilitate the City's efforts to attract, retain, and grow businesses and jobs.

### Hacienda Hotel

By the end of the fiscal year, the Hacienda Hotel, a CRA asset, completed the first phase of its building stabilization and historic preservation efforts. The scope of work included over \$1 million in historic preservation funds. The CRA has applied for an additional \$550,000 in funding from the Florida Division of Historical Resources, which would include a match of \$400,000 pledged by the CRA.



### Main Street Landing

During the fiscal year, the CRA successfully negotiated a development agreement to complete Main Street Landings. Started in 2005, this project was to serve as an economic catalyst to downtown redevelopment. However, the project was impacted by the several hurricanes that passed, and a significant rise in construction material costs. Main Street Landings will house 80 upscale residential units and 14 new commercial units. The expected completion date is between June and August of 2018.





### Residences of Orange Lake

During the fiscal year, the CRA worked on securing a development agreement for the construction of the Residence of Orange Lake. The property formally known as the Baptist Church Property was purchased by the CRA in 2005. However, the recession of 2008 had severely impaired the marketability of the 'held for resale' CRA asset. This upscale housing project is now on tract, with the construction of 86 new urbanism residential units. The completion of the Orange Lake housing will significantly improve the economic climate of our downtown.

### Business Incentive Grants

Business incentive grants are an integral part of the activities of the CRA because they help to revitalize and bring new life, as well as new investment, into the City of New Port Richey. During the fiscal year, the CRA aided 48 commercial property owners and granted approximately \$220,000.

### New Commercial Businesses and Job Creation

The CRA remains continuously mindful of one of the most basic principles set forth to guide redevelopment agencies – preservation and expansion of the tax base through increasing economic development opportunities. The CRA understands that, in order to achieve this goal, it is important to not only recruit new businesses, but also to provide outreach and frequent contact to the existing business community.

During the fiscal year, the following businesses were established or relocated to New Port Richey :

- Beef O' Brady's
- Heron Publishing
- My Network One
- Ottaway's Ice Cream
- Rose's Bistro
- People Places
- Sips Café
- Dulcet
- Grand Tavern & Grill
- Kelly's
- Johnny Grits
- Cornerstone Pizza
- Home Instead Senior Care
- Kelly's Aloha Spa
- Dino's Liquidation

## FINANCIAL REPORT

The CRA funds its programs and projects primarily through Tax Increment Financing (TIFs). Each fiscal year, the CRA reinvests its TIF dollars, along with other revenue from sources such as grants, bond financing, and property sales, back into the redevelopment activities with the CRA district. Below is the CRA's Statement of Revenues, Expenditures, and Changes in Fund Balance, as of September 30, 2016:

COMMUNITY REDEVELOPMENT AGENCY OF NEW PORT RICHEY, FL  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
For the Year Ended September 30, 2016  
(UNAUDITED)

REVENUES	
Taxes	\$ 657,421
Grant revenue	749,997
Miscellaneous revenues	<u>11,277</u>
TOTAL REVENUES	1,418,695
EXPENDITURES	
Current	
General government	1,523,325
Debt service	
Principal retirement	10,984,000
Interest and fiscal charges	<u>218,894</u>
TOTAL EXPENDITURES	<u>12,726,219</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(11,307,524)</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	12,013,955
Transfers out	<u>(981,628)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>11,032,327</u>
NET CHANGE IN FUND BALANCE	(275,197)
FUND BALANCE - BEGINNING OF YEAR	<u>(4,990,418)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ (5,265,615)</u></u>

During Fiscal Year 2015 – 2016, the CRA paid off Redevelopment Revenue Bond, Series 2005A and Series 2005B. \$522,794 went toward administrative costs. \$1,523,325 went toward redevelopment activities, such as renovations to the Hacienda Hotel, management of the City's Business Incubator, and business incentive grants.

Below is a summary of the CRA's Balance Sheet at September 30, 2016.

COMMUNITY REDEVELOPMENT AGENCY OF NEW PORT RICHEY, FL  
BALANCE SHEET  
September 30, 2016  
(UNAUDITED)

ASSETS

Cash and pooled cash, cash equivalents, and investment:	\$	420,060
Accounts Receivable, net		2,177
Redevelopment properties held for resale		<u>3,241,550</u>
TOTAL ASSETS	\$	<u><u>3,663,787</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES:

Accounts payable	\$	15,648
Accrued liabilities		3,593
Advances from other funds		8,866,530
Unearned revenues		<u>(997)</u>

TOTAL LIABILITIES		<u>8,884,774</u>
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FUND BALANCE

Unassigned:

Redevelopment		<u>(5,220,987)</u>
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TOTAL FUND BALANCE		<u>(5,220,987)</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u><u>3,663,787</u></u>
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Items of significance in the above Balance Sheet include:

- The CRA has purchased real estate with the intent of reselling to qualified private-sector purchasers to enable the properties to be redeveloped. The properties that have been acquired are located in economically distressed areas of the City. The properties are valued at \$3,241,550 at September 30, 2016.
- The City advanced the CRA funds in FY 2014 to pay off debt. Under the terms and conditions of the agreement, the CRA doesn't have to begin paying back the advance for 5 years. At September 30, 2016, the advance totaled \$8,866,530. The negative fund balance disclosed above is directly related to this advance.



**TO:** Members of the Community Redevelopment Agency

**FROM:** Debbie L. Manns, Executive Director

**DATE:** 3/21/2017

**RE:** Request for Waiver of Penalty Fees from Pasco County - Page 14

**REQUEST:**

The request is for the Board of Directors to approve Pasco County's request to waive the penalty fees that resulted from the delayed payment of FY 2017 CRA funds.

**DISCUSSION:**

I received a letter from Pasco County, dated January 23, 2017, requesting that the Board of Directors of the City's CRA waive the penalty fees that have been assessed per Florida Statutes as a result of the delayed payment of FY 2017 CRA funds. The Statute states that a 5% penalty fee is required with an additional 1% interest fee for every month that the payment is late. The total penalty fee, per the attached letter, is in the amount of \$40,864.81. The Statutes allow for CRA districts to waive the fees if they so choose. Pasco County has assured the City that the delayed payment was simply an oversight and has respectfully asked that the CRA Board agree to waive the penalty fees. The letter received from Pasco County is attached for the Board of Director's review and approval. Also attached is a response letter to Pasco County should the Board approve to waive the fees.

**RECOMMENDATION:**

The Executive Director requests that the Board of Directors approve the request by Pasco County to waive the penalty fees in the amount of \$40,864.81 as a result of the delayed payment of FY 2017 CRA funds and direct the Executive Director to execute the attached letter to Pasco County stating the same.

**BUDGET / FISCAL IMPACT:**

No funding is required for this item.

**ATTACHMENTS:**

Description	Type
☐ Letter from Pasco County RE: Requesting Waiver of Penalty Fees	Backup Material
☐ Response Letter to Pasco County RE: Approval of Waiver Request	Backup Material

January 23, 2017

Ms. Debbie Manns  
City Manager  
City of New Port Richey  
5919 Main Street  
New Port Richey, FL 34652

Dear Ms. Manns:

Per conversation with your Finance Director Ms. Crystal Feast, I am reaching out to you for consideration of waiving potential fees relating to the delayed payment of your Fiscal Year 2017 Community Redevelopment Area (CRA) funds.

Unfortunately we had an oversight in submitting the payments to the various CRA districts by the statutory deadline of 12/31. According to the Statutes, if a County fails to meet the deadline, a 5% penalty fee is required in addition to a 1% interest fee for every month that the payment is late. We feel it was the intention of the Statutes to penalize those counties that intentionally held on to the funds rather than submitting to the respective CRAs. I can assure you that this was not the case. It was simply an oversight and was not intentional by any means. The Statutes allow for the CRA districts to waive the fees, if they so choose. Two of the four Municipalities, the City of Dade City and the City of Zephyrhills, have already agreed to waive the fees. The City of Port Richey will be making their decision on this matter at their upcoming Council meeting. I am hoping that the City of New Port Richey will agree to waive these fees as well, based on the fact that this was an oversight and is the first time that this late payment has occurred.

Below are the details of the amount owed, including the potential fees:

**CITY OF NEW PORT RICHEY**

**Fiscal Year 2017**

Base Year Valuation	\$366,805,411.00
2016 Valuation	<u>461,043,615.00</u>
Difference	\$94,238,204.00
Approved Millage	x <u>7.6076</u>
	\$716,926.56
% To Be Allocated (F.S. 163.387)	x <u>0.95</u>
	<b>\$681,080.23</b>
Late Fee of 5% of Payment per F.S. 163.387(2)(b)	\$34,054.01
Interest of 1% of Payment per F.S. 163.387(2)(b)	<u>\$6,810.80</u>
<b>Total Due</b>	<b><u>\$721,945.04</u></b>

**COUNTY ADMINISTRATION**

727.847.8115 | West Pasco Government Center | 8731 Citizens Drive, Suite 340 | New Port Richey, FL 34654

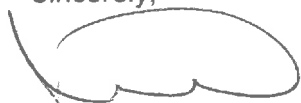
Ms. Debbie Manns  
January 23, 2017  
Page Two

Below is the language from the Statutes for your reference:

*Any taxing authority that does not pay the increment revenues to the trust fund by January 1 shall pay to the trust fund an amount equal to 5 percent of the amount of the increment revenues and shall pay interest on the amount of the unpaid increment revenues equal to 1 percent for each month the increment is outstanding, provided the agency may waive such penalty payments in whole or in part.*

Please feel free to contact me to discuss this matter further. Thank you again for your consideration in this matter.

Sincerely,



Michele L. Baker  
County Administrator

MB/HG/RG/DR/smh

S:\OMB Documents\OMB17-021 NPR City Manager Manns CRA Payments Letter Dated 1-23-17-MB-Version 1.docx





# NEW PORT RICHEY

5919 MAIN STREET • NEW PORT RICHEY, FL 34652 • 727.853.1016

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March 21, 2017

Michele Baker  
Pasco County Administrator  
8731 Citizens Drive, Suite 340  
New Port Richey, Florida 34654

RE: Request for Waiver of Penalty Fees

Dear Ms. Baker:

The Board of Directors of the CRA for the City of New Port Richey met for its regular meeting on March 21, 2017 regarding the County's request for a waiver of the penalty fees associated with the delayed payment of the FY 2017 CRA funds. After discussion by the Board, the County's request was approved. The City of New Port Richey agrees to waive the penalty fees in the amount of \$40,864.81 which resulted from the County's unfortunate oversight.

If you need further assistance, please feel free to contact my office at (727) 853-1021.

Best Regards,

Debbie L. Manns  
Executive Director

DLM/jm

cc: City of New Port Richey CRA Board of Directors (via electronically)



**TO:** Members of the Community Redevelopment Agency

**FROM:** Economic Development Department

**DATE:** 3/21/2017

**RE:** Commercial Real Estate Grant Program - Page 18

**REQUEST:**

Approval of the CRA Commercial Real Estate Redevelopment Grant Program

**DISCUSSION:**

The Commercial Real Estate Redevelopment Grant is a CRA program that serves to support private sector redevelopment projects with a \$500,000 minimum in capital investment. The objective of this program is as follows:

- Ensure redevelopment continues, including rehabilitation and renovation of the City's existing larger, older commercial buildings and to improve building infrastructure
- Assist existing businesses relocating to a more suitable location and allow for re-merchandising of vacated space.
- Support property owners and listing realtors in obtaining the highest and best use of vacant and semi-occupied properties.
- Eliminate blighted commercial properties and to offset costs of such upgrades as; ADA, building code, sprinkler systems, egress, and parking.
- Attract private sector investment.
- Grow employment and business opportunities to sustain the economic health of New Port Richey and enhance the quality of life for residents.

The Commercial Grant Program is designed to support difficult redevelopment projects. Since not all redevelopment obstacles are the same, this program allows the CRA the flexibility to choose from a variety of options to facilitate projects that would not happen without CRA assistance at some level. Grant funds will target four specific elements of a redevelopment project.

1. Purchase and/or significant upgrade of commercial properties.
2. Improvements to leasehold spaces in a comprehensive manner so the building can be prepared for multiple tenants, and/or anchor tenants.
3. Redesign of the building facade and exterior grounds.
4. Jobs creation and business growth loan program

Applicants must submit a site plan and project narrative and will be evaluated on the following criteria:

- Economic benefit to the surrounding properties and redevelopment district.
- Increase in the taxable ad valorem value of the property
- Amount of square footage improved

- How the redevelopment project will spur additional private investment
- Will the project have a substantial visual impact
- Job creation and retention
- Elimination of slum and blight
- Track record and credit scoring of the firms involved.

**Grant funds shall be capped at 20% of the overall cost of the redevelopment project and limited by the amount budgeted in the CRA each year.**

**Each grant award is subject to approval by the CRA board.**

**RECOMMENDATION:**

Approval of the Commercial Real Estate Redevelopment Grant Program

**BUDGET / FISCAL IMPACT:**

\$100,000 is available in FYE 2017 Grant Program.

**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Commercial Real Estate Grant Narrative	Backup Material

**City of New Port Richey, Florida**

**Community Redevelopment Agency**

**Commercial Real Estate Redevelopment Grant Program**

The Commercial Real Estate Redevelopment Grant is a CRA incentive program that serves to support private redevelopment projects with a \$500,000 minimum in capital investment.

**Objectives:**

- Ensure redevelopment continues, including rehabilitation and renovation of the City's existing larger, older commercial buildings and to improve building infrastructure.
- Assist businesses relocating to a more suitable location and allow for re-merchandising of vacated space.
- Support commercial property owners and listing realtors in obtaining the highest and best use of vacant and semi- occupied properties.
- Eliminate blighted properties and to offset costs of such upgrades as; ADA, building code, sprinkler systems, egress, and parking.
- Attract private sector investment
- Grow employment and business opportunities to sustain the economic health of New Port Richey and enhance the quality of life for its residents.

**Reimbursement Categories:**

The Commercial Grant Program is designed to support difficult redevelopment projects. Since not all redevelopment obstacles are the same, this program allows the CRA the flexibility to choose from a variety of options to facilitate projects that would not happen without CRA assistance at some level. Grant funds will require a redevelop agreement and target four specific elements of the project.

- I. Purchase and/or significant upgrade of commercial properties.
- II. Improvements to the leasehold space in a comprehensive manner so the building can be prepared for multiple tenants and/or an anchor tenant.
- III. Redesign of the building facade and exterior grounds of the property.
- IV. Jobs creation and business growth loan program

**Evaluation Criteria:**

**The project will be evaluated based upon the following criteria.**

- Economic benefit to the surrounding properties and targeted redevelopment district.
- Increase in commercial ad valorem taxable value
- Amount of improved square footage
- Renovation or construction that will spur additional development and private investment
- Renovation or construction that will have a substantial visual impact
- Job Creation

- Reduces or eliminates slum and blight
- Businesses that have a successful track record and credit scoring
- Property owner and/or business is in good standing with the city.

### **Grant Criteria:**

In addition to the evaluation criteria, to qualify, there must be a substantial impact that will be a transformation to the targeted redevelopment district. Grantees must submit a site plan and business narrative describing in detail the level of investment, parties involved and how the investment will work toward eliminating slum and blight and contribute to the welfare of the community.

Any applicant tenant must identify the number of jobs created and retained, provide a narrative outlining how the funds will be used and explain clearly the community benefit that will occur during the lease term.

If approved, an agreement will be negotiated highlighting the benchmarks that will trigger the incentive payments (percent complete, milestones, number of employees, certificate of occupancy, final permitting, etc.). Applicants selected for the grant will be required to accept the grant award via the signing of an agreement within thirty (30) days of award notification, and must commence development within 90 days. All proposals must meet State building code requirements as well as City of New Port Richey code requirements.

Balance of the grant will be forfeited if the owner sells without city approval, does not comply with City of New Port Richey Building Codes, Ordinances and Regulations or fails to pay property taxes during the life of the grant period.

- **Such projects must be of benefit to the quality of life for city residents and serve to eliminate slum and blight.**
- **Grant funds shall be capped at 20% of the overall cost of the redevelopment project.**
- **Funding is limited by the amount budgeted in the CRA each year.**
- **Each grant award is subject to approval by the CRA board.**

### **How does this grant program differ from the current incentive program?**

The current CRA business incentive program targets smaller, individualized properties. These smaller projects typically yield two-dollars and fifty cents for each CRA dollar invested (2.5:1).

The Commercial Real Estate Redevelopment Grant program seeks a greater return on CRA investments—four dollars for each CRA dollar invested (4:1). Additionally, this incentive will require that the project involve an investment of \$500,000 or greater and target properties, when renovated, contribute significantly to the CRA redevelopment district and serve to increase the ad valorem taxable value baseline.

### **Why is this grant program necessary?**

The challenge for New Port Richey is that of West Pasco County, the commercial building stock has aged considerably. Much of the new investment capital has shifted to east. Local commercial property owners have been reluctant to make major improvements. With existing property owners preferring to lease out office space, because there is less tenant damage. This dynamic has resulted in a decline in available quality retail space.

The goal of this incentive is not only to create jobs, but to create a competitive environment that encourages the purchase and renovation of tired commercial properties that are substantial in size, or have been on the market for significant periods of time. The objective being, that when renovated, the targeted property will compel nearby properties owners to make improvements as a result of the recovered economic conditions surrounding the improved area.

### **What areas of the city are included?**

Any commercial property within the CRA boundaries may apply for Commercial Real Estate Redevelopment Grant.

### **What are the parameters of the grant awards?**

**Each grant request will be reviewed by City staff and if it is determined to meet the goal of eliminating slum and blight, job creation, design and code upgrades and improving the surrounding area of the district, it will be submitted to the CRA Board for approval.**

There are four grant categories that serve to target various aspects of each project. Grant proceeds are capped at 20% of the overall project including job creation/retention grant amounts. Allocation of the proceeds over each of the four categories is determined based upon the grantees narrative, project elements and redevelopment proposal for the targeted property. City staff will then determine the allocation of proceeds over the four available categories.

The CRA reserves the right to cap or limit the amount of the award.

#### **A. Commercial Repairs Improvement**

Only the property owner can apply. To qualify, the property must be substantial in size, and a detriment to the community if left vacant or unproductive. Improvements must become part of the real property. Included are items such as new air conditioning, fixtures, utilities, new roof, structural changes or elements that improve code compliance. The primary focus is preparing the structure for long-term, code-compliant, commercial use.

#### **B. Commercial/Business Facade**

To qualify, the property must be substantial in size with a design element that will not only benefit the structure itself but fits well within the district.

In general, grant assistance is restricted to visible improvements of the exterior area of the commercial property. The following exterior improvements are eligible examples, but not limited to:

- Removal of a false material that may cover the original building appearance, such as plywood, metal or deteriorated stucco.
- Pressure cleaning
- New stucco or stucco repair
- Painting
- New windows or replacements
- New doors or replacements
- New or replacement woodwork
- Masonry work (new or repointing of mortar joints)
- Signs (including the removal of old signs and the design, production and installation of new signs)
- Awnings (including the removal of old awnings and installation of new awnings)
- Tear out required to build a new entrance into the building
- Landscaping and planters
- Repair of parking lot
- Lighting of the exterior
- Brick or textured pavement
- ADA improvements

#### **C. Commercial/Business Leasehold Improvement**

The intent of the guidelines is to prepare the space for one an anchor tenant, or multiple tenants. The following improvements, but not limited to, are eligible:

- Utility and structural upgrades
- Fixed improvements to interior spaces.
- Interior painting and finishing
- Flooring (tile, carpet or wood)
- Ceiling improvements (including drop - ceiling systems)
- Additional lighting
- Storefront lighting
- Installation in preparation of kitchen equipment, micro-brewery, or such items needing structural modification.
- ADA and code compliance

#### **D. Job Creation and Retention Grant**

To facilitate the relocation and startup cost, anchor tenants will be afforded a zero interest 'line of credit' to be amortized/forgiven over the term of the lease, provided certain agreed upon benchmarks, such as job creation and employment retention are achieved each year.

This incentive is designed to allow the tenant to borrow up to \$50,000. The zero interest loan will be forgiven over the life of the lease agreement provided the tenant meets certain employment performance metrics as described in the tenant’s plan. The award is equal to \$2,000 per year for each full-time equivalency created. Or in the case of a relocation \$2,000 for each FTE job retained.

Benchmark metrics include:

- Job Creation & Retention
- Capital Investment of the overall project must exceed \$500,000
- Square footage and use of that space
- Elimination of slum and blight
- Benefits to City Residents
- Credit rating of the tenant.

<u>Total Redevelopment Investment</u>	<u>Tenancy Term</u>	<u>Dollar Limit</u>
\$500,000	3 Years	\$30,000
\$750,000	4 Years	\$40,000
\$1,000,000 +	5 Years	\$50,000

Reporting Requirement

Line of credit recipient businesses are responsible to submit a payroll register showing FTE calculations with supporting RTC-6 as employment verification. The employment verification report due date will be identified in the grant award agreement.

If the job creation requirements are not reached, the agreement will be terminated and the balance of the loan that has not been forgiven will be called as due. If the participant should cease business at the site, the participant shall repay its obligations to City as provided in the executed agreement.

**Examples ofNew Port Richey commercial sites that could qualify for the grant.**

- ✓ 19,130 sf. on Grand Blvd. that abuts other downtown properties. Vacant second floor is in need of significant structural upgrades. First floor is routinely rented out with repetitive code concerns.
- ✓ 16,000 sf. warehouse in the vicinity of downtown. The building could easily accommodate an architectural/engineering firm or small manufacture. Building has been up for sale for several years. The nearby walkable community with recreational facilities makes this space ideal for an enterprise interested in quality of work life for employees.
- ✓ 16,850 sf. two-story building on Main St. with second floor tenants and available retail space needs significant code upgrades.
- ✓ 37,000 sf. Marine District Medical Office complex needs significant design upgrades. Currently at \$6/sf the owner finds it difficult to locate tenant.



## Authorizations

### I. **Florida Statutes Chapter 163- INTERGOVERNMENTAL PROGRAMS: Part III- Community Redevelopment.**

**Florida Statutes Section 163.370** –Powers; counties and municipalities; community redevelopment agencies . . . **163.370 (c) 5** *Carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements in accordance with the community redevelopment plan.*

### II. **City of New Port Richey Redevelopment Plan May 29, 2001 p. 3-1**—Section 3.0 Redevelopment Objectives.

The grant program specifically serves to support the following five 2001 CRA plan section objectives.

- 3.1 Community Enhancements
- 3.3 Strengthen the Local Tax Base
- 3.4 Strengthen Land Use Patterns within the Community
- 3.5 Enhance the Business Districts
- 3.6 Reverse Obsolescence

### III. **City of New Port Richey 2012 Community Redevelopment Agency Redevelopment Plan, Adopted May 15, 2012 p.46.**

#### 4.7.1 Commercial Redevelopment Strategies

Several redevelopment policies aimed at commercial properties within the City would encourage improvements to existing sites, promote the establishment of new businesses in the community, enhance the existing tax base and further the redevelopment efforts and strategies of the City.

- Rehabilitation Assistance Program  
The City should consider incentive programs to entice the private redevelopment and revitalization of centrally-located commercial properties that have been identified as underutilized or poorly maintained.
- Store Frontage Rehabilitation  
The City should consider the use of TIF funds for the revitalization of store frontages and rehabilitation of run-down business facades
- Incentive-Based Recruitment of Target Businesses  
The City should consider the targeted marketing of properties, especially in the downtown, to specific types of businesses in order to encourage activity generation . . .

## **Similar Redevelopment Incentive Plans**

### Hallandale Beach Florida—Hallandale Beach CRA

- \$200,000 loan property owner 80% of project 0-3% interest rate
- \$50,000 loan tenant 0-3% interest rate
- \$50,000 loan forgiveness job creations 5 year term. \$10,000 per job created

### Davie Florida—Town of Davie CRA

- \$100,000 grant for \$300,000 expenditure (1:3) ratio
- Loan Interest forgiven 5 points, minimum loan \$100,000

### Melbourne Florida – Downtown Melbourne Public-Private Development Program

- Enable public-private partnership for facilitation of desired real estate development
- Intended incentive projects will be large scale developments that will be transforming and serve as a catalyst to attract additional private investment.
- Incentive ratios (7:1) & (10:1) \$5 million floor.

### Melbourne Florida – Olde Eau Gallie Riverfront CRA

- Attract New Private Investment
- 50-80% Property Tax Rebate 3-10 years
- Minimum \$300,000 in additional investment
- Redevelopment of substandard property

### Mentor Ohio – Mentor Incentive Grant Guidelines

- Performance-based incentive program
- Investments in Real Property, Property Lease, Personal Property
- Multi-Year Grant based upon Investment Value
- Job Creation Incentives
- Allows for relocation expenses, machinery & Equipment, Working Capital and Inventory

### Downtown Jacksonville Retail Enhancement Grant Program (CRA)

- Forgivable promissory note
- Maximum Grant award shall be \$20 for every square foot leased or occupied by the proposed tenant or business.
- Grantee must remain in the location for five (5) years and must create or retain for five (5) years during the term of the agreement two (2) or more full time equivalent jobs.
- Applicants will be required to execute a grant agreement
- To revitalize and preserve downtown property values and prevent deterioration in the downtown business district.

Muscatine, Iowa - Small Business Forgivable Loan Program

- Businesses can obtain a loan for up to \$25,000 for the business at a term of 5 years with 20% of the loan forgiven annually.
- Promote in-fill and redevelopment in targeted areas throughout Muscatine  
Improve Building Infrastructure
- Assist with Capital Equipment Purchases
- Offset Cost of Historic Building Preservation
- Offset Cost to Address ADA Access Issues
- Offset Cost of Fire Code Compliance, Sprinkler Systems, Egress Issues
- Allow Businesses to Allocate Additional Funds to Grow and Expand Business