

LAKE PARK CRA

Incentive Program Presentation

Community Redevelopment Agency Board

June 5, 2024



AGENDA

- ▶ Current CRA Incentives
- ▶ Why Incentives and What should an Incentive Accomplish?
- ▶ Summary of Recommended Programs
- ▶ Incentive Program Details
 - ▶ Façade and Exterior Improvement Program
 - ▶ Paint, Plant and Pave
 - ▶ Real Estate Development Accelerator (REDA)
 - ▶ Commercial Interior Buildout
 - ▶ Strategic Investment Program
 - ▶ Relocation and Development Assistance
 - ▶ Beautify Park Avenue
 - ▶ Grand Opening Assistance



CURRENT CRA INCENTIVES

- ▶ Economic Development Program



WHY INCENTIVES AND HOW ARE THEY USED?

1. Encourage redevelopment by:
 - a. Increasing taxable value of property
 - b. Removing/improving visual blight
 - c. Encouraging a healthy business mix that supports redevelopment
 - d. Providing a public benefit:
 - ❑ E.G. Public Greenspace, Art, Public Parking, Affordable Housing, Enhanced Infrastructure, Etc...
2. **Must** be in the Plan (CRA Master Plan)
3. Must contribute to the elimination of slum and blight



RECOMMENDED INCENTIVE PROGRAMS

1. Façade and Exterior Improvement Program
2. Paint, Plant and Pave Program
3. Commercial Interior Buildout
4. Real Estate Development Accelerator (REDA)
5. Strategic Investment Program
6. Relocation and Development Assistance
7. Grand Opening Assistance
8. Beautify Park Avenue



SUMMARY OF RECOMMENDED INCENTIVE PROGRAMS



FAÇADE AND EXTERIOR IMPROVEMENT PROGRAM

This grant is available to all properties/businesses in the Lake Park CRA for aesthetic improvements to the exterior of commercial buildings and sites. The grant provides 80% of the project cost up to a maximum CRA grant of \$50,000 depending on the project location.

- ▶ Park Avenue (7th St. to 10th St.): \$50,000
- ▶ 10th Street (Northlake to Silver Beach): \$50,000
- ▶ Industrial Area \$20,000

GRANT HIGHLIGHTS:

- ❑ Multiple addresses may (upon approval) be included for large frontage with desired uses
- ❑ No Sale of Property within five (5) years



SUMMARY OF RECOMMENDED INCENTIVE PROGRAMS

PAINT, PLANT & PAVE PROGRAM

Created to provide curb appeal to single-family and multi-family properties in the Lake Park CRA, the CRA will assist with 80% of a project cost up to a maximum of \$10,000 per property for exterior improvements such as pressure cleaning, painting, facade repair, landscaping, awnings, driveways, irrigation systems and fence repair/removal.



GRANT HIGHLIGHTS:

- ❑ Must be property owner, or have property owner approval
- ❑ Additional requirements for multi-family properties
- ❑ No Sale of Property within five (5) years



SUMMARY OF RECOMMENDED INCENTIVE PROGRAMS

REAL ESTATE DEVELOPMENT ACCELERATOR (REDA)

Primarily for large scale development projects greater than \$5 million, this incentive can be utilized in the form of land mark-down, infrastructure improvements, Tax Increment Financing or similar types of assistance. Each project is negotiated on an individual basis based on a gap in a development pro forma or level of public benefit provided.



GRANT HIGHLIGHTS:

- ❑ Each project will require a negotiated development agreement
- ❑ Grant award based on public benefit
- ❑ Agreement will require milestones and offer Protection to the Town/CRA for default



SUMMARY OF RECOMMENDED INCENTIVE PROGRAMS



COMMERCIAL INTERIOR BUILD OUT

As an incentive for restaurant, brewery, or distillery uses, the CRA will fund 80% of interior build-outs up to \$50,000. Improvements must increase the property value and remain with the property. These improvements could include a grease trap or hood system, bathrooms, HVAC, etc...

GRANT HIGHLIGHTS:

- ❑ Improvement MUST stay with the building and increase value
- ❑ May be combined with another program (such as Façade) if the project meets a priority use for the CRA
- ❑ Targeted Industry: Restaurant, Brewery, Distillery



SUMMARY OF RECOMMENDED INCENTIVE PROGRAMS

STRATEGIC INVESTMENT PROGRAM (SIP)

Based on a formula that considers the amount of tax increment generated from each project, commercial and mixed-use projects up to \$5 million may be eligible for funding for interior and exterior improvements to the property or structure. Priority will be given to uses considered as a goal of redevelopment within the CRA, such as restaurants or other desired uses.

GRANT HIGHLIGHTS:

Step 1: Calculate the increase in property value for the improved property

- ▶ Future Assessed Property Value **minus (-)** Current Assessed Property Value **equals (=)** Increase in Property Value

E.G. \$3,000,000 (future) - \$1,000,000 (current) = \$2,000,000

Step 2: Calculate the estimated TIF (Tax Increment) to the CRA annually

- ▶ Increase in Property Value **multiplied by (X)** County and Town Millage Rate **Divided by (/) 1,000 multiplied by (X) 95%** = Annual TIF

E.G. \$2,000,000 (Increase) X 9.84 (current millage) / 1,000 = \$19,680 (ANNUAL TIF)

Step 3: Multiply the estimated annual TIF by 15 years (remaining life of CRA) = Maximum Grant Amount

E.G. \$19,680 X 15 = \$295,200



SUMMARY OF RECOMMENDED INCENTIVE PROGRAMS

RELOCATION AND DEVELOPMENT ASSISTANCE

The CRA may assist with relocation and development of certain uses to allow for a more desirable or upgraded use. This program provides the incentives necessary for redevelopment including tenant relocation, acquisition, build out and rehabilitation or renovation of existing properties.

GRANT HIGHLIGHTS:

- ❑ Allows the CRA Board flexibility to address a multitude of obstacles under one program
- ❑ Ensures property development continues including rehabilitation and renovation of existing buildings
- ❑ Assists existing businesses or tenants relocating to a more suitable location and allow for re-merchandising of vacated space.
- ❑ Assists property owners in obtaining the highest and best use of vacant and semi-occupied properties
- ❑ Helps eliminate slum and blighted properties
- ❑ Attracts private sector investment into the district using CRA owned property as leverage



SUMMARY OF RECOMMENDED INCENTIVE PROGRAMS

BEAUTIFY LAKE PARK

This is a small administrative grant of up to \$3,000 for facade improvements such as paint, signage, lighting and landscaping for businesses along Park Avenue from 7th Street to 10th Street and along 10th Street.

GRANT HIGHLIGHTS:

- ▶ Grants approved administratively
- ▶ Simplifies and streamlines process for applicant



SUMMARY OF RECOMMENDED INCENTIVE PROGRAMS

Grand Opening Assistance

The Lake Park CRA offers assistance to new businesses within the CRA for their “Grand Opening”. This will include an invitation to elected officials, marketing through the town’s social media as well as a ribbon cutting. The business can receive up to \$500 for refreshments or marketing expenses for the event.



THANK YOU!

Q&A

