



North Miami Beach Community Redevelopment Agency Direct Financial Incentive Program

I. Purpose

The aim of the Direct Financial Incentive Program (the “Program”) is to assist developers within the City of North Miami Beach (the “City”) Redevelopment Area. There is often an economic “gap” between the total cost of development of a project and the market value of the completed project, due largely to the high cost of site acquisition, remediation, and financial risk. A direct financial incentive will assist in making projects financially viable for private developers and create private sector investment within the Redevelopment Area, which is an essential objective of the North Miami Beach Community Redevelopment Agency.

II. Objective

The key objective of the Program is to revitalize the downtown and major corridors. Applicants shall demonstrate that the project:

- Would not be possible but for the Program;
- Increases job opportunities;
- Augments the community tax base; and
- Revitalizes the surrounding area.

III. Eligibility Criteria

- a. The project must contain:
 - 1) Commercial uses that substantially increase employment opportunities; or
 - 2) A parking structure that provides at least 100 parking spaces for public use.
- b. The project is anticipated to create at least \$2 million in net new taxable value in the first full year following completion;
- c. The applicant must demonstrate property control either through ownership or contract for purchase;
- d. The property and project must be entirely located within the Redevelopment Area;
- e. The property must be zoned commercial or mixed-use, solely residential uses are ineligible;
- f. The applicant agrees to pay all CRA costs to hire or retain third party experts to review the application and provide expert advice to the CRA, including but not limited to, legal counsel, general contractors, economic development specialists, planners, and marketing agencies;
- g. The applicant must enter into a Direct Financial Incentive Agreement (the “Agreement”) with the CRA. The Agreement will require CRA Board approval and be on terms and conditions prescribed by the CRA, including clawback provisions in the event of a default;
- h. The project must comply with Section 24.58 *Assessments* under the MU/TC, MU/NC and MU/EC zoning categories of the City’s Code of Ordinances before receiving any CRA funding.

IV. Funding Guidelines

A successful applicant will receive 40% to 60% of the net new tax increment revenue generated by the project. The funding shall be subordinate in all respects to all CRA debt and at no time will this Program exceed 60%. Please see Table 1 in Appendix "A."

V. Miami-Dade County Board Requirements

Exhibit "A" to this Program are requirements established by the Miami-Dade County Board of County Commissioners which are contained and described in County Resolution No R-499-16.

VI. Application Procedure

Applicants shall provide the CRA:

- a. A copy of a conceptual site plan approved by the City Commission;
- b. A description of the project including use, square footage, and density;
- c. Names and qualifications of the principals and key representatives involved in the project. Particular emphasis should be given to experience in similar projects;
- d. Evidence of the financial strength of the project to justify the risk of expending public capital, and demonstrate the financial capacity of the principals. A lender commitment letter and letters of intent from end users of the project are encouraged;
- e. A defensible market study that demonstrates the high probability of success for the project;
- f. Identification of potential obstacles that the project may face in securing development approvals from the City (or other applicable government/regulatory body with review/approval authority) about the project's compliance with all applicable City, County, and State codes/regulations;
- g. A project pro forma demonstrating the tax increment value anticipated by the project;
- h. How the proposed project will primarily and substantially benefit residents and business owners within the Redevelopment Area;
- i. CRA's funding will be used to fill in any financial gaps when all other funding has been identified for the project and that, but for the CRA's funding, the project cannot be undertaken;
- j. Any additional information that will assist the CRA Board during their decision-making process.

VII. Award Payment Procedure

The Agreement will contain details about the Award Payment Procedure.

New Net Taxable Value			2	10	50	200
(in \$millions)						
	Incentive	40%	\$ 8,854	\$ 44,268	\$ 221,338	\$ 885,352
		60%	\$ 13,280	\$ 66,401	\$ 332,007	\$ 1,328,028

Table 1 - Approximate Annual Award Value (informational only)

VIII. Time Certain Completion

The Agreement will contain deadlines and milestones. Approval of the project site plan by the City Commission must occur before the CRA Board's approval, and building permit issuance within two years of the CRA Board's approval.

IX. Program Availability

All applicants must receive CRA Board approval and enter into the Agreement. This Program is subject to availability of funds. There is no waiting list. Complete applications will be reviewed and presented for approval on a first-come-first-served basis.

This project sunsets, upon the earlier occurrence of;

- a) 36 months after the Program's adoption or
- b) \$360,000,000 in new net taxable increment is generated.

X. CRA Executive Director Authority

The CRA Executive Director may modify this Program to:

1. Require additional documentation from the applicant;
2. Promote transparency;
3. Create and update the Program's application;
4. Protect taxpayer money from misuse or potential fraud; and
5. Improve Program efficiency.

Any modifications that result in a substantial Program change shall be approved by the CRA Board.

XII. Redevelopment Plan

The authority for this Program is contained in the 2015 Amended Redevelopment Plan under "Direct Financial Incentives to Stimulate Property Improvements" that was approved by Miami-Dade County Board of County Commissioners on March 7th, 2017, through Resolution R-213-17, File Number 170254.

XIII. Conflict of Interest

The CRA Board has adopted the Miami-Dade County Conflict of Interest and Code of Ethics. Applicants shall be governed by the Miami-Dade County Conflict of Interest and Code of Ethics Ordinance, as amended, any questions about potential conflicts of interest shall be directed to the CRA Attorney. Applicants with a conflict of interest, as determined by the CRA Attorney, shall be ineligible for the grant program.

APPENDIX “A”

Projects that meet eligibility requirements and comply with City Section 24-58, Assessments shall receive a 40% rebate of the Net New Taxable Value created by a project over the base year as established at time of reservation. Projects can also be eligible for an additional 20% direct financial incentive as per public policy goals and specific criteria as follows:

Bonus schedule and subject to any additional requirements as prescribed by the CRA		
Green Project	10% LEED Certified or equivalent	Projects that obtain LEED or Equivalent Green Certification may receive a 10% bonus. Developers seeking this option shall incur all costs for certification and create an escrow/cost recovery account so that the CRA can retain the services of a Green Development Review Agent (GDRA).
	10% Green Roof(s)	In no case shall the applicant receive a bonus for green roofs if the applicant is already providing a green roof as part of a LEED or equivalent Green Building certification. At least 75% of the roof space must be covered by the green roof.
Streetscape and Infrastructure	10% Infrastructure and Streetscape Improvements	Projects that provide substantial infrastructure upgrades that provide a benefit to more than one property and/or public streetscape improvements may be eligible for up to 10% depending on the level, impact, and cost of improvements.
Brownfield	20%	Projects that contain at least 80% area designated a Brownfield automatically receive the 20% bonus.
Parking	10%	A minimum of 20% above the require parking for the project.

Table 2 – Bonus Schedule