

City of South Daytona

Community Redevelopment Department

Post Office Box 214960 • South Daytona, FL 32121 • 386/322-3016 • Fax 386/322-3018



AGENDA ITEM

Item # C11

Date: August 10, 2021

MEMORANDUM

To: James L. Gillis Jr., City Manager
From: Patty Rippey, AICP, Redevelopment Director
Re: Proposed Community Redevelopment Area (CRA)
Targeted Business Program
Date: July 30, 2021

INTRODUCTION: This is an administrative action by the City to incentivize targeted businesses to locate in the City of South Daytona Community Redevelopment Area (CRA), prioritizing locations directly along the U.S.1 commercial corridor.

BACKGROUND: The purpose of establishing a targeted business program is to encourage those types of commercial enterprises that will elevate the quality and increase the long-term success of businesses that locate along the U.S.1 corridor in the CRA. The grant utilizes tax increment funding to leverage private investment that meet the goals of the CRA.

Eligible businesses include the following sectors:

- Financial, professional, and medical offices.
- Food-related businesses including sit-down restaurants, coffee shops, grocery stores, specialty food stores. Does **not** include drive-through facilities, convenience stores, bars, nightclubs, lounges, or establishments primarily serving or selling alcoholic beverages. Does include craft brewing and craft food industries.
- Information technology industries and emerging/innovative technologies.
- Eco-tourism, marine-related or sports-related businesses.
- Corporate Headquarters.
- Light, "clean", manufacturing where zoning allows, especially "clean technology" such as aerospace or computer technology manufacturing.
- Projects that assemble land.

Incentives are available to qualifying targeted businesses relocating to or expanding in South Daytona on a case-by-case basis with use, job creation, quality of wages and capital investment being a part of the deciding factors. Incentives may include:

- 50% matching grants up to \$25,000 to make substantial capital improvements to buildings and real property to make them useable, meet CRA Design and Architectural Guidelines, and increase their value.
- Grants up to \$50,000 for new construction projects located directly on U.S.1 with priority given to projects that are located on major intersections in the CRA.
- Waiver of water and sewer impact fees. CRA funds will be used to pay fees.
- Waiver of review fees associated with land use and zoning changes and plan review. CRA funds will be used to pay fees.
- If a Targeted Business relocates within the corridor, site improvements may be waived if there is no increase in the size of the principal structure being occupied by the Targeted Business. The site will still be required to meet accessibility, building, property, and fire code requirements. However, site improvements are encouraged and will be incentivized up to \$25,000 to meet CRA design guidelines and improve the visual aesthetics of existing structures.
- Grant funded improvements up to \$15,000 for items such as landscaping with irrigation. Landscaping plans must be completed by a licensed landscape architect and funding agreement must include an executed maintenance agreement between owner and landscaping company for ongoing maintenance and/or replacement of installed landscaping.
- Consideration of adjusted setback requirements for planned commercial developments based on building design and parking configuration provided in the concept plan. Priority will be given to projects that are located on major intersections.

Other jurisdictions also utilize incentive programs to attract businesses that will be sustainable and fit in with the existing residential and commercial uses in their communities.

For example, in Port Orange, their Targeted Business Program was utilized to assist Atlantic Marine including, a rebate of 50% of the portion of Tax Increment Revenue received by the CRA and directly attributable to the property development for the period of the tax increment rebate. Those funding disbursements were applied only for public purposes, i.e., exterior signage and devices for public wayfinding, parking structures, parking lots, drive aisles accessible by the public, lighting fixtures, power lines, transformers and other lighting related improvements, drainage retention and other stormwater improvements, utilities, landscaping, and other physical improvements intended to serve the general public.

Additional economic development incentives included a credit of \$66,340 applied to fees, excluding impact fees and stormwater special assessment fees, as charged by the City for building permits and inspection fees. The incentives were warranted based on property owner's investment of \$2,200,000 in development costs of the site.

In a second example, incentives were provided to "The Pie Guy" including \$15,000 for architectural design services, and the waiver of waste and wastewater impact fees up to the amount of \$3,090. These incentives were based on the creation of 40 jobs with the average annual wage of \$32,654 and an impact of 105 direct, indirect, and induced jobs with an estimated annual increase in local earnings of \$1,915,519.

The proposed South Daytona Targeted Business Program is consistent with the CRA Master Redevelopment Plan Goals as outlined below.

COMMUNITY REDEVELOPMENT AREA (CRA) MASTER REDEVELOPMENT PLAN GOALS:

- Make South Daytona a “Destination” with cohesive, pedestrian friendly commercial corridors.
- Provide a safe and attractive environment for residents, businesses, and visitors.
- Be a center for professional offices, advanced services, and small businesses.
- Improve U.S.1 as a scenic roadway.
- Attract new business, retain existing business, and expand employment opportunities.
- Promote selected development opportunities on the river to emphasize the City’s waterfront location.
- Encourage acquisition, rehabilitation, demolition and/or reuse of properties that are no longer viable.
- Encourage strategically located mixed use developments to promote land use diversity.
- Offer incentives, grants, and loans to stimulate private development for new uses or improvements to existing structures.
- Create a land use mix to provide land use and tax base diversity.

RECOMMENDATION: Staff recommends approval of establishing a Targeted Business Program in for the City’s CRA.

ATTACHMENT I

CITY OF SOUTH DAYTONA
COMMUNITY REDEVELOPMENT AREA
(CRA) TARGETED BUSINESS PROGRAM
PROGRAM DESCRIPTION AND APPLICATION

CITY OF SOUTH DAYTONA

Community Redevelopment Area (CRA) Targeted Businesses Program



Targeted Business Program Overview

The purpose of establishing a targeted businesses program is to encourage those types of commercial enterprises to locate along the U.S.1 corridor in the City's redevelopment district. The grant utilizes the CRA's tax increment funding to leverage private investment that meets the goals of the CRA to:

- Make South Daytona a "Destination" with cohesive, pedestrian friendly commercial corridors.
- Provide a safe and attractive environment for residents, businesses, and visitors.
- Be a center for professional offices and advanced services and small businesses.
- Improve U.S.1 as a scenic roadway.
- Attract new business, retain existing business, and expand employment opportunities.
- Encourage demolition or redevelopment.
- Provide incentives for private investment.

Eligible Businesses

Eligible businesses include the following sectors:

- Financial, professional, and medical offices.
- Food-related businesses including sit-down restaurants, coffee shops, grocery stores, specialty food stores. Does **not** include drive-through facilities, convenience stores, bars, nightclubs, lounges, or establishments primarily serving or selling alcoholic beverages. Does include craft brewing and craft food industries.
- Information technology industries and emerging/innovative technologies.
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- Projects that assemble land.
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Community Redevelopment Area (CRA) Targeted Businesses Program

Incentives

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- 50% matching grants up to \$25,000 to make substantial capital improvements to buildings and real property to make them useable, meet CRA design and architectural guidelines, and increase their value.
- Grants up to \$50,000 for new construction projects located directly on U.S.1 with priority given to projects that are located on major intersections in the CRA.
- Waiver of water and sewer impact fees. *CRA funds will be used to pay fees.*
- Waiver of review fees associated with land use and zoning changes and plan review. *CRA funds will be used to pay fees.*
- If a Targeted Business relocates within the corridor, site improvements may be waived if there is no increase in the size of the principal structure being occupied by the Targeted Business. The site will still be required to meet accessibility, building, property, and fire code requirements. However, site improvements are encouraged and will be incentivized up to \$25,000 to meet CRA design guidelines and improve the visual aesthetics of existing structures.
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Process

Pre-Application meeting

A pre-application meeting with the Redevelopment and Community Development staff is required to review the applicant's conceptual plans in an informal setting, including discussion of targeted business eligibility criteria, program requirements, costs, funding, proposed project scheduling, and consistency of the proposal with the intent of the program. At this stage, staff can assist with the completion of the application form and provide limited technical assistance. At the conclusion of the pre-application meeting, staff will provide the applicant with a general determination as to whether the proposed business is likely to qualify under the Targeted Business Program guidelines and whether the applicant is sufficiently prepared to move on to the application stage.

Application Process

Qualified applicants may submit a complete application packet to the Community Redevelopment Department, 1672 S. Ridgewood Avenue, South Daytona, Florida 32119. Packets may also be submitted electronically to the Redevelopment Department at: prippey@southdaytona.org. High visibility sites on U.S.1 shall be prioritized.

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Community Redevelopment Area (CRA) Targeted Businesses Program

Submittal Requirements

Include the following documentation to the Community Redevelopment Department:

1. Complete application form.
2. Description of business and explanation of how it meets the targeted business criteria.
3. Digital photograph of existing condition of the project site.
4. Plans or simple sketch of project.
5. Three competitive bids for work (must be licensed contractors)

Note: The City reserves the right to solicit additional bids

Application Review Process

Applications will be reviewed for program eligibility and completeness by staff to ensure compliance with the requirements outlined in this program. Once the application is determined to be complete against the review criteria, staff will prepare a recommendation to the Community Redevelopment Agency (CRAG) Board and the City Council for their action at a monthly public hearing meeting.

Final Decision of Community Redevelopment Agency (CRAG) Board and City Council

The CRAG and City Council have final discretion over all applications for consideration under the program. Each application and staff review will be heard at a regularly scheduled meeting. CRAG meetings are held at the same day and time as the monthly City Council meetings and are scheduled as needed. CRAG Board and City Council approval is required prior to work commencement.

Funding and Reimbursement Process

Funding Process

Fee waivers will be provided at time of application. Activities that involve grant funding will be provided as a reimbursement for qualifying targeted businesses for private investment that meets the goals of the CRA.

Reimbursement Process

The City of South Daytona will provide funds for this program on a reimbursement basis after receipt of all supporting documentation, including proof of payment, for work completed.

To request reimbursement from the City of South Daytona, provide the following documents.

1. Written notification from owner that project is completed.
2. Copies of all permits.
3. Copies of paid invoices and evidence of payment, i.e., cancelled checks or credit card receipts.
4. Photographs of completed project.

Reimbursement is expected within three (3) to six (6) weeks after all required supporting documentation is received and the improvements have been approved by the Chief Building Official.

Targeted Business Program Application

- I. Applicant Name: _____
Phone: _____ Email: _____
- II. Owner of Property: _____
- III. Location of Property: _____
- IV. Type of Business (provide additional detail next to type of business):
- ☐ Financial or professional services office. _____
 - ☐ Food-related (must be sit-down restaurant, coffee shop, grocery store, specialty store, craft brewer or craft food industry) _____
 - ☐ Medical office. _____
 - ☐ Light manufacturing (where zoning allows) of “clean technology”. _____
 - ☐ Marina or marina-related or water recreation business. _____
 - ☐ Eco-Tourism business. _____
 - ☐ Corporate Headquarters. _____
- V. Business creation and wages:
- Number of jobs created: _____
- Wage levels: _____
- VI. CRA Goals that will be met with proposed business location and improvements:
- ☐ Redevelopment of U.S.1
 - ☐ Targeted Business
 - ☐ Improve U.S.1 as scenic roadway.
 - ☐ Expand employment opportunities.
- VII. Describe in detail proposed improvement planned/capital investment planned for year 1 – 3:
- _____
- _____
- _____
- _____

(Attach additional page as necessary)

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Community Redevelopment Area (CRA) Targeted Businesses Program

VIII. Estimated Cost of Work from Bids Received (3 bids required and must be attached):

- a. Bid 1: Contractor _____ Amount: _____
- b. Bid 2: Contractor _____ Amount: _____
- c. Bid 3: Contractor _____ Amount: _____

IX. Attachments

- a. Three bids/estimates
- b. Photographs of site
- c. Proposed project schedule.

Note: Failure to complete work within nine (9) months of approval of the project by the CRAG Board shall result in property owner losing grant reimbursement opportunity. The CRAG Board may consider a time extension in extraordinary circumstances only. New construction project shall have a longer timeline that is agreed upon as part of the grant agreement.

Applicant Signature: _____

Date: _____