



## City of Hallandale Beach / Community Redevelopment Agency Fashion, Art and Design District Priority Area Incentives

In March of 2012, the Hallandale Beach Community Redevelopment Agency (Agency) adopted the Community Redevelopment Implementation Plan (Plan). The Hallandale Beach Community Redevelopment Area (CRA) is located between Pembroke Road on the north, SW 11<sup>th</sup> Street (County Line) on the South, Interstate 95 on the West, and NE 14<sup>th</sup> Avenue on the east (generally depicted on the map below).

### Hallandale Beach Community Redevelopment Area Map

The Agency has created a series of incentive programs (Program or collectively



Programs). Each Program is designed to achieve one or more of the following objectives:

- Achieve/accelerate the goals of the Plan and other planning documents;
- Improve the overall economic vitality and quality of life in the CRA;
- Support existing businesses and attract new businesses to the CRA, with a priority to attract businesses most needed in the CRA such as grocery stores, art galleries, clothing stores, general merchandise stores, family-oriented restaurants, ice cream shops, coffee shops, destination retail, art studios, creative arts business, micro-breweries, professional services, small theatres (movies and live performances), and fitness facilities);
- Supports the financial health, expansion, and success of existing businesses in the CRA;
- Stimulates new development/investment to the CRA;
- Creates a sense of urgency for property owners and investors; and/or

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- Other objectives specific to each Program.

The Fashion, Art and Design District (FADD) has been deemed a Priority Area for the purposes of promoting the renovation of building facades, and encouraging the development of such uses including but not limited to:

- Microbreweries/ Wine Bars
- Specialty Coffee shops
- Trendy urban restaurants
- Specialty Donut shops
- Family oriented restaurants
- Music Venues
- Art Galleries

The Priority Area designation allows the CRA to create incentives that are specifically designed to implement the objectives listed above. The Programs contained within this document are available to all properties and/or businesses within the FADD Priority Area, subject to specific terms and conditions. However, buildings that contain certain uses such as, massage parlors (unless ancillary to a health club/beauty salon), check cashing stores, pawn shops, liquor stores, or convenience stores are not eligible for the Programs. Benefits/limits of a Program may be increased or qualifying criteria for a Program may be reduced in the FADD Priority Area. Program funding is only available to those property owners or tenants that demonstrate a desire to promote the types of uses described above. Additionally, in order to receive CRA funding, property owners agree to incorporate mutually agreed (CRA and property owner/tenant) upon mural art into their projects at their own expense.

Most of the FADD Priority Area incentives are structured as a grant with ongoing obligations/covenants for five (5) years. If the recipient of a grant award defaults on the obligations/covenants within five (5) years, the grant will be converted to a loan with interest, starting from the initial grant funding and continuing until the entire funded balance is repaid. The ongoing obligations/covenants will be protected by a lien on the applicant's property. Therefore, the property owner (Owner) must be the applicant or co-applicant for Programs that support improvements on the property.

Most Programs require a financial investment of the property owner/applicant (Required Match) to achieve a prudent and equitable balance of public sector investment and private sector investment. It is intended that the property

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owner/applicant contribution is reasonable and feasible while mitigating the risk of the public investment.

Benefits of the Programs are provided by CRA tax increment funds<sup>1</sup>, as available and allocated to any given Program. Awards will be made on a “first come, first served” basis for qualified and approved applications. Programs will reimburse direct costs associated with satisfying the Program requirements/application. However, the Program award must be approved and executed before construction work is performed.

CRA staff has created a customized package of Programs to support a comprehensive project - exterior, interior, and specialized improvements. In this case, CRA staff will structure the Required Match to achieve a prudent and equitable balance of public sector investment and private sector investment. In cases where eligible cost(s) of one Program overlaps the eligible cost(s) of a combined Program, CRA staff will determine under which Program the eligible cost(s) will be covered, e.g. windows are both an exterior and interior improvement. However, in order to accelerate the growth of a mix of new CRA approved uses to the FADD area such as restaurants, coffee shops, music venues, art galleries and retailers, Applicants will be able to apply for multiple Programs in order to leverage the greatest amount of CRA Funding.

Each application will be scored based on varying criteria including but not limited to: location within the CRA, how it achieves/accelerates the goals of the Plan; improves the economic vitality and quality of life in the CRA; expands the range/quality of goods and services available in the CRA; supports the financial health, expansion, and success of existing businesses in the CRA; and its potential to attract new businesses to the CRA. Applications that incorporate sustainable design (reduce/avoid depletion of critical resources; prevent environmental degradation; and create livable environments) and/or specify building materials with green product certification will receive substantial bonus points.

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<sup>1</sup> Current Year Taxable Value - Base Year Taxable Value = Increment. Tax revenues (95% of taxes levied) on the Increment of taxing districts captured by the CRA Trust Fund = Tax Increment Funds. Currently, the City of Hallandale Beach, Broward County, South Broward Hospital District and Children's Services taxing districts are captured to generate the CRA tax increment funds.

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**PROGRAMS**

**Commercial Facade Improvement Grant (CFIG)**

Goals/Objectives: Eliminate functional obsolescence, remove deterioration, and update the exteriors of existing buildings, with an emphasis on improving the viability of healthy retail uses and generally increasing the “curb appeal” of the business corridors in the CRA.

Eligible Area: All properties within the FADD. The FADD designated Priority Area is defined as:

1. NE 1<sup>st</sup> Avenue from Hallandale Beach Blvd to NE 5<sup>th</sup> Street.

Eligible Properties: Existing commercial and mixed-use buildings with commercial elements in the CRA with uses permitted by applicable land use codes or approved conditional uses.

Eligible Project Costs: Generally, all costs associated with exterior improvements, restoration, and/or rehabilitation are eligible for consideration (Project). The proposed Project must comply with the Plan, urban design guidelines, applicable land use regulations, and current code requirements, subject to review/approval by the City of Hallandale Beach Planning Division, Code Compliance Division, and CRA staff. Eligible Project costs may include:

- Architectural/engineering fees, permits, application fees, and direct costs associated with satisfying the Program application;
- Removal of deteriorated or undesirable exterior alterations;
- Architectural improvements;
- Painting and decorative surface elements;
- Repair, replacement, or installation of:
  - Storefront windows;
  - Exterior doors;
  - Roofing;
  - Exterior lighting;
  - Awnings;
- Renewal or installation of new landscaping /irrigation;
- Parking and walkway resurfacing and installation of decorative pavers;
- Exterior wall, fascia, soffit repair;
- Mansard construction, raised parapet;
- Decorative walls and fences;

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- Signage; and
- Ancillary improvements, such as dumpster enclosures, bike racks, transit shelters pedestrian amenities, and other exterior improvements recommended and/or approved by CRA staff on a case by case basis. Prior elimination of any known code violations is a required component of the Project. Projects are encouraged to incorporate sustainable designs and specify building materials with green product certification.

Basis/Limits of Benefits: In the case of multiple structures on a single property, the Agency, at its sole discretion, may consider a grant application for each structure subject to the terms, conditions, and limits applicable to the location of the subject property. The Agency, at its sole discretion, may consider increasing the funding limits on a case by case basis.

Maximum Award Amount - The HBCRA is making available to commercial and/or mixed-use properties within the CRA Priority Area matching grants for improvements up to a maximum grant award as follows:

<b>Priority Area</b>	<b>Matching Amount</b>	<b>Maximum Award</b>
	<b>HBCRA/ Applicant</b>	<b>Dollar Value</b>
NE 1 <sup>st</sup> Avenue from Hallandale Beach Blvd to NE 5 <sup>th</sup> Street	90/10	\$100,000

Applicant: The property owner (Owner) must be the applicant. A CFG award will have ongoing obligations/covenants, which will be protected by a lien on the applicant's property

### **Commercial Interior Renovation Grant (CIRG)**

Goals/Objectives: Eliminate functional obsolescence, remove deterioration, and improve the "energy efficiency" of existing buildings in the CRA, with an emphasis on bringing these buildings up to current building codes and making them more viable for occupancy.

Eligible Area: All properties within the FADD. The FADD designated Priority Area is defined as:

1. NE 1<sup>st</sup> Avenue from Hallandale Beach Blvd to NE 5<sup>th</sup> Street.

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Eligible Properties: Existing commercial and mixed-use buildings with commercial elements in the CRA with uses permitted by applicable land use codes or approved conditional uses.

Eligible Project Costs: Generally, all costs associated with interior improvements, restoration, rehabilitation, and permanently attached fixtures/systems are eligible for consideration (Project). The proposed Project must comply with the Plan, CRA urban design guidelines, applicable land use regulations, and current code requirements, subject to review/approval by the City of Hallandale Beach Planning Division, Code Compliance Division, and CRA staff. Eligible Project costs may include:

- Architectural/engineering fees, permits, application fees, and direct costs associated with satisfying the Program application;
- Removal of deteriorated or undesirable interior alterations;
- Building construction, reconstruction, and expansion;
- Repair, replacement, or installation of:
  - Windows;
  - Interior doors;
  - Walls, ceilings, framing, drywall, insulation, molding, and paint;
  - HVAC systems;
  - Security systems;
  - Plumbing systems and fixtures;
  - Electrical systems and fixtures;
  - Data/communication networks;
  - Flooring;
  - Roofing;
- Other tenant improvements permanently affixed to the Property;
- Rent during construction (if applicable); and
- Ancillary improvements to the primary Project, such as structural stabilization and other interior improvements recommended and/or approved by CRA staff on a case by case basis. Prior elimination of any known code violations is a required component of the Project. Projects are encouraged to incorporate sustainable designs and specify building materials with green product certification.

Basis/Limits of Benefits: Depending upon whether a project is within a Priority Area or not, a CIRG award could provide a grant for up to 90% of the eligible costs not to exceed \$90,000. The Agency, at its sole discretion, may consider increasing the funding limits on a case by case basis.

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Maximum Award Amount - The HBCRA is making available to commercial and/or mixed-use properties within the CRA Priority Area matching grants for interior improvements up to a maximum grant award as follows:

<b>Priority Area</b>	<b>Matching Amount</b>	<b>Maximum Award</b>
	<b>HBCRA/ Applicant</b>	<b>Dollar Value</b>
NE 1 <sup>st</sup> Avenue from Hallandale Beach Blvd to NE 5 <sup>th</sup> Street	90/10	\$90,000

Applicant: The property owner (Owner) must be the applicant. A CIRG award will have ongoing obligations/covenants, which will be protected by a lien on the applicant's property.

Below is an example of the 90/10 matching grant award between a property owner/tenant and the HBCRA.

*Example*

<i>Total Project Cost</i>	<i>Owner Responsibility</i>	<i>CRA Grant Amount</i>
<i>\$100,000</i>	<i>\$10,000 (10%)</i>	<i>\$90,000</i>

**Commercial Kitchen Grant (CKG)**

Goals/Objectives: The goal of the CKG is to encourage restaurant development within the Fashion, Art and Design District (FADD). The HBCRA desires to improve the operating efficiency of existing restaurants in the CRA and attract new restaurants to the CRA, with an emphasis on creating a dining destination within the City. Funding priorities for the CKG will apply specifically to the following types of businesses:

- Microbreweries/ Wine Bars
- Specialty Coffee shops
- Trendy urban restaurants
- Specialty Donut shops
- Family oriented restaurants
- Music Venues
- Art Galleries

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Eligible Area: The CKG applies to all properties within the FADD. The FADD designated Priority Area is defined as:

1. NE 1<sup>st</sup> Avenue from Hallandale Beach Blvd to NE 5<sup>th</sup> Street.

Eligible Properties: Existing and new properties with retail/commercial food preparation uses within the CRA as permitted by applicable land use codes or approved conditional uses, with a particular emphasis on retail restaurants.

Special Conditions: Commercial kitchen design and equipment are unique to the restaurant/food preparation operation they serve. Applicants to CKG program are required to provide a detailed description of their planned operation and menu.

Eligible Project Costs: Generally, all costs specific to commercial kitchen improvements and permanently attached commercial-grade kitchen equipment/systems are eligible for consideration (Project). The proposed Project must comply with the Plan, urban design guidelines, applicable land use regulations, and current code requirements, subject to review/approval by the City of Hallandale Beach Planning Division, Code Compliance Division, and CRA staff. The kitchen design/engineering, construction materials, and equipment/systems must comply with applicable industry standards, such as: Dairy and Food Industries Supply Association, Inc. (3-A), United States Department of Agriculture (USDA), Food and Drug Administration (FDA), American Welding Society (AWS), Occupational Safety and Health Association (OSHA), American Society of Testing Materials (ASTM), American National Standards Institute (ANSI), Current Good Manufacturing Practices (cGMPs), and National Electrical Manufacturer's Association (NEMA). The kitchen and its equipment will comply with all local health and safety requirements that apply to food produced for sale. Eligible project costs may include:

- Architectural/engineering fees, permits, application fees, and direct costs associated with satisfying the Program application;
- Removal of deteriorated or undesirable interior alterations;
- Construction, reconstruction, and expansion of the kitchen area - walls, ceilings, framing, drywall, insulation, molding, flooring;
- Repair, replacement, or installation of built-in systems:
  - Hoods and ventilation systems;
  - Fire suppression systems;
  - Plumbing systems/fixtures;
  - Gas lines/fixtures;
  - Electrical systems/fixtures;



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- Grease traps;
- Walk-in/reach-in refrigerator space;
- Walk-in/reach-in freezer space;
- Acquisition/installation of commercial-grade kitchen equipment:
  - Cook tops - range, griddle, grill, stock pot stove, steamer;
  - Ovens – baking, convection, rotisserie, broiler;
  - Floor-mounted gas deep fryer;
  - Floor-mounted mixer;
  - Ice machine;
- Acquisition/installation of commercial-grade prep tables, surfaces, storage space:
  - Stainless steel worktables/shelves;
  - Baker's table;
  - Dry storage cases;
- Acquisition/installation of commercial-grade maintenance/sanitization equipment:
  - Dishwasher/dish sanitizer
  - Garbage disposal;
  - Stainless steel sinks – food washing/prep, hand washing, mop;
- Rent during construction (if applicable); and
- Ancillary improvements to the primary Project, such as structural stabilization and other interior improvements recommended and/or approved by CRA staff on a case by case basis. Elimination of any known code violations is a required component of the Project. Projects are encouraged to incorporate sustainable designs, specify building materials with green product certification, and strive to maximize the energy efficiency of the kitchen operation.

Basis/Limits of Benefits: Within the Priority Areas, a CKG award will provide a grant for up to 90% of the eligible Project costs not to exceed \$300,000. The Agency, at its sole discretion, may consider increasing the funding limits on a case by case basis.

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<b>Priority Area</b>	<b>Matching Amount</b>	<b>Maximum Award</b>
	<b>HBCRA/ Applicant</b>	<b>Dollar Value</b>
NE 1 <sup>st</sup> Avenue from Hallandale Beach Blvd to NE 5 <sup>th</sup> Street (FADD)	90/10	\$300,000

Applicant: The property owner (Owner) and the tenant (restaurant/food preparation operator) must be joint applicants. A CKG award will have ongoing obligations/covenants, which will be protected by a lien on the applicant's property.

Below is an example of the 90/10 matching grant award between a property owner/tenant and the HBCRA.

*Example*

<i>Total Project Cost</i>	<i>Owner Responsibility</i>	<i>CRA Grant Amount</i>
\$330,000	\$33,000 (10%)	\$297,000

**Tenant Lease Surety / Tenant Rent Subsidy**

Goals/Objectives: Accelerate the attraction of new start-up businesses and reduce the vacancy of commercial space in the CRA, with an emphasis on energizing ground-floor space and creating job opportunities in the CRA. An additional objective is to reduce the risk of developing/constructing speculative commercial space in the CRA.

Eligible Area: All properties within the FADD. The FADD designated Priority Area is defined as:

NE 1<sup>st</sup> Avenue from Hallandale Beach Blvd to NE 5<sup>th</sup> Street.

Eligible Properties: All commercial or mixed-use (containing retail/commercial space) buildings in the designated Priority Area with proposed leases for new office and/or qualified retail (Qualified Retail) uses permitted by applicable land use codes or approved conditional uses. The Agency, at its sole discretion, may change the list of Qualified Retail from time to time. Currently, Qualified Retail includes:

- Restaurant/food service - family-oriented restaurant, ice cream shop, coffee shop, micro-brewery;

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- Merchandise retail - clothing store, florist, general merchandise store;
- Destination retail;
- Small theatre (movies and live performances);
- High tech companies or co-working spaces
- Performing/creative arts – gallery, studio, arts-oriented business; and
- Other uses as approved.

Eligible Project Costs: This is not a cost-based program.

Basis/Limits of Benefits: TLS is the CRA's guarantee of Thirty Five (35%) percent of a qualified tenant's financial obligation under a proposed lease for three (3) years. TRS is a grant subsidy that funds the gap between market rate rent and the specific tenant's capability for three (3) years.

Applicant: The property owner (Owner) and the tenant must be joint applicants, each with different obligations to the CRA as follows:

- Owner: Provides low-risk lease terms and rate appropriate to the location of the Property during the term of the guarantee.
- Tenant: Provides reasonable assurance to the Agency, by means acceptable to the Agency at its sole discretion, that it can and will meet the obligations of its lease.