

## **Broward Municipal Services District (BMSD) Economic Development Programs**

The following business revitalization programs for corridor development and blight removal on the commercial corridors of the Broward Municipal Services District (BMSD) have been developed by the Office of Economic and Small Business Development (OESBD), working closely with the Planning and Redevelopment and Housing Divisions of the Resilient Environment Department and the Parks and Recreation Division.

The following programs are starting points in the process of economic development and redevelopment of the BMSD to incentivize private sector investment and interest in the area. Because of limited fund availability and the complexity of many of the development issues in the area, a long-term fiscal commitment to these programs and their implementation would be required, as there is no guarantee of how rapidly the private sector will respond.

For the Façade/Property Improvement, Business Development/Redevelopment, and Demolition Grant Programs, applications will be reviewed by OESBD staff, in consultation with other County divisions as appropriate, to confirm that proposed projects are consistent with the intent of the programs, provide a direct benefit to the BMSD, and demonstrate economic viability. Applications must be submitted to OESBD utilizing the application form provided by that office.

All awards under these programs are subject to approval by the County Administrator or the Broward County Board of County Commissioners ("Board") and must be documented in a written agreement that is reviewed and approved as to legal sufficiency by the County Attorney's Office. Where this policy or applicable law requires action by the Board, approval of the award will be contingent upon Board approval.

The maximum aggregate limit an individual entity may qualify for is \$500,000 per project, inclusive of all awards under this program. Individual projects may be awarded grants under multiple programs up to the maximum limit for each individual program.

### **1. Façade/Property Improvement Grant Program (80%-County/20%-Business Match)**

The Façade/Property Improvement Grant Program seeks to remove blight along BMSD's commercial corridors by assisting businesses and commercial property owners in improving building aesthetics and by bringing commercial sites into conformance with current codes. By improving the appearance of building façades, the program serves to improve the economic sustainability and viability of these areas. These improvements increase property values, improve the marketability of space within the buildings, and draws businesses, customers, and residents to the area.

Owners or tenants of for-profit commercial/industrial structures willing to improve the exterior of properties located within the program target areas are eligible to apply for a grant award under the program. Owners of vacant properties with intent to attract an eligible business to the property are eligible to apply for a grant award under the program; however if the property is sold or occupied by an ineligible business type within 12 months after award, applicant must repay all grant funds. Use of the building must conform to all current codes and ordinances; non-conforming uses are not eligible. All renovations must undergo Broward County's development review and approval process. An applicant may utilize the program in conjunction with other programs.

Certain business types are ineligible for the program: adult businesses, packaged liquor retailers, gambling establishments, gun shops, massage parlors, pawn shops, tattoo parlors, and businesses operating from residential property. The County Administrator may, in writing, modify and/or expand the list of ineligible business types at any time.

The maximum grant award for any project under this program is \$200,000 in the aggregate, and the total amount awarded under this program in any fiscal year shall not exceed the budgeted amount for this program. All awards are based on available funding.

## 2. Business Development/Redevelopment Grant Program

The Business Development/Redevelopment Grant Program assists local developers leverage investments in commercial corridor and industrial redevelopment and revitalization projects in the BMSD that may not otherwise proceed.

The program's priority is to focus limited available capital funding on those projects that display significant potential for improving economic growth and the creation of jobs. The application process managed by OESBD will require sufficient information and documentation indicating a project's performance projections, estimated economic impact, and the potential for job creation. Key areas of focus during the application process include:

- Owner-generated funds to be leveraged
- Total number of direct (permanent, non-construction) full-time employee positions (FTEs) created, filled, and maintained by the project
- Total number of direct (permanent, non-construction) FTEs created, filled, and maintained by the project where the applicable employee lives in the BMSD
- Property owner's total capital investment in the project
- Ad Valorem Property Value Improvement/Tax Generation
- Benefit to BMSD residents, either directly or indirectly, from the project as a result of its day-to-day operations
- Blighted area and/or facility elimination and/or reuse

The program is available for a wide spectrum of projects from large to smaller scale projects (in blighted commercial corridors, industrial areas, etc.). Grants under the program will be competitively awarded and consistent with the County's development priorities in the BMSD community. An applicant may utilize the program in conjunction with other programs to reduce the economic challenges of redevelopment projects and increase their investment potential. Eligible projects include new construction and redevelopment projects in the BMSD. Grants under this program will be paid in annual installments over a four-year period. All jobs eligible for award must be created and maintained for at least one year.

To be eligible for an award under this program, the property owner must make a minimum capital investment of \$500,000 related to the project. Additional grant funds may be awarded based on the number of jobs created, filled, and maintained, subject to the maximum job limits specified in Table 2. The number of jobs for which a property owner may qualify is determined by the amount of capital investment made in connection with the project, in accordance with the tiers set forth in Table 2.

The total grant award under this program will be calculated as follows:

### **Capital Investment**

Up to 20% of the property owner's total capital investment as a result of the project (Table 1 below). This amount will be paid in equal increments over a 4-year period;

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### **Job Creation**

- a.) For each new FTE created, filled, and maintained\*, \$2,000 per job;
- b.) For each new FTE created, filled, and maintained\*, where the employee is a resident of the BMSD, an additional \$2,000 per job, for a total of \$4,000 per job.

\*FTEs must be maintained for a minimum of 1 year to be eligible for a grant award payment

Capital Investment Tiers (Table 1)

Tier	Award Based on Percent of Total Capital Investment (Split into 4 Annual Payments)	\$ Capital Investment
1	5%	\$500,000 - \$1 million
2	10%	\$1 million - \$1.5 million
3	15%	\$1.5 million - \$2.0 million
4	20%	\$2.0+ million

Job Creation Tiers (Table 2)

Tier	\$ Capital Investment	Maximum Number of FTE eligible for grant award payment
1	\$500,000 - \$1 million	5
2	\$1 million - \$1.5 million	10
3	\$1.5 million - \$2.0 million	15
4	\$2.0+ million	20

The maximum grant award for any project under this program is \$500,000 in the aggregate, and the total amount awarded under this program in any fiscal year shall not exceed the budgeted amount for this program. All awards are based on available funding.

### 3. Demolition Grant Program (50%-County/50%-Business Match)

The Demolition Grant Program is designed to accelerate the demolition of blighted, unsafe, and/or unsuitable structures ("nuisance structures") on property located in the BMSD to help speed the recovery and redevelopment of the area. The removal of nuisance structures through demolition increases public safety, improves appearance, and enhances property values in neighborhoods. These activities also clear the path for new development.

The Demolition Grant Program will accept applications from properties with nuisance structures appropriate for demolition based on physical condition, local input, and potential for land assembly or redevelopment. Through collaboration with deedholders of properties with nuisance structures, the Program seeks to maximize the number of nuisance structures demolished. The program would provide financial assistance to deedholders of properties with nuisance structures that seek assistance in demolition.

The maximum grant award for any project under this program is \$100,000 in the aggregate, and the total amount awarded under this program in any fiscal year shall not exceed the budgeted amount for this program. All awards are based on available funding.

### 4. Strategic Land Assembly Program

The BMSD Strategic Land Assembly Program will assemble lots in order to make larger parcels of developable land or green space along the commercial corridors of the BMSD where appropriate, particularly along the north side of Broward Boulevard between NW 24<sup>th</sup> Avenue and NW 31<sup>st</sup> Avenue, a high-traffic commercial corridor experiencing significant blight and high vacancy. Commercial opportunities along this corridor are substantial. The renovation of existing commercial structures or the building of new commercial and mixed-use structures in place of current blighted sites is necessary to leverage the commercial potential. In many instances, individual lots along this corridor are presently too small and/or shallow for viable commercial or mixed-use development.

Assembly of individual parcels together can be very expensive for private developers, especially if there are potential environmental or title issues attached to the parcels. As a result, developers tend to opt to build on the fringes of developed areas where larger tracts of undeveloped land are available and ignore the potential for redevelopment within urban areas such as the BMSD.

Over time, by assembling larger parcels of land for specific, new development or for the purpose of creating green space and developable sites, the Land Assembly Program would strategically amass properties that have previously been deemed undesirable by its owners and overlooked as too challenging by developers. The County would strategically seek out, acquire and maintain such properties until strategic redevelopment can occur. OESBD will work with the relevant County agencies when evaluating projects under this program. All County purchases or sales of real property must comply with applicable law.

Each acquisition or disposition of real property under this program shall be presented to the Board for consideration and shall include such notice and/or public hearing as required by applicable law.

## **5. Revolving Loan Program**

The Revolving Loan Program will assist BMSD business and commercial property owners in their efforts to revitalize and enhance commercial corridors and industrial areas by providing below-market rate financing to fund operating costs and capital projects as a means to spur commercial redevelopment. Each activation of the Revolving Loan Program will require separate Board approval, and shall include for Board consideration and approval the parameters for borrower criteria, method of selection, repayment and/or forgiveness terms, and other key terms of the program.

Unless otherwise approved by the Board:

- Applicants will need to demonstrate that they have a viable commercial corridor/industrial project and clearly identify the proposed uses of the loan proceeds.
- Once approved, funds may be used for such activities as: operating capital, real estate acquisition, development, redevelopment, and new construction; rehabilitation of public and private infrastructure and facilities; and purchase of equipment and other assets (on a limited basis).
- The program may be used in conjunction with other financing sources.
- The Revolving Loan Program will be managed by a third-party lending organization selected through the County procurement process, with experience in small business lending and a focus on financial literacy.

The total amount of financing awarded under this program in any fiscal year (inclusive of all capital, financing or other charges, and interest) shall not exceed the budgeted amount for this program. All awards are based on available funding.