



DEVELOPMENT REGIONS GRANT PROGRAM

PALM BEACH COUNTY, FLORIDA

ELIGIBILITY & APPLICATION REQUIREMENTS

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I. PROGRAM OVERVIEW

The Development Regions Grant Program established by the Board of County Commissioners (BCC) is designed to stimulate economic growth and increase business opportunities in or adjacent to designated blighted areas of Palm Beach County. These areas are distinguished by high to very high percentages of poverty, low total per capita income and high unemployment. The targeted areas include but are not limited to the Glades, Boynton Beach East, Delray Beach East, Lake Park, Lake Worth East, Mangonia Park, Riviera Beach East, West Palm Beach East, and specific unincorporated areas of Palm Beach County. The goal is to encourage economic investment and diversification in these communities, increase job growth and entrepreneurial opportunities, revitalize commercial districts and focus on positive human resource development to improve the quality of life. Maps are available upon request from the Palm Beach County Economic Development Office (EDO) and on the website www.pbcgov.com/PubInf/EDO/introduction.htm.

The Development Regions consist of the following categorized areas:

- Acute Areas with 35% or more poverty
- Core Areas with 20% to <35% poverty
- Transitional Areas with 15% to <20% poverty
- Marginal Areas with 10% to <15% poverty

II. PROGRAM ELIGIBILITY

To qualify for consideration of a Grant Agreement (“contract”) award under this program, the project must be located in or adjacent to the Development Regions of Palm Beach County. Preference will be given to projects lying within a municipality, community redevelopment agency or unincorporated area that is represented by an “economic advocate” organization and is applying on behalf of a business project or public improvement project. For an application to be considered, the local government or nonprofit applications must have an actual project commitment, and not merely request funding for a future unknown project.

Priority will be given to projects that directly create jobs in the high unemployment, high poverty and low income areas.

A. DEFINITIONS

- Applicant:
1. A nonprofit organization or local government with a service area or jurisdiction lying within a Development Region and requesting funds for a business project. or
 2. A business owner whose facility is physically located in an unincorporated area not represented by a nonprofit organization or local government.

Business Retention: Retaining an existing business, its employees and tax base.

Job Creation: Creation of a permanent full-time/equivalent position filled by an employer.

Job Retention: Allowable only in the “Acute Areas” of the Development Regions. Retaining a job that has existed for six months or more prior to the Development Regions application.

Project: Business A start-up or existing business (registered in the State of Florida) and involving relocation or expansion plans to purchase/lease/occupy/build/renovate property in or adjacent to a Development Region, and to hire full-time/equivalent employees.

Project: Public Improvement Improvements that benefit the public and business environment such as parking, infrastructure, lighting, beautification and facade improvements, etc. which will eventually assist in business development and job creation. Applicant must be a municipality/CRA.

One Full-Time or Equivalent Job: Equals one job totaling 2,080 hours annually or two or more positions that together total at least 2,080 hours per year.

B. CRITERIA

1. JOB CREATION AND JOB MAINTENANCE

- a. One full-time/equivalent job must be created or retained per \$10,000 requested in

County funds. Preference will be given to job creation over retention.

- b. Facade program projects may or may not necessarily have job creation commitments when working with building owners in high poverty areas. Municipality/CRA may be working with problem properties that with assistance would ultimately lead to tenants, but would not have employment during the normal contract period. In this case, the contract period may be extended until businesses have been committed and jobs have been created.
- c. Applicants are held accountable for their commitment to job creation or retention as identified in the application. This will be the job commitment identified in the contract.
- d. Business projects that have received assistance from other County grant programs cannot use the same jobs pledged for in other programs to apply for this program.
- e. Business projects must provide the Workforce Alliance, Inc. a list of all job openings and training opportunities when ready to hire.
- f. Business projects must show good faith efforts in hiring 50% of employees who reside in or near a Development Region.
- g. Job commitments must be filled by the 20th month from the contract commencement date and maintained for an additional 24 months following job creation/retention.

2. WAGES AND BENEFITS

Applicants are strongly encouraged to provide wages at the time of contract approval that are higher than the national minimum wage and include fringe benefits (e.g., healthcare).

3. APPROVAL OF PROJECT CHANGES

The EDO must review all written requests for project changes. Changes below cannot occur without EDO's authorization:

- a. Reallocation of funds
- b. New project commitments for uncommitted funds
- c. Changes within a project
- d. Contract extensions for performance deadlines

C. FUNDING AND REIMBURSEMENT

Business proposals that exceed the minimum criteria for qualifying for funding will be accorded a higher priority as to the consideration for an award and the amount of the award.

1. MATCHING FUNDS BY BUSINESS PROJECT

Business projects must leverage a ***significant amount of money to County funds***. The objective is to attract the highest private investment possible in the Development Regions. For facade/building improvements totaling less than \$5,000, a dollar-for-dollar match to County funds is required.

2. FUNDING REQUESTS AND MATCHING REQUIREMENTS / LEVERAGING

MAXIMUM COUNTY FUNDS

\$50,000 for any one public improvement or business project. County funds cannot exceed 30% of total project costs. No business/property owner may receive more than \$50,000 over a three year period in the Development Regions Grant Program. Business/property owners located in "Acute" areas may not receive more than \$100,000 over a three year period.

\$100,000 for multiple projects submitted by a local government and/or nonprofit organization. If there are any remaining funds, additional applications may be considered during the application cycle.

MATCHING FUNDS

Applicants (local government or nonprofit organization) must provide at least a 50% cash match and/or match value to the amount of County funds requested. Additional cash match is encouraged.

3. ELIGIBLE MATCHING FUNDS

Previous expenditures and in-kind services by a local government or nonprofit organization for existing or proposed projects cannot be used toward matching funds. If an applicant requests a waiver of the match, a letter of justification must be submitted to EDO. Matching funds (dollar value) by the local government or nonprofit organization may include:

CASH

A loan program.

Infrastructure improvements to area.

Building improvements/area beautification.

Utilities and water/sewer hookup costs.

Municipality's occupational license fees.

Designated parking spaces in downtown area.

Donations of land, buildings, and easements.

(at a value derived by Palm Beach County Property Appraiser's assessed value)

4. ELIGIBLE AND INELIGIBLE REIMBURSABLE ACTIVITIES

ELIGIBLE EXPENSES. County will reimburse the following expenses for business projects:

Acquisition of real property.

Construction of new buildings.

Renovation of existing buildings.

Facade improvements of properties.

Site development costs (engineering, architectural designs, soil test, surveying, etc.).

Impact fee payment.

Machinery and equipment (see specifications on page 5).

Public Improvements: parking, lighting, facade program, beautification, infrastructure, etc..

INELIGIBLE EXPENSES. The contract does not reimburse:

Retainer Fees (attorney & architect). Work must be received for reimbursement.

Deposits.

Mortgage payments.

Relocation of businesses from one Development Region to another. However, any such relocation may be evaluated by EDO based on sufficient justification for a particular project.

Operations nor salaries

SPECIFICATIONS FOR MACHINERY AND EQUIPMENT:

ELIGIBLE EXPENSES

New or used fixed assets or tangible personal property purchased by the qualified business and used exclusively at the business project site during the contractual period.

Machinery and equipment purchased for the business project must have a useful life of at least five years.

INELIGIBLE EXPENSES

Portable equipment, such as personal computers, adding machines and calculators.

Rolling stock, such as trucks, vans or cars.

Restaurant/office/warehouse equipment; such as, tables, chairs, cookware or other removable items.

Note: Machinery & Equipment are subject to change. Please contact the assigned organization to verify eligibility of machinery and equipment.

D. TIME FRAME FOR REIMBURSEMENT

To qualify for reimbursement, the construction or purchase of equipment for business projects must be completed within 18 months from the contract commencement date as identified in the contract approved by the BCC.

- a. Reasons for the delay in starting the construction/renovation or purchase of machinery & equipment for a project must be reported in writing by the applicant to the EDO.
- b. This written explanation must be received by EDO prior to the end of the 12th month from the date of BCC approval.
- c. If a business project does not progress in a timely manner, upon review by EDO, the business project may risk the forfeiture of funds and the funds will be reallocated.
- d. Requests for a contract extension must be filed with EDO three months prior to the 18th month deadline set forth in the contract.
- e. Contract extensions require BCC approval.

III. APPLICATION PROCESS

Applications for funding assistance will be accepted within an approved specified time during the budget year. The budget year begins October 1st of each year.

- Step 1 Application submitted to EDO.
- Step 2 Review by County Staff.
- Step 3 Staff presents projects to Business Review Committee (OEDP Subcommittee) for recommendation to BCC.
- Step 4 Present to BCC for approval.

IV. APPLICATION REQUIREMENT CHECKLIST

BUSINESS PROJECT PROPOSAL MUST INCLUDE THE FOLLOWING
BUT NOT NECESSARILY IN THE SAME ORDER

1. **Application Form.** A Development Regions application form with all appropriate items filled out. Attach qualified estimates of project costs. Submit one original and six copies.
2. **Business Plan.** One original and six copies of the business plan must be submitted. Pictures/designs must be included.
3. **Summary & Projections.** A Business Plan must include an Executive Summary and five year projections prepared by a qualified party such as a CPA, a business incubator, Palm Beach County Resource Center, etc.
4. **Tax Returns.** The most recent last three years tax returns for an existing business; or the last three personal tax returns of the entrepreneur of a startup business; or a statement of good standing by the Internal Revenue Service (IRS) for funding requests less than \$5,000. Only one copy each of the three tax returns is required.
5. **Financial Statements.** Financial statements for existing business for past three years and if the current year is not completed, an unaudited financial statement of the current year by a CPA.
6. **Loan Commitment.** A copy of a loan letter or a good faith letter from a bank committed to the business project indicating whether the loan is under consideration and if the loan is a condition subject to the County contract. This document is not required for facade/building improvement of properties). All contingencies to the bank commitment must be noted.
7. **Legal Status.** Information regarding the company's legal status (S-Corp, C-Corp, Sole Proprietorship, Partnership, etc.), fictitious name registration, copy of corporate charter,

etc. A copy of letters of incorporation.

Please note that items below may take a longer period of time to acquire.

8.
 - A. **Community Commitment.** The Municipality/CRA/Nonprofit Board or Council has approved the request for County funds, the specified business project, the local match funds, and has authorized in writing the signing of a County contract which will be submitted to the BCC for approval.
 - B. **Zoning.** A sign off letter from the municipality or County that the zoning is appropriate for the existing/proposed use, and infrastructure is in place for such use.
 - C. **Project Feasibility.** A statement justifying the feasibility of the project by the business entity or by the local government/nonprofit organization. Include in the statement the projected economic impact of the project to the area/community. Projects involving commercial district revitalization are evaluated based on the positive economic impact they will have in a blighted area. The measurements used are employment, occupancy rate, sales rate, foot traffic, square footage, number of stores in the area, projected crime reduction, vehicle count and other appropriate economic development evaluations.
9. **Insurance.** Proof of insurance coverage must be submitted by the applicant (local government/nonprofit or business located in the unincorporated areas) prior to the time of contract. Please see required insurance coverage in attachments.

Grant Agreements for businesses located in the unincorporated areas will include a Lien Covenant clause to cover property or assets in order for the County to secure the County's funds. The lien will be null and void upon satisfaction of the Agreement's commitments.

PUBLIC IMPROVEMENT PROPOSAL MUST INCLUDE THE FOLLOWING:

1. **Application Form.** A Development Regions application form with all appropriate items filled out. Attach qualified estimates of project costs. Submit one original and six copies.
2. **Public Improvement Plan.** One original and six copies of a public improvement plan must be submitted. Pictures/designs must be included.
3. **Funding.** Evidence of funding commitment towards public improvement.
4.
 - A. **Certify Business.** If business projects are part of a "Facade Program", a Municipality/CRA must certify and submit their plan stating that the following business is in and part of the program. Municipality/CRA must document that they have reviewed and approved all financial statements.
 - B. **Businesses Assisted/Jobs Created.** Public improvement projects must show # of

businesses to be developed/assisted and # of jobs to be created for commitment of funds.

C. **Community Commitment.** The Municipality/CRA/Nonprofit Board or Council has approved the request for County funds, the local match funds; and has authorized in writing the signing of the County contract that will be submitted to the BCC for approval.

D. **Project Feasibility.** A statement justifying the feasibility of the project by the business entity or by the local government/nonprofit organization. Include in the statement the projected economic impact of the project to the area/community. Projects involving commercial district revitalization are evaluated based on the positive economic impact they will have in a blighted area. The measurements used are employment, occupancy rate, sales rate, foot traffic, square footage, number of stores in the area, projected crime reduction, and vehicle count, and other appropriate economic development evaluations.

5. **Insurance.** Proof of insurance coverage must be submitted by the applicant (local government / nonprofit or business located in the unincorporated areas) prior to the time of contract. Please see required insurance coverage in attachments.

Please Note: Prior to the date of BCC approval of the contract, business and public improvement projects must have obtained and provided to EDO sufficient verification of:

- a. Commitment of necessary financial resources.
- b. County-required insurance coverage.
- c. Compliance with applicable regulatory requirements.
- d. Provision of adequate infrastructure for business projects.

V. REQUESTS FOR PAYMENT

The County will only reimburse expenses incurred on or after the commencement date of the contract approved by the BCC. In order to expedite payment, the following is required:

- a. Cover letter requesting payment (identify the contract by agreement number).
- b. Itemized cover sheet showing matching funds expended by applicant.
- c. Copy of invoice supported by a copy of canceled check, wire, credit card statement, or line of credit that has been paid/processed. If cash is used for payment, invoices must indicate cash paid and initialed.
- d. Requests sent in by proper department (bookkeeper, accountant).
- e. Land acquisition and impact fees may be reimbursed by the County at the beginning of the project. All other reimbursements must wait until the project is further along in development and/or construction. It is preferable to submit invoices to the County after project completion for tracking of total project cost.

VI. REPORTS AND SITE VISITS

Reporting

Applicants must submit cumulative reports every six months on specific performance measures until the end of the job maintenance period. The report forms, provided by EDO, are due within one month of its request.

Semi-annual Reports:	January 1 - June 30	Report Due: July 31
	July 1 - December 31	Report Due: January 31

Site Visits

EDO staff will conduct site visits and may request pictures of the property before and after the construction or improvement. The business owners will be notified prior to the site visit by the local government/non-profit.

Grant Agreement recipients must maintain records of payroll for verification of the required job creation and/or retention that must be available at the time of the site visit by local government/nonprofit.

Failure to comply with any obligations of the Grant Agreement may result in the funds being unencumbered by staff with BCC concurrence.

For additional information contact:

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www.pbcgov.com

(on website select: Economic Development or Economic Development Office)