



## **Margate Community Redevelopment Agency**

### **Business Incentive Program**

#### **1. Overview**

The Business Incentive Program is designed to help facilitate the establishment of new businesses and aid in the expansion of existing businesses within the Margate Community Redevelopment Agency (MCRA). The program provides financial assistance in form of a forgivable loan to new and existing businesses to reduce the initial cost associated with the interior construction or renovation of the commercial operating space or other improvements in accordance with the Implementation Plan. Improvements paid for by the MCRA must be permanent and stay with the building.

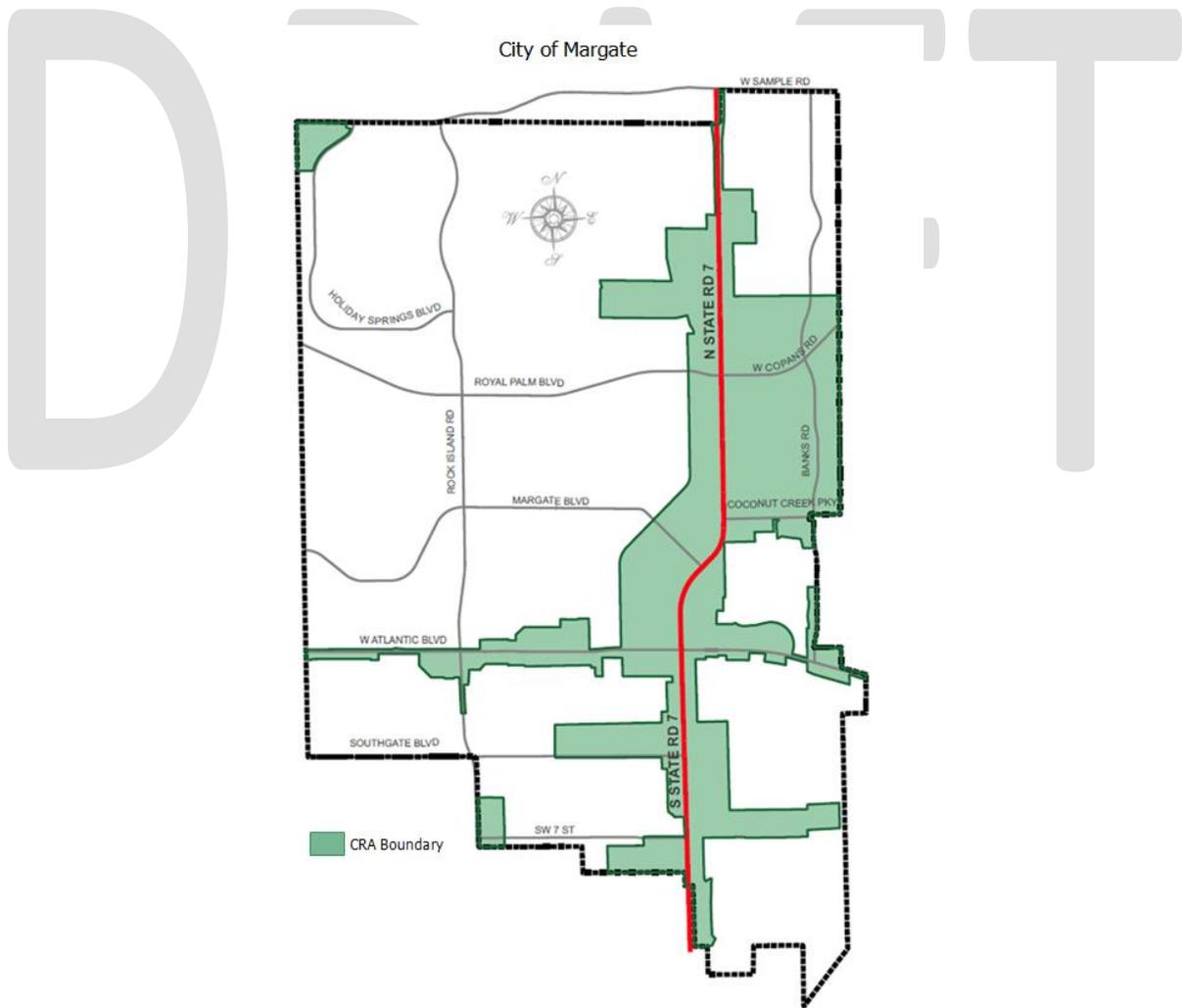
#### **Objectives**

- Attract new and retain local businesses.
- Increase economic activity within the community.
- Promote job creation.
- Incentivize private sector investment.
- Expand the tax base.
- Preserve the quality of life for residential and corporate residents.
- Create positive momentum towards community development.



## Eligibility

- a. Must be a New Business or Existing Business.
  - a. **New Business** refers to a company in operation for less than six months or relocating to Margate.
  - b. **Existing Business** refers to a company that has been in operation within the MCRA area for a minimum of two years at the time of application.
- b. Operating space (commercial property) must be located within the boundaries of the Margate Community Redevelopment area (map below). Residentially zoned properties are not eligible.





- c. Must provide proof that the commercial business is properly licensed by all necessary levels of government and professional associations or agencies.
- d. Operating space must be new or an existing commercial building with commercial elements with uses permitted by applicable land use codes.
- e. Eligible participants may be individuals, sole proprietorships, partnerships or any other legally identified form of a for profit business owner.
- f. If tenant, applicant must have an executed multi-year lease (two year minimum remaining on lease) or a proposed lease, which must be executed within 30 days of MCRA Board approval or the business incentive award is terminated.
- g. The applicant's consumer credit report must reflect an acceptable level of financial stability, within the sole discretion of the MCRA, as an eligibility requirement for funding. Applicants must have a consumer credit report score of 601 or higher to be eligible. If more than one business owner, the majority of the business owners must have credit scores of 601 or higher to be eligible.
- h. Job creation and/or job retention or another approved performance indicator may be a requirement for assistance provided through this program.
- i. The proposed project must comply with the MCRA Implementation Plan, Citywide Design Standards, applicable land use regulations and current Code requirements, subject to review/approval by the City of Margate's Development Services Department, MCRA staff and MCRA Board.
- j. Improvements must support the objectives and goals of the MCRA Plan.
- k. Must have property owner participation and approval.

### **Eligible Expenses**

The City of Margate requires permits for most of the eligible items listed below. It is imperative that property owners obtain all necessary building permits before beginning any work.

Eligible expenses are those reasonable costs associated with undertaking interior construction or renovation of the commercial operating space. Those include the following:

- Interior walls
- HVAC system

Initials: \_\_\_\_\_



- Interior plumbing
- Hood and fire suppression
- Flooring
- Grease trap installation
- Interior Electrical System and lighting
- Commercial kitchen improvements and permanently attached commercial-grade kitchen equipment/systems are eligible for consideration
- Fees for design and architectural services and permitting

### Ineligible Businesses

The following businesses are considered ineligible for assistance under the Business Incentive Program:

- Firearm sales
- Convenience stores
- Religious affiliated retail stores
- Churches
- Non-profits
- Vapor cigarette, E Cigarette stores
- Check cashing stores
- Tattoo shops / body piercing / body art shops
- Adult arcades
- Alcohol and/or drug rehabilitation centers/housing
- Kava tea bars
- Any other use that MCRA staff or Board have determined not to support the redevelopment of the CRA District.

### Funding Guidelines

- The Business Incentive Program is available to eligible new and existing businesses within the Community Redevelopment Area in the form of a forgivable loan after project completion in an amount equal to 80% of project costs for an amount not to exceed \$50,000.
- MCRA funding cannot exceed 80% of the total cost of the project.

Initials: \_\_\_\_\_



- If the MCRA approves the Business Incentive application, an Agreement between the business owner(s) and the MCRA must be executed to protect the MCRA's investment. Staff will negotiate incentive terms with the applicant, which are subject to the approval of the MCRA Board.
- If any contractual provisions are not met, the MCRA has the right the right to demand from the business owner the return of any funds disbursed plus interest at the prevailing rate but not exceed eight percent (8%).
- No work covered by the Business Incentive application is to be undertaken without written approval of funding from MCRA.
- The program will not provide reimbursement for any work previously done or already underway prior to the MCRA Board's approval of the Business Incentive.

#### **Other Conditions**

- Program will be available on a first-come, first-ready, first-served basis and depending on funding availability.
- Total project cost may not exceed 50% of the property's assessed value.
- All property taxes and utilities must be current in order to apply and remain current.
- Any and all projects involving work that has already commenced prior to the execution of contract with the MCRA will not be funded.
- The MCRA does not fund sweat equity. Therefore, all work must be done by a licensed General Contractor.
- Funding for any project must not be used for religious purposes.
- Any applicant that is delinquent on their assistance from the MCRA is not eligible for any further assistance.
- Property shall not have any open Code violations.
- Operating space (commercial property) to be improved must be free of all municipal and county liens, judgments or encumbrances of any kind and must remain free of all municipal



and county liens, judgments or encumbrances of any kind during the term of the agreement. Failure to do so may impact payment of the reimbursement award. To ensure this, the MCRA will perform a lien search on the property at a cost of \$150 to \$300, which will be deducted from the Business Incentive funding to the recipient.

- The MCRA reserves the discretion to give priority consideration to applicants that leverage more than 20% of funding on the total project cost.
- The MCRA reserves the right, at its sole discretion, to make any final determinations as to how this program will be offered and implemented. This may include, but not limited to ranking of applicants, which applicants will be funded, all conditions of funding, approval of plans, designs and materials to be utilized. Applicants, even those that meet the eligibility requirements, may not be approved if a project conflicts with the objectives and goals in the MCRA Plan.

### **Terms and Obligations**

- The Business Incentive Program award will have ongoing obligations/covenants, which include, but are not limited to a lien on the applicant's property.
- If the project receives funds via another City, County, Federal or State program which also requires job creation/retention, the jobs created/retained for those programs must be in addition to the jobs required under this program.



## 2. Guidelines

### Submitting the Business Incentive Program Application

1. Every documentation provided to the MCRA as part of the application will become a Public Record and as such are viewable to the public and not considered confidential, subject to any exemptions provided by Florida Law.
2. Application must be completed in its entirety, including attaching all required documents. Incomplete applications will be returned to the applicant and not processed, nor considered for participation in the program.
3. Nonprofit organizations are not eligible for this program.

### Completing your Business Incentive Project

4. The applicant is responsible for obtaining any and all City required building permits to complete the project.
5. All work agreed to in the Business Incentive Agreement (Agreement) must be commenced within forty five (45) days of the date of the Agreement and completed within one hundred and eighty (180) days of the date of the Agreement. After 180 calendar days, the Business Incentive will be closed out and funds will be recaptured, unless an extension has been granted in writing by the MCRA.
6. No Business Incentive funds will be disbursed prior to the receipt of a Certificate of Occupancy or the necessary inspection approvals and closed permits.
7. Costs for improvements not pre-approved through the application process are not reimbursable.

### Reimbursement

8. Reimbursement of funds will be provided after the MCRA staff inspects the project for completeness and all building permits have been closed.
9. If work is deficient, the applicant shall have 30 calendar days to correct the deficiencies. The MCRA will not pay for any work done to correct the problem, and it will be at the applicant's expense. If, after 30 days the problem is not corrected, or if the MCRA has not been contacted with an explanation of the delay, the Business Incentive will be forfeited, and no monies will be reimbursed.



10. To receive reimbursement the applicant must provide the following:

- a. Detailed invoices from the contractor or vendor corresponding to the completed approved improvements.
- b. Proof of payment in the form of a cancelled check (front and back) or credit card statement clearly indicating that payment for the specific item has been made. Payment amounts must correspond with invoice amounts. Cash payments to contractors or vendors will not be considered for reimbursement.
- c. Paid in full receipt for each invoice.
- d. Proof of closed Building permits.

Staff will review the supporting documents provided. If everything is in order, the MCRA will declare the project complete and process payment to the property owner for the amount allowed by the Business Incentive Agreement.

11. The executed Business Incentive Agreement, Declaration of Restrictive Covenants, Personal Guaranty or other obligation will be recorded in the form of a lien on the applicant's property for a period of 5 years.
12. At the conclusion of the five year term or any time before the five year term is concluded (if necessary), the MCRA will evaluate the fulfillment of the performance indicators stipulated in the Business Incentive Agreement to determine the forgiveness or repayment of the financial incentive provided.



I have read, understand and accept the program overview and guidelines set forth above for the Business Incentive Program.

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**Property Address**

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**Applicant Name**

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**Applicant Signature**

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**Date**

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Initials: \_\_\_\_\_



### 3. Application Checklist

Every application package must include all of the following items before it will be processed and considered for approval.

- Signed and completed application form.
- Color Photographs of existing conditions of the property. Hard copy and digital file emailed to [cra@margatefl.com](mailto:cra@margatefl.com).
- Property owners must provide most recent mortgage statement or statement of satisfaction of mortgage (if applicable). Tenants must provide a proposed or executed multi-year lease (two year minimum remaining on lease). Proposed leases must be executed within 30 days of MCRA Board approval or the Business Incentive award is terminated.
- Warranty deed.
- Broward County Property Appraiser Report.
- Current property tax receipt.
- Property insurance.
- Business insurance
- Business Plan for the business, which describes the company's mission, a brief history and description of the company, overview of operations, product information, customer base, method and areas of distribution, primary competitors and suppliers within the County.
- Resume for each principal/owner of the business.
- Complete consumer credit report(s) for all business owners.
- Two years of corporate tax returns (for existing businesses only).
- Two years of personal tax returns for the principal/owners of a new business.
- A detailed list of existing jobs on your payroll and the new jobs to be created. Include the title for each position, a brief job description for each, annual salary for existing and new positions and the industry average salary for those positions.



- Narrative description of entire project being undertaken, including sources of financing.
- Detailed budget for entire project with breakdown of improvements for which reimbursement is being requested from Program.
- A minimum of three bids/quotes from licensed and insured contractors and/or vendor.
- Preliminary construction schedule.
- Site plan or survey (including legal description of the property) that accurately reflects the existing property. Hard copy and digital file emailed to [cra@margatefl.com](mailto:cra@margatefl.com).
- If machinery and equipment are being purchased with CRA funds, provide a list of all the items to be purchased, with quotes on vendor's letterhead. Include a statement from the manufacturer attesting to the economic life of the equipment.
- If business is a franchise include a copy of the franchise agreement.
- Bank commitment letter(s) detailing the conditions of the loan approval (if applicable).



#### 4. Application Procedure

Applicants are advised that it may take between 60 and 90 days to fully process a Business Incentive Application, depending upon the completeness of the Application and back up information, and the MCRA Board meeting schedule. The MCRA Board meets on a monthly basis. Once an application is fully complete it is anticipated that it will be presented to the Board at the next available meeting.

Applicants shall follow the steps listed below for application approval:

- a. Schedule an appointment with MCRA staff as early in the process as possible to discuss project and make sure it meets program intent. Please call 954-935-5307 or e-mail [cra@margatefl.com](mailto:cra@margatefl.com).
- b. Meet with the MCRA and Development Services Department for a preliminary review of proposed renovations to property.
- c. Compile application materials and submit complete application to the MCRA Office.
- d. MCRA staff reviews application, conducts a site inspection and notifies applicant of any missing information.
- e. Complete application package and Business Incentive Agreement signed by applicant are presented to MCRA Board for consideration. Applicants will be notified of the date and time that their applications will be considered by the MCRA Board. The decision of the MCRA Board shall be final.
- f. MCRA staff notifies applicant of MCRA Board approval or denial. Applicants not approved may apply again one year from denial.
- g. Project commences.



**5. Business Incentive Application**

**APPLICANT INFORMATION**

Name

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Mailing Address

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Email

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Telephone Number

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**BUSINESS INFORMATION**

Check Appropriate Description

- New Business
- Existing Business

Name of Business and d/b/a (if applicable)

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Type of Business

- Sole Proprietor
- Partnership
- Joint Venture
- Corporation
- Cooperative

Initials: \_\_\_\_\_



- Limited Liability Company
- Non-profit Organization
- Other: \_\_\_\_\_

Current Business Address

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Website

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Email

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Telephone Number

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Fed ID No.: \_\_\_\_\_

If Existing Business, number of years in existence: \_\_\_\_\_

Time at Current Location: \_\_\_\_\_ New Business to Margate: Yes \_\_\_\_\_ No \_\_\_\_\_

Do you have an executed lease agreement at the current location: Yes \_\_\_\_\_ No \_\_\_\_\_

If so, monthly rent: \$ \_\_\_\_\_ Square Footage: \_\_\_\_\_

New Business Address:

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Square Footage of New Location: \_\_\_\_\_

Type of Business: \_\_\_\_\_

Number of Employees: \_\_\_\_\_

Initials: \_\_\_\_\_



Hours of Operation: \_\_\_\_\_

List all lienholders, mortgage holders, or any other creditors for the business:

Lienholder/Creditor	Balance	Monthly Payment

**PRINCIPAL/OWNER INFORMATION**

(If more than 4 principals/owners additional sheet may be used)

1. Principal/Owner Name: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Email: \_\_\_\_\_

Residential Address: \_\_\_\_\_

\_\_\_\_\_

Cellphone Number: \_\_\_\_\_

2. Principal/Owner Name: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Email: \_\_\_\_\_

Residential Address: \_\_\_\_\_

\_\_\_\_\_

Cellphone Number: \_\_\_\_\_

Initials: \_\_\_\_\_



3. Principal/Owner Name: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Email: \_\_\_\_\_

Residential Address: \_\_\_\_\_

Cellphone Number: \_\_\_\_\_

4. Principal/Owner Name: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Email: \_\_\_\_\_

Residential Address: \_\_\_\_\_

Cellphone Number: \_\_\_\_\_

**ADDITIONAL BUSINESS AND OWNER(S) INFORMATION**

Have any of the business owners ever been convicted of a felony or misdemeanor?

Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please explain: \_\_\_\_\_

List and describe all bankruptcy petitions (voluntary or involuntary) which have been filed by or against the business, its parent or subsidiaries or predecessor organizations during the past five years. Include in the description the disposition of each such petition. If there are none, write "none" on the following line.

Initials: \_\_\_\_\_



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List all current claims, arbitrations, administrative hearings and lawsuits brought by or against the business. If there are none, write "none" on the following line:

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List and describe all criminal proceedings or hearings concerning business related offenses in which the business was a defendant. If there are none, write "none" on the following line:

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**PROPERTY INFORMATION**

Property Owner Name

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Owner Type (Check one):

- Individual
- Proprietorship
- Partnership
- Corporation
- LLC

Property Address

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Property Owner Social Security or Tax ID Number

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Has the property been cited for Code Violations?

- Yes  No

**PROJECT INFORMATION**

Project Type:

- Expansion
- Relocation

Project Description

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Initials: \_\_\_\_\_



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**Select all applicable ambitious improvements in the property.**

- Interior walls
- Interior plumbing
- Flooring
- Interior Electrical System and lighting
- Fees for design and architectural services and permitting
- HVAC system
- Hood and fire suppression
- Grease trap installation
- Commercial kitchen improvements and permanently attached commercial-grade kitchen equipment/systems are eligible for consideration
- Other \_\_\_\_\_

**Name of Participating Bank/Lender**

\_\_\_\_\_

Amount: \$ \_\_\_\_\_

Contact Person: \_\_\_\_\_

Email: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**Name of Other Participating Bank/Lender**

\_\_\_\_\_

Amount \$ \_\_\_\_\_

Initials: \_\_\_\_\_



Contact Person: \_\_\_\_\_

Email: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**Please indicate the sources and uses of funds for the project on the following table:**

<b>Project Sources of Funding</b>	<b>Amount</b>	<b>Rate</b>	<b>Term</b>
<b>Bank Loan</b>			
<b>Bank Loan</b>			
<b>Bank Loan</b>			
<b>CRA Funds</b>			
<b>Property Owner's Cash Assets</b>			
<b>Other</b>			
<b>Other</b>			
<b>TOTAL SOURCES</b>			

**Name of General Contractor for the Project:**

\_\_\_\_\_

**Address of General Contractor:**

\_\_\_\_\_

**Estimated Total Project Cost:** \_\_\_\_\_

Initials: \_\_\_\_\_



**Estimated Business Incentive Amount Requested:**

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**Are you receiving any funding assistance under any other governmental agencies?**

**Yes:** \_\_\_\_\_ **No:** \_\_\_\_\_

**If yes, list any additional funding or grant sources and amounts:**

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**How did you hear about the Business Incentive Program?**

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**6. Property Owner Authorization Form**

*- This form must be completed only if you are leasing the property for your business –*

The undersigned owner of the existing building located at:

\_\_\_\_\_

Address

Certifies that:

\_\_\_\_\_

Applicant

Operates or intends to operate a business at the above location. The undersigned agrees to permit the Applicant and his contractors or agents to implement the improvements listed on the Business Incentive Program Application.

In consideration of the Business Incentive Program to complete interior construction or renovation of the commercial operating space or other improvements, the undersigned hereby waives and releases any claim against the City of Margate and the Margate Community Redevelopment Agency (MCRA) arising out of the use of said funds for the purposes set forth in the Application. The undersigned agrees to hold the City and MCRA harmless for charges, damages, claims or liens arising out of the Applicant's participation in the Business Incentive Program.

\_\_\_\_\_

Property Owner Name

\_\_\_\_\_

Property Owner Signature Date

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

Subscribed and sworn to (or affirmed) on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, who is personally known or produced \_\_\_\_\_ as identification.

(SEAL)

\_\_\_\_\_  
Notary Public  
My Commission Expires:

Initials: \_\_\_\_\_



**7. Application Agreement**

I (we), the owner(s) of the above described business understand that the intent of this application is only for purposes of pre-qualifying for a business incentive and does not guarantee acceptance or approval and no commitment is hereby made on the part of either the applicant or the Margate Community Redevelopment Agency.

I (we) certify that to the best of my (our) knowledge, all the information in this application and all information furnished in support of this application is true and correct. Any property assisted under this program will not be used for any illegal or restricted purpose.

Any intentionally false or fraudulent statement or supporting documents will constitute cancellation of my (our) application. The MCRA is hereby authorized to verify any of the above information and to inspect the property prior to approval. I (we) agree to have no claim for defamation, violation of privacy or other claims against any person, firm or corporation by reason of any statement or information released by them to the MCRA.

**PENALTY FOR FALSE OR FRAUDULENT STATEMENT:** Federal law, U.S.C. Title 18, Sec. 1001, provides: Whoever, in any matter within the jurisdiction of any department or agency of the U.S. knowingly and willfully falsifies or makes false, fictitious or fraudulent statements, or entries, shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

I give permission to the MCRA or its agents to take photos of myself and business to be used to promote the program.

\_\_\_\_\_  
**Applicant Name**

\_\_\_\_\_  
**Applicant Signature** **Date**

\_\_\_\_\_  
**Applicant Name**

\_\_\_\_\_  
**Applicant Signature** **Date**

Initials: \_\_\_\_\_