



Legislation Text

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TO: Chair and Members of the Board

FROM: Diane Colonna, Executive Director

DATE: May 11, 2016

DISCUSSION OF DRAFT DEVELOPMENT INFRASTRUCTURE ASSISTANCE PROGRAM

BACKGROUND: At the April meeting, the Board requested staff draft an incentive/assistance program for new businesses locating in the MCRA District. The 2009 CRA Plan recommends creating "Economic Development Incentive Programs" that establish a diverse, identifiable character for the City within the Redevelopment Area and promote economic vitality through private sector investment. In response, staff drafted the Development Infrastructure Assistance Program (Program) which is instituted to encourage property owners (established and new) to make improvements within or adjacent to the public rights of way of commercial buildings.

The following outlines the basic eligibility requirements of the proposed program;

- Projects that cost \$1 million or more
- Must be a for-profit operation
- Targeted projects include office and commercial space, new and/or existing commercial buildings, hotel projects, and mixed-use buildings that are consistent with MCRA objectives. (Auto oriented uses would not be eligible unless they address a specific need (i.e., providing jobs for hard to employ persons, filling a gap in a particular service, or otherwise meeting a need identified in the CRA Plan.)
- Improvements may be either on private or public land, on the public right of way, or both.

The CRA would invest its capital in return for fulfilling the following objectives;

- improving both the physical appearance of the redevelopment area and the property values/marketability of surrounding properties;
- improving existing properties and their value;
- creating an improved infrastructure on both public and private land;
- facilitating commercial development in the CRA District; and
- facilitating commercial development that creates employment opportunities within walking distance of transit.

Description of the Program;

- A qualified applicant would be reimbursed for 50% of the costs of eligible site improvements up to an amount not to exceed 75% of the projected Tax Increment Funds ("TIF") to be generated by the improvements over a three year period following project completion. In event will the total grant exceed \$250,000.
- Incentive reimbursement will occur in three annual disbursements, after a Certificate of Occupancy has been issued, the project is on the property tax roll, and payment of ad valorem property taxes has been validated.
- A formal incentive agreement would be prepared for final approval by the CRA Board.

Eligible reimbursement costs under the Program include 50% of the following:

- Landscaping, irrigation, exterior site lighting, sidewalks, plazas, site walls, permanently affixed site furniture, bicycle racks, etc., located on either public right of way adjacent to the private development, or on a portion of the private property that is accessible to the public.
- Public right of way improvements along a street or alley and adjacent to the private development, including paving, sidewalks, curb & gutters, storm drainage systems, traffic signals, on-street public parking spaces.
- Signage, limited to street signage, directional signage, or monument signs, and excluding tenant signage.
- Underground and above ground public utilities, including but not limited to water mains, sewer mains, irrigation lines, natural gas lines, and electric utility lines.
- The construction of publically dedicated parking lots and parking structures, or portions thereof.

RECOMMENDATION: For discussion only.

FISCAL IMPACT: N/A

CONTACT PERSON: Kim Vazquez, CRA Project Manager