

RESOLUTION No. 2008-55-742

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS, FLORIDA, ADOPTING POLICIES AND PROCEDURES FOR THE BUSINESS INCENTIVE PROGRAM AS OUTLINED IN EXHIBIT "A" ATTACHED HERETO; PROVIDING FOR THE ADOPTION OF REPRESENTATIONS; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Department of Community Development has established a Business Incentive Program to assist new and existing businesses in the City of Miami Gardens, by providing financial assistance to these businesses, and

WHEREAS, it is necessary and appropriate for the City Council to adopt policies and procedures governing the Business Incentive Program,

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS, FLORIDA, AS FOLLOWS:

Section 1. ADOPTION OF REPRESENTATIONS: The foregoing Whereas paragraphs are hereby ratified and confirmed as being true, and the same are hereby made a specific part of this Resolution.

Section 2. AUTHORIZATION: The City Council of the City of Miami Gardens hereby approves the policies and procedures for the Business Incentive Program attached hereto as Exhibit "A."

Section 3. EFFECTIVE DATE: This Resolution shall take effect immediately upon its final passage.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS AT ITS REGULAR MEETING HELD ON MARCH 26, 2008.

  
SHIRLEY GIBSON, MAYOR

ATTEST:

  
\_\_\_\_\_  
RONETTA TAYLOR, CMC, CITY CLERK

PREPARED BY: SONJA KNIGHTON DICKENS, ESQ.  
City Attorney

SPONSORED BY: DANNY CREW, CITY MANAGER

MOVED BY: Councilman Williams  
SECONDED BY: Councilman Bratton

**VOTE: 6-1**

Mayor Shirley Gibson	<u>X</u> (Yes)	___ (No)
Vice Mayor Barbara Watson	<u>X</u> (Yes)	___ (No)
Councilman Melvin L. Bratton	<u>X</u> (Yes)	___ (No)
Councilman Oliver G. Gilbert III	<u>X</u> (Yes)	___ (No)
Councilman Aaron Campbell	<u>X</u> (Yes)	___ (No)
Councilwoman Sharon Pritchett	___ (Yes)	<u>X</u> (No)
Councilman André Williams	<u>X</u> (Yes)	___ (No)

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# City of Miami Gardens

1515-200 NW 167<sup>th</sup> Street  
Miami Gardens, Florida 33169



Mayor Shirley Gibson  
Vice Mayor Barbara Watson  
Councilman Melvin L. Bratton  
Councilman Aaron Campbell Jr.  
Councilwoman Sharon Pritchett  
Councilman André Williams

## Agenda Cover Page

Date: **March 26, 2008**

Fiscal Impact: No **X** Yes

(If yes, explain in Staff Summary)

Funding Source: **N/A**

Contract/P.O. Requirement: Yes  No **X**

Sponsor Name/Department: **Danny Crew, City Manager**

Public hearing

Ordinance

1st Reading

Advertising requirement:

Quasi-Judicial

Resolution **X**

2nd Reading

Yes **X** No

RFP/RFQ/Bid # **N/A**

## Title

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS, FLORIDA, ADOPTING POLICIES FOR THE BUSINESS INCENTIVE PROGRAM AS OUTLINED IN EXHIBIT "A" ATTACHED HERETO; PROVIDING FOR THE ADOPTION OF REPRESENTATIONS; PROVIDING AN EFFECTIVE DATE.

## Staff Summary

### Background

The Department of Community Development is charged with the responsibility of administering programs funded with federal and state entitlement (grant) funds. City staff structures the basic program parameters and takes into account community (resident) input obtained during the Consolidated/Action Planning process. The intended outcome for all Community Development programs is a benefit to low to moderate income persons/households.

One of the areas of concern to residents is the establishment of some program to benefit local businesses. Understanding that federal and state funds are very restrictive and governed by numerous rules and regulations, City staff sought to establish a program that would benefit new and existing businesses while being administered in an easy to understand manner.

The Department has established the Business Incentive Program (B.I.P.), which provides financial assistance to: 1) existing business/property owners to improve the

façade of their existing business, or 2) new business/property owners for the build-out of their new space. The attached policies outline the following:

- Program guidelines
- Eligible/ineligible properties and/or improvements
- The evaluation process
- The approval process
- The procurement process

It is the Department's intent with this program to both stimulate economic development in the City as well as sustain the viability of local businesses by providing financial assistance that will result in job creation.

This resolution seeks the City Council approval of the attached policies that will govern this program.

**Recommendation**

City staff recommends the approval of the attached resolution approving Business Incentive Program policies.

# City of Miami Gardens

Department of Community Development



## Business Incentive Plan

Program Policies

## Table of Contents

I.	Introduction	1
II.	Purpose	1
III.	Eligible Participants	1
IV.	Ineligible Participants	1
V.	Eligible Properties	1
VI.	Eligible Activities	2
VII.	Ineligible Activities	2
VIII.	Application Review and Approval	2
IX.	Rating Priorities	3
X.	Loan Terms	3
XI.	Procurement	3
XII.	Reimbursements	4
XIII.	Definitions	4

## **I. Introduction**

The City of Miami Gardens, Department of Community Development received Community Development Block Grant (CDBG) funding and Economic Development Incentive (EDI) funding from the U.S. Department of Housing and Urban Development (HUD) to provide economic development assistance to businesses within the City limits.

## **II. Purpose**

The primary goal of this program is to encourage renovation and private investment in the City by providing financial assistance for starting or improving businesses. This program has been designed to enhance the commercial areas within the City and strengthen the commercial base by creating and retaining jobs, primarily for low and moderate income people, and stimulating economic development to improve the goods and services provided to low and moderate income people.

## **III. Eligible Participants**

Non-residential property owners and business lessees are eligible for assistance. Participants may be individuals, sole proprietorships, partnerships, for-profit or non-profit corporations, or any other legally identified form of business owner.

As a condition of eligibility, property taxes on the subject property must be current, and applicants must not have any debts owed to the City that are past due.

Owners of more than one eligible property may apply for assistance for each eligible property. Each application will be considered independently.

## **IV. Ineligible Participants**

Government agencies and owners of properties used for the general conduct of government are not eligible to participate in this program.

Lessees who do not have written authorization from the property owner are not eligible to participate in the program.

Properties used primarily as residences, including businesses operating out of a residence, are not eligible for the program.

Any party who is the subject of unresolved findings of non-compliance related to previous CDBG assistance.

Any party who has been suspended or debarred by U.S. HUD or any other Federal Executive Branch Agency and is listed on the Current Exclusion List.

## **V. Eligible Properties**

To be eligible for funding assistance, the property must be located within city limits and be zoned for commercial use. In addition, priority will be given to properties located in the City's designated Major Economic Development Corridors (State Road 7 (441), N.W. 27<sup>th</sup> Avenue or the Palmetto Expressway Corridor).

Properties with multiple business tenants must apply the compatible improvements across the entire property concurrently and as one project.

## **VI. Eligible Activities**

- Architectural/Engineering fees for the preparation of construction drawings, specifications and construction supervision
- Correction of existing or pending code or ordinance violations
- Handicap accessibility improvements
- Removal/Replacement of inappropriate façade covering material
- Repair or replacement of windows and doors as storefront
- New awnings or canopies, and/or replacement of awnings or canopies
- Exterior painting and cleaning
- Repair or cleaning of exterior masonry or stucco
- New or upgraded signage
- Repair, replacement or installation of exterior lighting
- Repair of walkways or entryways
- Parking repair including drainage, resurfacing and re-stripping
- Fencing
- Landscaping
- Roof Repair
- Other improvements as approved by the BIP Review Committee

Any Scope of Work approved must give priority to correcting any pending code or ordinance violation.

Any eligible costs incurred as a result of the application process can be included as part of the total project costs; however these costs will be applied towards the applicant's contribution and will not be reimbursable by the program.

## **VII. Ineligible Activities**

- Playground or recreational equipment
- Outdoor dining and seating facilities
- Purchase of any fixtures that do not become part of the real estate
- Burglar Bars
- Unlicensed contract work or "sweat equity"
- Other improvement deemed ineligible by the City Staff or the BIP Review Committee

Any project where work has already commenced prior to the execution of a contract with the City whereby an Environmental Review cannot be completed will be found ineligible under this program.

## **VIII. Application Review and Approval**

Department of Community Development staff will review all applications for completeness and preliminary qualifications. Once all details are finalized and documents are received and are in accordance with program requirements, the BIP Review Committee will meet to review the applications and approve, deny or modify the applicant's request. Applications will be considered for assistance on a first-come, first-ready, first-served basis, based on funding availability.

The Committee members will rate the applications individually using the Application Rating Scale. The applications will be given an individual score by each Committee member. Those scores will be compiled into one overall score.

The overall score will determine whether the applicant is provided assistance and for what amount.

The minimum score to receive assistance will be six (6) points.

The Committee may also modify the amount of assistance; modify the scope of work or improvements on the original application.

The applicant will be formally notified of the Committee's decision in writing within 48 hours. The approval notification will request that the applicant deposit with the City their project contribution of 20%.

The applicant will be required to execute a Contract, Promissory Note and Mortgage and Security Agreement prior to any disbursements being made.

## **IX. Rating Priorities**

Priority will be given to the following projects:

- Buildings in Fair to Poor condition.
- Buildings to be located within the designated Economic Development corridors and that will yield the greatest visual and aesthetic improvement.
- Businesses that do not have the availability and/or affordability to seek private mortgage credit.
- Those that are ready to commence work immediately.

## **X. Loan Terms**

The Business Incentive Program will provide funding of up to 80% of eligible costs. The maximum assistance for each loan will be determined by the viability of the proposed project and the need of the applicant. This will be determined by the BIP Review Committee.

The loan will be secured by a mortgage lien placed on the property. The loan amount will accrue interest at an annual interest rate of six percent (6%). The loan principal and all accrued interest will be forgiven upon maturity as long as the ownership of the property has not changed. If so, the loan converts into a grant and is forgiven concurrently, and the mortgage is released at maturity.

The loan period will depend on the amount of assistance being provided. For loans less than \$100,000.00, the period of the loan would be five (5) years. For loans in excess of \$100,000.00, the period of the loan would be ten (10) years. No loans will be made in excess of \$150,000.00.

The Combined Loan to Value shall not exceed 150% of the estimated market value as reported by the Miami-Dade County Tax Appraiser.

The loan terms agreed on by the committee will be recommended to the Director of Community Development. The Director will then submit his recommendation to the City Manager (and/or his designee) for approval. The authority to approve exceptions and subordinations will also rest with the City Manager and/or his designee.

Subordinations of Mortgage will be approved by the City Manager and will only be approved if no cash out is occurring and the City's mortgage position is not exacerbated.

## **XI. Procurement**

All projects must follow the "essence of good procurement" to assure that all purchases are handled fairly and in a manner that encourages full and open competition while following federal procurement rules when purchasing services, supplies, materials or equipment. The applicable federal regulations are contained in 24 CFR Part 85.

All goods and services will be contracted directly between the property owner/s and the contractor/supplier. The Department of Community Development will serve as a paying agent and contract facilitator only.

A competitive bidding process seeks to obtain the best possible quality at the best possible price. The Department will require a minimum of three (3) responsible bids per service or goods being contracted or purchased. A bid is considered responsible when submitted by a licensed and insured contractor/provider and for the same quality of goods or services as specified.

For services or goods less than \$100,000, the Department (on behalf of the property/business owner) will send a request for quotes to potential vendors with a detailed description of the goods or services needed. The potential vendors are then to respond with a sealed written quotation to be opened by the Department within 48 hours after expiration of the submission deadline. The type and amount of work will determine the deadline timing. The selected bidder will be formally notified in writing.

For services or goods more than \$100,000, the Department (on behalf of the property/business owner) will formally advertise an invitation to bid in a newspaper of general circulation and provide a complete, adequate and realistic specification of the work to be completed or description of the product to be supplied. The bids will be opened publicly at the time and place stated in the invitation to bid. The public is allowed at that time to review the bids received. The selected bidder will be formally notified in writing.

All construction work in excess of \$2,000 that is financed in whole or in part with CDBG Funds must adhere to certain state and Federal labor standard requirements such as Davis-Bacon.

For all procurement, the lowest responsive and responsible bidder will be awarded the project. The Department reserves the right to reject all bids.

## **XII. Disbursements**

All disbursement requests must be submitted to the Department of Community Development for processing. Reimbursement requests will be made from the applicant's contribution first and until exhausted.

Reimbursement requests will require supporting documentation.

For construction, building permits with corresponding approvals from the City's Building Inspector must accompany the request and could require a site inspection be made prior to payment being made. For services, a formal invoice and supporting documentation to show satisfaction of services provided must accompany the request. For goods, the request must be accompanied by product information and proof of delivery and receipt by the business owner.

## **XIII. Definitions**

***Combined Loan to Value*** – a percentage representing the value of the property in relation to the loan balances of ALL mortgages secured by the property.

***Economic Development*** - a sustainable increase in living standards and increased per capita income, better education and health as well as environmental protection

***Low and Moderate Income Person*** – a member of a family having an income equal to or less than the Section 8 low-income limit established by HUD

***Procurement*** - the process of obtaining services, supplies, and equipment in conformance with applicable laws and regulations.

Business Name: \_\_\_\_\_

Application Number: \_\_\_\_\_

### Application Rating Scale

<b>1. The overall building condition:</b> Poor Condition = 4 Fair Condition = 3 Good Condition = 2 Excellent Condition = 1	
<b>2. Is this property in a Low Income Census Tract Area:</b> Yes = 3 No = 0	
<b>3. The ratio of private funds to be leveraged:</b> 50/50 or more = 3 80/20 = 2 90/10 = 1	
<b>4. The amount of time in business:</b> Over 10 years = 4 5 to 10 years = 3 3 to 4 years = 2 1 to 2 years = 1 Less than 1 year = 0	
<b>5. The property is currently:</b> Vacant = 4 Occupied = 2	
<b>6. The business is located in the City's designated Commercial Revitalization areas (441, 27<sup>th</sup> Avenue, 183 Street or the Palmetto Corridor)</b> Yes = 3 No = 0	
<b>7. Was the party denied financing for this project?</b> Yes = 2 No = 0	
<b>8. The applicant status for proceeding:</b> Plans already prepared and approved by all parties or no plans required = 3 Plans ready but not approved = 2 No plans prepared, only sketch or intended project = 1 No preparation has taken place = 0	
<b>Total Application Score</b>	

Rater \_\_\_\_\_ Date \_\_\_\_\_

Department \_\_\_\_\_