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AGENDA WORKSHOP THURSDAY

**May 9, 2019 - 6:00 P.M.
City Hall Council Chambers**

CALL TO ORDER:

ROLL CALL:

PUBLIC COMMENTS:

BUSINESS:

1. Discussion of business incentives offered by the City.

ADJOURNMENT:

If an individual decides to appeal any decision made by the City Council with respect to any matter considered at this meeting, a record of the proceedings will be required, and the individual will need to ensure that a verbatim transcript of the proceedings is made, which record includes the testimony and evidence upon which the appeal is based (FS 286.0105). Such person must provide a method for recording the proceedings verbatim.

In accordance with the Americans with Disabilities Act, persons needing special accommodations for this meeting shall, at least 48 hours prior to the meeting, contact the Office of the City Clerk at (321) 952-3414 or Florida Relay System at 711.

Pursuant to Council Policies and Procedures, members of the public wishing to use electronic media when addressing City Council must provide the electronic file to staff for screening no later than 2:00 P.M. on the day of the meeting; audio presentations must be submitted to the City Clerk at least twenty-four (24) hours prior to the meeting.

THIS MEETING IS BROADCAST LIVE ON THE CITY'S WEBSITE

ECONOMIC DEVELOPMENT & REDEVELOPMENT

INCENTIVE WORKSHOP

May 9, 2019

WHY?

- Economic vitality tool to enhance and diversify local tax base, increase the number of jobs, provide a higher quality of life
- Ease the tax burden on the residential community
- Attract and retain investment within a community or targeted area through lowering the cost to do business
- Facilitate Business Retention & Expansion and Business Attraction & Marketing efforts of the City

WHO?

- Existing business seeking to grow or expand their operations (Business Retention & Expansion)
 - i.e. workforce hiring or new skills training, equipment/machinery, increase capacity in inventory or business footprint, new property acquisition or construction/buildout
- New business/development (Business Attraction)
 - i.e. attract targeted/desirable business and industry as identified by the City; leverage new development or redevelopment

HOW?

- Develop an Incentive Policy and a “tool box” of programs based on community needs – vetted and approved by City Council
- Provide for program guidelines, to include a program scope/intent, eligible applicants and qualifying criteria, application process to include internal due diligence, annual reporting and monitoring
- Ensure programs provide for a positive ROI, evaluate success on an annual (FY) basis to justify funding
- Ensure programs are performance-based and include claw-back provisions in agreements

WHAT?

What do these programs and efforts aim to accomplish?

- Provide a positive ROI for the community
 - Tangible: jobs, quality of jobs, capital investment, diversify and increased tax base, community amenities
 - Intangible: mitigating community weaknesses and boost strength of local economy by facilitating in success and growth of key industry/employers, retain jobs and businesses
- Improve factors that affect the community's business climate

Evaluate Return on Investment (ROI)

What is the benefit to the community?

- Perform a cost-benefit analysis to identify the expected tax revenue stream with incentives vs. the current revenue stream without incentives to determine ROI.
- Compare expected benefits vs. expected costs:
 - Expected benefits
 - Jobs created or retained (total annual payroll)
 - Quality of jobs, to include wages above City's living wage, health insurance and other benefits
 - New capital investment
 - Contribution to targeted industry or industry cluster
 - Increase in tax base and diversify the economy
 - Expected costs (incentive)
 - Loss of revenue (incentives i.e. property taxes, general fund, building, permit, inspection, impact fees waivers)
 - Public service expenditures (police and fire protection)
 - Increased demand on schools
 - Impact on infrastructure (water, sewer, roads)

Existing Programs

- Ad Valorem Tax (AVT) Abatement
 - Abatement of ad valorem taxes on net assessed value of improvements in real property (new building construction, machinery and equipment – does not include land acquisition costs)
- Ad-hoc incentive requests
- HUBZone*
- New Markets Tax Credit (NMTC)*
- Opportunity Zones*

** Federal programs*

Potential Programs (Monetary)

- Revise AVT Abatement – tiered approach
- Commercial Façade Improvement Grant
- Competitive building permit fees
- Variances for favorable development
 - Height, signage, setback, dumpster
- Rezoning/FLU amendment fee waivers for desired development – or ED/CRA covers cost
- Leverage City/CRA-owned property
- Site development/readiness assistance programs – demolition, adequate public infrastructure, transportation (traffic signal, bus stops), etc.

** Local match required for State incentive packages*

Potential Programs (Non-Monetary)

- Project Liaison
 - Serve as a liaison to all regulatory agencies (internal and external) to ensure smooth process and timeliness; ensure community support in seeing project to fruition
- Maintain a data “tool box”
 - Know and make available city demographics, available sites and infrastructure, programs, resource partners, access to capital
 - Utilize ED website as a one-stop-shop providing up-to-date data on demographics, programs and initiatives, development projects, resource partners, etc.
- Site selection process
 - Ability to respond quickly to requests on community data, site availability and readiness, existing utilities/infrastructure
- Resource Partners (see slide 12)
 - Maintain relationships with local partners agencies and remain informed on their respective programs and resources available to businesses/developers; establish a referral process

Marketing

How does marketing play a role in fostering economic development and redevelopment?

- Change image and alter previously held perceptions
- Leverage and promote community assets
 - City's location, workforce, available utilities and infrastructure, community amenities and quality of life aspects
- Promote City's favorable business climate and efforts to reduce the cost of doing business

Funding Sources

The City should be proactive and creative in identifying and leveraging existing funding sources.

- General Fund
- Local special districts
- Leverage resource partners (see slide 12)
- Grants/Notices of Funding Availability
- State (DEO, FDOT, FIND), Federal programs (SBA, HUD) regional EDO, regional planning council, etc.

Partners/Resource Agencies

The City should maintain relationships and leverage available resources through partners agencies to provide full range of services and technical assistance to local business community.

- Chambers of Commerce
- EDC of Florida's Space Coast
- Space Coast Office of Tourism/TDC
- SBA, SBDC, SCORE, weVenture
- Educational Institutions (universities, colleges, technical schools)
- CareerSource Brevard
- Major employers (locally and regionally)
- Financial Institutions (traditional, non-traditional)
- Regulatory Agencies (Brevard County, FDOT, FDEP, SJRWMD, EPA, etc.)
- Industry Associations
- Major economic engines (port, airport, rail, utility)
- Real Estate Brokers
- Developers and contractors
- Engineering and architecture firms
- Media
- Elected Officials

Measuring Success

- Monitor and evaluate programs on an annual basis (fiscal year)
 - Ensure positive ROI (tangible and intangible)
 - Justify continuation of funding
- Follow up with business regarding positive impact, ability to sustain or grow
- Did the program affect positive change in the community? Set performance benchmarks.
 - New Jobs
 - Retained jobs
 - Increased tax revenues to general fund
 - Improvement along key corridors/reduction of blight

Important Things to Remember

- Know your community
 - Key industries, major employers, workforce demographics, household income, etc.
- Collect and maintain data
 - Coordination between BTR, building and permitting, planning and zoning
- Know the cost of doing business in your City
- Availability and readiness of key sites and facilities
- Maintain dialogue with business community
 - Know and understand needs and challenges
- Monitor and evaluate the City's ability to help sustain, retain, grow, and attract business and industry



THANK YOU!