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City of Palmetto Agenda Item

Meeting Date

12/14/10

Presenter: Jeff Burton

Department: CRA

Title:
2011 Downtown Commercial Core Incentive Package
BACKGROUND:

Program Goal: It is the intent of this program to encourage commercial private sector investment to remove and/or hinder Slum and/or Blighted Areas in the DCOMC Land Use District.

Program Summary: To redevelop a specific district of the CRA area by means of incentivized private investment.

Program Description:

Under this package, certain DCOMC designated parcels will incentivise the following:

Land use - The CRA may provide a small financial incentive for property owners to change their current land use to the City's prescribed future land use. This means that a single family residence or derelict motel (residential use) in the area could see an incentive for changing to a commercial use.

Demolition - A small incentives may be awarded for the demolition of a rundown motel.

CPTED - "Community Policing through Environmental Design" may be offered through the Palmetto Police Department. As part of the redevelopment, the police can assist with a design that lowers the chances of a crime occurring.

Design - In an attempt to redevelop the downtown commercial core, the CRA may offer an incentive to plan the private building, parking, placement and other amenities to current city design standards.

Drainage - The CRA may provide a stormwater incentive for the private sector to pre-treat stormwater runoff, so that it is cleaner before it runs into the river.

Redevelopment (construction) - An incentive may be provided for the actual redevelopment construction.

Funding:

Funds have not been allocated in the budget for this program, \$300,000 may be allocated from unbudgeted funds in 2010-2011 budget.

Budgeted Amount:	\$0.00	Budget Page No(s):	xx	Available Amount:	\$0.00	Expenditure Amount:	\$0.00
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Additional Budgetary Information:

Money is not budgeted, but funds may be available

Funding Source(s):	unbudgeted funds	Sufficient Funds Available:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Budget Amendment Required:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Source:	FY 11
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City Attorney Reviewed:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	Advisory Board Recommendation:	<input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> N/A	Consistent With:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	FS 163 CRA Plan Comp Plan
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Potential Motion/ Direction Requested:

ADVISORY - Move to recommend approval of the Downtown Commercial Core Incentive Package and approve \$300,000 in unbudgeted CRA funds.

Staff Contact:	Jeff Burton	CRA Director	
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Attachments:	Downtown Commercial Core Incentive Package
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Palmetto Community Redevelopment Agency

Downtown Commercial Core Redevelopment Incentive Package

2010-11 Edition

Jeff Burton
12/3/2010



Palmetto Community Redevelopment Agency

Mayor Shirley Groover Bryant, Presiding Officer

Board of Commissioners:

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Advisory Board Members:

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Jeff Burton

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Antoinette Kilgore

Robert Marble

Devon Bloome



Table of Contents

Contents

Table of Contents	3
Definitions	4
Goals	7
Policies	9
Calculation	10
Land Use Incentive	10
Demolition Incentive	11
CPTED Incentive	11
Design Incentive	11
Drainage Facility Incentive	12
Redevelopment Incentive	12
APPENDIX A: DOWNTOWN COMMERCIAL CORE MAP	14
APPENDIX B: CRA INCENTIVIZED LAND USES	15
APPENDIX C: INCENTIVE TABLE	16
APPENDIX D: EXAMPLES	17
APPENDIX D: EXAMPLES	Error! Bookmark not defined.



Definitions

Act means the Community Redevelopment Act, F.S. § 163.330 et seq.¹

Agency means the Community Redevelopment Agency of the City of Palmetto.²

Area means an area designated as a redevelopment area and as described and mapped on documents in the city clerk's office.³

Commercial Apartment means a dwelling unit that is located within the same structure but above commercial retail, service or office use.⁴

Commercial Redevelopment means repair and rehabilitation of buildings or other improvements (new construction) on a Manatee County Parcel ID numbered property. *Commercial redevelopment*, for purposes of this program, may include the voluntary re-designating of the use or zoning of a property⁵, demolition of existing structure(s)⁶, planning and designing for new structures, storm water pre-treatment and street improvements and new construction.

Commercial Use means activities within land areas that are predominately connected with the sales, rental and distribution of products, or performance of services.⁷

Community Redevelopment or Redevelopment means undertakings, activities, or projects of a county, municipality, or community redevelopment agency in a community redevelopment area for the elimination and prevention of the development or spread of slums and blight, or for the reduction or prevention of crime, or for the provision of affordable housing, whether for rent or for sale, to residents of low or moderate income, including the elderly, and may include slum clearance and redevelopment in a community redevelopment area or rehabilitation and revitalization of coastal resort and tourist areas that are deteriorating and economically distressed, or rehabilitation or conservation in a community redevelopment area, or any combination or part thereof, in accordance with a community redevelopment plan and may include the preparation of such a plan.

¹ City of Palmetto Ordinance Number 11-26. - Definitions.

² City of Palmetto Ordinance Number 11-26. - Definitions.

³ City of Palmetto Ordinance Number 11-26. - Definitions.

⁴ City of Palmetto 2030 Comprehensive Plan Page 10

⁵ Florida Statute 163.370 Powers; counties and municipalities; community redevelopment agencies.(c)2

⁶ Florida Statute 163.370 Powers; counties and municipalities; community redevelopment agencies.(l)

⁷ City of Palmetto 2030 Comprehensive Plan Page 11



The ability of a county or municipality to utilize the authority granted under the Act is predicated upon the adoption of a "Finding of Necessity" by the governing body. This finding must demonstrate that:

- 1) One or more slum or blighted areas, or one or more areas in which there is a shortage of housing affordable to residents of low or moderate income, including the elderly, exist in the county or municipality; and,
- 2) The rehabilitation, conservation, or redevelopment, or a combination thereof, of such area or areas, including, if appropriate, the development of housing which residents of low or moderate income, including the elderly, can afford, is necessary in the interest of the public health, safety, morals, or welfare of the residents of such county or municipality.⁸

Crime prevention through environmental design (CPTED) is a multi-disciplinary approach to deterring criminal behavior through environmental design. CPTED strategies rely upon the ability to influence offender decisions that precede criminal acts. As of 2004[update]; most implementations of CPTED occur solely within the built environment.

Downtown Commercial Core (DCC) means a district [that] is only located in the redevelopment area and its purpose is to provide areas for general commercial/retail activities that are associated with a compact, pedestrian-oriented, downtown core.⁹

Drainage Facilities means a system of man-made structures designed to collect, convey, hold, divert or discharge stormwater, and include stormwater sewers, canals, detention structures and retention structures.¹⁰

Disseminate means to scatter or spread widely, as though sowing seed; promulgate extensively;

Estimated new construction value means the construction value determined by the City of Palmetto Building Official to determine building permit fees.

Fund means the community redevelopment trust fund.¹¹

Goal means the long-term end toward which programs or activities are ultimately directed.¹²

⁸ Florida Statute 163.340 Definitions (9)

⁹ City of Palmetto Code of Ordinances, Appendix B – Zoning Code, Article IV – Schedule of District Regulations

¹⁰ City of Palmetto 2030 Comprehensive Plan Page 12

¹¹ City of Palmetto Ordinance Number 11-26. - Definitions.



Governing Body means the council, commission, or other legislative body charged with governing the county or municipality.¹³ Palmetto City Commission is the governing body..

Historic Resources means all areas, districts or sites listed on the Florida Master Site File, the National Register of Historic Places, or designated by Palmetto as historically, architecturally, or archeologically significant.¹⁴

Infill means Development or redevelopment which occurs on scattered vacant lots in a developed area. Development is not considered infill if it occurs on parcels exceeding one acre or more.¹⁵

Mixed or Multiple Use means the mixture of one or more land use within a single building, or within a single project in separate buildings, with such uses planned in a coordinated manner under a single development plan. This definition excludes parks, golf courses, schools, and public facilities. Land uses, which when combined within a single project constitute mixed or multiple uses include residential, commercial and industrial uses.¹⁶

Nonconformities means those characteristics of the property, structure or use which are not permitted in the schedule of permitted uses or do not conform to the schedule of area, height, bulk and placement regulations or other provisions of this code but were legal at the time they were established.¹⁷

Plan means the Community Redevelopment Plan.¹⁸

Policy means the way in which programs and activities are conducted to achieve an identified goal.¹⁹

Small Town Atmosphere means a compact portion of the downtown area, characterized by tree-lined streets, on-street parking, parks, and open spaces, wide sidewalks, unified benches, trash receptacles, and the like. Small Town Atmosphere" may also apply to the traditional (historic) downtown that

¹² City of Palmetto 2030 Comprehensive Plan Page 13

¹³ Florida Statute 163.340 Definitions (3)

¹⁴ City of Palmetto 2030 Comprehensive Plan Page 14

¹⁵ City of Palmetto 2030 Comprehensive Plan Page 14

¹⁶ City of Palmetto 2030 Comprehensive Plan Page 16

¹⁷ City of Palmetto Code of Ordinances, Appendix B – Zoning Code, Article III – Definitions

¹⁸ City of Palmetto Ordinance Number 11-26. - Definitions.

¹⁹ City of Palmetto 2030 Comprehensive Plan Page 17



includes a variety of small shops, boutiques, and traditional architecture enhanced to encourage pedestrian use and a pleasant, friendly environment.²⁰

Stormwater means the flow of water those results from a rainfall event.²¹

Stormwater Facilities means Man-made structures that are part of a stormwater management system designed to collect, convey, hold, divert, or discharge stormwater, and may include stormwater, sewer, canals, detention facilities and retention facilities.²²

Goals

1. It is the intent of this program to encourage private sector investment to remove and/or hinder *Slum and/or Blighted Areas*.^{23 24}
2. It is intended that development within the downtown core be consistent with an urban theme, combining moderate residential density with commercial activities and recreational opportunities necessary for a vibrant downtown.²⁵
3. This activity shall encourage infill development in areas closer to the *Downtown Commercial Core*.^{26 27}
4. It is further intended that development in the downtown core be designed with carefully located buildings, parking and service areas, open space and use mixtures which are scaled and balanced to reduce general traffic congestion, by providing interdependent uses and uses which are compatible and complimentary with adjacent and surrounding land uses.²⁸

²⁰ City of Palmetto 2030 Comprehensive Plan Page 19

²¹ City of Palmetto 2030 Comprehensive Plan Page 20

²² City of Palmetto 2030 Comprehensive Plan Page 20

²³ City of Palmetto 2030 Comprehensive Plan Page 34

²⁴ Florida Statute 163.345 Encouragement of Private Enterprise

²⁵ City of Palmetto Ordinance Number 07-930, § 2, 5-21-07

²⁶ City of Palmetto 2030 Comprehensive Plan Page 23

²⁷ City of Palmetto 2030 Comprehensive Plan Page 34

²⁸ City of Palmetto Ordinance Number 07-930, § 2, 5-21-07



5. It is the intent of the program that design guidelines for the downtown core and character districts are established to ensure that public and private development projects implement the goals, objectives, policies and visions of the city's comprehensive plan, community redevelopment plan, and waterfront development plan."^{29 30}
6. It is the intent of these incentives incorporated with future Agency streetscape projects to promote a *Small Town Atmosphere*.³¹
7. The Agency desires to implement *Commercial Redevelopment* incentive strategies that will encourage the following:
 - a. Enhance the quality of the downtown core built environment³²
 - b. Achieve quality contextual design³³
 - c. Achieve design that implements the vision of the character district in which the property is located, thereby promoting an identity for Palmetto³⁴
 - d. Encourage a diversity of architectural styles³⁵
 - e. Increase *Downtown Commercial Core* property values in the Area expanding the tax base.³⁶
 - f. Provide design flexibility instead of aesthetic control³⁷
 - g. Increase public safety through implementation of *CPTED* strategies related to the Community Policing Innovation Plan (CPIP).^{38 39}
 - h. Reduce existing code enforcement violations and increase consistent property maintenance.⁴⁰

²⁹ City of Palmetto Ordinance Number 07-930, § 2, 5-21-07

³⁰ City of Palmetto 2030 Comprehensive Plan Page 23

³¹ City of Palmetto 2030 Comprehensive Plan Page 45

³² City of Palmetto Ordinance Number 07-930, § 2, 5-21-07

³³ City of Palmetto Ordinance Number 07-930, § 2, 5-21-07

³⁴ City of Palmetto Ordinance Number 07-930, § 2, 5-21-07

³⁵ City of Palmetto Ordinance Number 07-930, § 2, 5-21-07

³⁶ Florida Statute 163.335 Findings and declarations of necessity (5)

³⁷ City of Palmetto Ordinance Number 07-930, § 2, 5-21-07

³⁸ Florida statute 163.345 Encouragement of private enterprise (1)

³⁹ City of Palmetto 2030 Comprehensive Plan Page 23

⁴⁰ Florida statute 163.345 Encouragement of private enterprise (1)



- i. Increase the economic welfare of the Area through short-term construction and long term business creation and expanded job opportunities.⁴¹
- j. Enhance the image of the City of Palmetto, encouraging further private investment into the Area through the Dissemination of Community Redevelopment by the Agency.⁴²
- k. Maximize Trust dollars in a Community Redevelopment activity aligned with the Act and the Plan.
- l. Guide the appropriate rehabilitation and preservation of designated historic structures.⁴³
- m. Create a pedestrian-oriented environment built upon the city's history and activities.⁴⁴

Policies

1. These incentives solely promote *Commercial Use and Commercial Apartments*.
2. The Agency reserves the right to **modify or cancel parts of or the entire Commercial Core Redevelopment Incentive Package at any time without notice**. If the program is modified or eliminated, the Agency will ensure that any previously approved *Commercial Redevelopment* undergoing renovation will be completed per contract as long as the owner(s) abide by the contract.
3. All *Commercial Redevelopment* applications will be reviewed by the Agency Advisory Board for recommendation of approval and consent approval by the Agency Commission.⁴⁵
4. Funding will be on a **first come, first serve** basis and all funds will be dispersed upon delivery of a Palmetto Building Department Certificate of Occupancy (C.O.) or Certificate of Completion (C.C.).
5. All incentivized development will conform to the current edition of the City of Palmetto Downtown Development Guidelines.

⁴¹ Florida Statutes 163.335 Findings and declarations of necessity (4)

⁴² Florida Statutes 163.370 Powers; counties and municipalities; community redevelopment agencies (2) (b)

⁴³ City of Palmetto Ordinance Number 07-930, § 2, 5-21-07

⁴⁴ City of Palmetto Ordinance Number 07-930, § 2, 5-21-07

⁴⁵ City of Palmetto Ordinance Number 09-985, § 2, 2-23-09



6. *Historic resources* properties may receive up to an equal total Commercial Core Redevelopment Incentive Package incentive.^{46 47}
7. Redeveloped parking located on private property will be owned by the private property owner, but be considered as public use.

Calculation

All incentive base values are calculated by a percentage of the *Estimated New Construction Value*.

The base value will be multiplied by the appropriate *Agency* defined percentage, if any, to determine specific incentives.

All specific *Agency* incentives will be summed to determine the total Commercial Core Redevelopment Incentive Package incentive.

Land Use Incentive

The *Agency* encourages the owners of commercial core property in its area to adhere to the City of Palmetto Comprehensive Plan future land use designation of *Downtown Commercial Core DCC*. (See APPENDIX A: DOWNTOWN COMMERCIAL CORE ZONING MAP) and prescribed CRA land uses (See APPENDIX B: CRA INCENTIVIZED LAND USES). The *Agency* promotes this activity as an incentive to *Commercial Redevelopment* and compliance to the City of Palmetto Comprehensive Plan.⁴⁸

The Incentive will only include Land Use Incentive for properties designated by the CRA with *Nonconformities*. (See APPENDIX C: CRA INCENTIVIZED LAND USES)

⁴⁶ City of Palmetto 2030 Comprehensive Plan Page 33

⁴⁷ City of Palmetto 2030 Comprehensive Plan Page 40

⁴⁸ 163.360 Community Redevelopment Plans (1)a



This incentive may include CRA induced variances from the City of Palmetto Land Use Regulations and exemptions from the building regulations.⁴⁹

This incentive is valid only if the City Planner verifies that the *Nonconformities* rezone application is appropriate with the City of Palmetto Comprehensive Plan.

The Land Use Incentive base is 1% (one percent) of *Estimated New Construction value*.

Demolition Incentive

The Agency will assist in the demolition of existing commercial structures as an incentive to *Commercial Redevelopment*.

Full Demolition of Agency historical redevelopment designated parcels will not receive a Demolition Incentive.

The Demolition Incentive is not allowed for vacant parcels.

The Demolition Incentive base is 1% (one percent) of *Estimated New Construction Value*.

CPTED Incentive

The Agency will assist in crime reduction and prevention of existing commercial structures as an incentive to *Commercial Redevelopment*.

The CPTED Incentive may be authorized with through an official Palmetto Police Department letter of record.

The CPTED Incentive base is 1% (one percent) of *Estimated New Construction Value*.

Design Incentive

The Agency will assist in the architectural design of new construction and amenities as an incentive of *Commercial Redevelopment*.

⁴⁹ 163.370 Powers; counties and municipalities; community redevelopment agencies. (2) (l)



This Incentive is for *commercial redevelopment* using current state building codes and the 2007 Palmetto Downtown Design Guidelines, as well as, exterior amenities such as parking and storm water management.

As part of this incentive, the Agency will obtain refusal rights to the design of the *Commercial Redevelopment*.

The Design Incentive base is 1% (three percent) of the *Estimated New Construction Value*.

The Design Incentive base is 2% (four percent) of the *Estimated New Construction Value* for *design professionals* with an office located in the City of Palmetto.

The Design Incentive base is 3% (five percent) of the *Estimated New Construction Value* for *design professionals* with an office located in the Area.

Drainage Facility Incentive

The Agency will assist in the pre-treatment of *Stormwater* runoff through the planning and construction of specific *Drainage Facilities* (rain gardens) as an incentive of *Commercial Redevelopment*.

The drainage facility incentive is only valid for *Commercial Redevelopment* that institutes the CRA Approved Drainage Facility Pretreatment Policy.

Any state or federal "*Stormwater credits*" created from the commercial development will become the sole property of the Agency.

The incentive recipient agrees to abide by the maintenance requirements provided by the CRA Approved Drainage Facility Pretreatment Policy including selection and maintenance of foliage.

The location of *existing Drainage Facilities* may affect the validity of this incentive.

The drainage facility incentive base is 5% (five percent) of *Estimated New Construction Value*.

Redevelopment Incentive

The Palmetto Community Redevelopment Agency will assist in the construction of new real property taxable structures and amenities as an incentive to *Commercial Redevelopment*.



The redevelopment incentive is valid only as a compliment to the land use (if applicable) and architectural design incentives. Appropriate storm water pretreatment may positively affect the redevelopment incentive.

The redevelopment incentive base is 12% (twelve percent) of *estimated new construction value*.

A 1% (one) increment is added for each general, electrical, mechanical and plumbing contractor (up to 4%) with a physical address located in the City of Palmetto identified on the City of Palmetto Building Department approved subcontractor identification form.

A 2% (two) increment is added for each general, electrical, mechanical and plumbing contractor (up to 8%) with a physical address located in the Palmetto CRA identified on the City of Palmetto Building Department approved subcontractor identification form.

Post offices boxes do not qualify as offices under this program.



APPENDIX B: CRA INCENTIVIZED LAND USES

CRA incentivized uses for Commercial Core:

Art galleries

Unique Restored and operable automobile galleries

Museums

Libraries

Schools

Tobacco shop

Newsstand

Bakery

Delicatessen

Dairy products store

Eating establishment

Drinking establishments

Shopper's goods

Liquor stores

Banking

Business services

Funeral home - no crematory

Animal hospital

Medical and dental laboratories

Hotels

Business/professional offices

Personal services

Contractor's - office - no storage yard

Marinas

Parking, accessory

Printing, light



APPENDIX C: INCENTIVE TABLE

INCENTIVE	PERCENTAGE	REQUIREMENTS	DOLLARS BASED ON \$1,000,000 PROJECT
LAND USE	1%	Existing zoning other than CC	\$10,000
DEMOLITION	1%	Existing, non-historic building	\$10,000
DESIGN	1%	Designer	\$10,000
	2%	Palmetto designer	\$20,000
	3%	CRA designer	\$30,000
CPTED	1%	PPD letter	\$10,000
STORMWATER	5%	Must be near storm water line	\$50,000
REDEVELOPMENT	12%	Base redevelopment	\$120,000
One builder	Plus 1%	Palmetto builder	Plus \$10,000
One electrician	Plus 1%	Palmetto electrician	Plus \$10,000
One mechanical	Plus 1%	Palmetto mechanical	Plus \$10,000
One plumber	Plus 1%	Palmetto plumber	Plus \$10,000
	Plus 2%	CRA builder	Plus \$20,000
	Plus 2%	CRA electrician	Plus \$20,000
	Plus 2%	CRA mechanical	Plus \$20,000
	Plus 2%	CRA plumber	Plus \$20,000



APPENDIX D: EXAMPLES



River's Edge apartments

INCENTIVE	PERCENTAGE	REQUIREMENTS	DOLLARS BASED ON \$1,000,000 PROJECT
LAND USE	1%	Existing Residential zoning	\$10,000
DEMOLITION	1%	Existing, non-historic building	\$10,000
DESIGN	1%	Uses general designer	\$10,000
STORMWATER	5%	Must be near storm water line	\$50,000
REDEVELOPMENT	12%	Base redevelopment	\$120,000
	Plus 1%	Palmetto builder	Plus \$10,000
	Plus 1%	Palmetto electrician	Plus \$10,000
	Plus 2%	CRA mechanical	Plus \$20,000
	Plus 2%	CRA plumber	Plus \$20,000
TOTAL INCENTIVE	26%		\$260,000



Old Main Street single family residence

INCENTIVE	PERCENTAGE	REQUIREMENTS	DOLLARS BASED ON \$1,000,000 PROJECT
LAND USE	0%	Existing CC zoning	\$0
DEMOLITION	0%	No building	\$0
DESIGN	3%	Uses CRA designer	\$30,000
STORMWATER	5%	Must be near storm water line	\$50,000
REDEVELOPMENT	12%	Base redevelopment	\$120,000
	Plus 2%	CRA builder	Plus \$20,000
	Plus 2%	CRA electrician	Plus \$20,000
	Plus 2%	CRA mechanical	Plus \$20,000
	Plus 2%	CRA plumber	Plus \$20,000
TOTAL INCENTIVE	28%		\$280,000