

# WINTER HAVEN

## *The Chain of Lakes City*

### **2020/2021 CRA Incentive Program**

To facilitate further redevelopment opportunities within its Downtown and Florence Villa Community Redevelopment Areas, the Winter Haven Community Redevelopment Agency (CRA) Board established five development incentives in 2016, at the request of the Winter Haven Economic Development Council and City staff. Since that time, the CRA Board has approved eight (8) project incentive applications. Developers utilized the 2016 incentives to enable the construction of:

- 128 multifamily units by 610 Corporation (20 units complete, 100+ units in design/feasibility)
- 15 multifamily units by Silver Properties (Currently under construction)
- Development of Bond Clinic (Constructed)
- 472 multifamily units for Project Mayflower (Not yet constructed)
- TIF rebate façade grant for 150 Third Street SW (Under construction)
- TIF rebate façade grant for 335 Magnolia Avenue (Constructed)
- Taylor Hotel, LLC (Not yet constructed)
- Raintance Apartments (Currently in design and permitting)

While these commitments/investments by the CRA indicate that the incentive program has yielded some positive outcomes, the program was designed more than five years ago and implemented more than four years ago. It has not been adjusted for inflation or market conditions.

Since 2013, Winter Haven has added over 4,500 single-family homes but only approximately 100 multi-family rental units. Typically, a community will add two (2) single family homes for each multifamily rental unit developed. This development pattern is causing significant strain in the rental housing market, which remains above 95% occupancy, providing little opportunity for tenants to move into or around Winter Haven.

In order to encourage higher levels of investment and redevelopment in Winter Haven's CRAs, WHEDC recommends that the CRA Advisory Committee's and CRA Board consider the following program updates:

Incentive Programs recommended for adoption:

#### **1. Housing Investment Program (HIP) (Modification)**

Previous program provided for \$5,000/per unit in tax increment refunds, following the completion of the project

**Recommended Modification:**

Developers to be given the choice of A. or B. below, plus the option of the Smart City Bonus:

- A. Reimbursement not to exceed \$10,000 per unit from the project's tax increment; or,
- B. Reimbursement of up to 80% of project's tax increment for years 1-5 and reimbursement of 70% of project's tax increment for years 6-15; and,

**Smart City Bonus:** Both A. and B. above could also receive \$1,500 per unit grant upon completion of construction when the project includes three or more approved Smart City technologies as provided by the Smart City Advisory or City Staff.

**2. Outdoor Café Furniture Grant (New Incentive)**

Designed to help with recovery of Downtown restaurant businesses, improve the economic vitality and vibrancy of the community, encourage safe distancing measures as may be needed from time-to-time, and to compliment the recently budgeted design and construction of new outdoor café space. The Outdoor Café Furniture Grant Program enables qualified property owners or restaurant tenants to furnish approved outdoor, side-yard, or sidewalk café areas, within the C-1 (Downtown) Zoning District, with outdoor furniture consistent with the 'brand' of downtown Winter Haven by making available one-time grants of up to 90% of outdoor furniture cost, up to \$3,000, for purchase and installation of approved outdoor dining furniture.

**3. Real Estate Development Accelerator (REDA) (Existing)**

No changes proposed. This incentive provides for up to 60% Tax Increment Financing for projects of \$5 million or more.

**4. Real Estate Development Accelerator (REDA) (New Incentive)**

This incentive is for large-scale development projects that enhance the economic diversity of the CRA and are anticipated to increase the ad valorem Taxable Value of the subject site by **\$15 million or more**. This incentive can be utilized in the form of land mark-down (if city-owned land is needed), infrastructure improvements, Tax Increment Financing rebates, water/sewer fees or similar types of assistance. Each project to be negotiated on an individual basis with city staff, based on an evidenced economic gap in a development pro forma. Incentive typically to be paid as a reimbursement to the developer. Incentives to pay for

water, wastewater, and similar fees may be internally transferred from the CRA to the City as appropriate to offset certain expenses prior to construction. Annual incentive reimbursement payments to the developer not to exceed **90%** of the actual tax increment from the project.

**5. Local Infrastructure Gap (Existing)**

No changes proposed. This incentive is designed to reimburse developers of new or existing buildings (rehabilitations of more than 50% of assessed value) within the Community Redevelopment Area (CRA) where city development code may require an off-site sidewalk connection in order to achieve a residential density bonus. Funding is available annually on a first come, first serve basis. All guidelines for reimbursement are included in the Application.

**6. Façade and Exterior Improvement Program (Existing)**

No changes proposed. Provides for reimbursement of 50% of a facade, not to exceed \$15,000, or up to \$25,000 in a targeted area.

**7. Commercial Redevelopment (Existing)**

No changes proposed. Provides for up to 50% Tax Increment Financing rebate for redevelopment projects that will increase the taxable value by at least 100%.

**8. Capital Improvement Grant Program (Existing)**

No changes proposed. Provides up to 50% of the previous year's interest only portion of a loan obtained for rehabilitation or renovation of a building.