

**CITY OF OCALA – COMMUNITY REDEVELOPMENT AGENCY
NEW CONSTRUCTION INCENTIVE PROGRAM v1. 8/15/2023**

One of the statutory functions of a Community Redevelopment Agency (CRA) is to undertake activities that facilitate the redevelopment and improvement of properties. Incentive programs aimed at encouraging private investment into properties have proven to be a successful activity to carry out this redevelopment function. In an effort to encourage private investment into properties, the Ocala CRA has created the **New Construction Incentive Program** for the four CRA subareas. The program addresses key statutorily defined blight conditions that currently exist in the CRA including undeveloped and underdeveloped property, vacant or underutilized building space, obsolete or substandard interior spaces, inadequate life safety and/or accessibility provisions, and deteriorating or inappropriate facades.

Additionally, the appearance and use of buildings and structures is the basis of the public's overall impression of Ocala as it plays an important role in marketing Ocala as a special place. Improving the physical appearance and use of buildings will promote the attraction and retention of business operations and promote economic growth.

There are four subareas of the Ocala Community Redevelopment Agency (CRA).

- Downtown North Magnolia West Ocala East Ocala

The intention of this grant is to promote a greater impact within the CRA subareas for projects that have a potential for a catalytic impact within a subarea. This grant will allow for new construction and major redevelopment to occur and be applicable to the many facets of development. The grant can be flexible in how the money is disbursed to the applicants and can even be spread over three consecutive years. This grant will include a detailed scoring that must be completed prior to the application being presented before the CRA Advisory Board.

Only work begun after approval by the Ocala CRA (CRA) will be eligible for a grant. Work in progress or performed before approval will not be eligible.

HOW TO GET STARTED

Step 1: Eligible Grant Areas: To find out if your property is within a CRA grant area, click here:

<https://arcg.is/1ayTO5>

A color-coded map of the CRA subareas will open-up. Enter your address or parcel ID# to see if the property is within a CRA grant eligible area.

Step 2: Once you know which one of the four CRA subareas your property is in, refer to the Grant Program Summary sheet of that subarea at the end of this document to learn about:

- Grant Amounts;
- Improvements eligible for a grant;
- Other eligibility requirements of that program.

Email questions to cra@ocalafl.gov.

HOW TO SUBMIT APPLICATION

Step 1: Prepare building and (or) site plans. Obtain quotes for construction and prepare detailed project budget and schedule.

Step 2: Complete and sign the attached grant application.

Step 3: Submit application and other required application materials. Application should be submitted electronically to cra@ocalafl.gov. Alternatively, mail or bring the application in person to 201 SE 3rd Street, Second Floor, Ocala, FL 34471.

TABLE OF CONTENTS

I.	Eligibility and General Requirements	3
II.	Application Materials	5
III.	Application Submittal and Review Process	5
IV.	Application Evaluation	7
V.	Reimbursement	8
	Application Form	10
	General Conditions	13
	Applicant & Owner Signature Page	14
	Grant Program Summary	15

I. **Eligibility and General Requirements**

- (a) Eligible Properties – Must be located in an Ocala Community Redevelopment Agency Subarea
- (b) Ineligible Properties - The following types of property are **not eligible** without City Council approval:
 - 1. Properties that have received any type of CRA grant within the last five (5) years.
 - 2. Tax delinquent property.
 - 3. Property in litigation.
 - 4. Property in condemnation or receivership.
 - 5. Property / property owner with outstanding code enforcement case or financial obligations to the City.
 - 6. Single-family home (subdivisions may be eligible).
- (c) Eligible Applicants - Applicants for the Program can be either the property owner or purchaser with property owner approval and executed purchase agreement. A purchaser must provide an Application form signed by the property owner allowing the purchaser to apply for the grant.
- (d) Eligible Projects – To be eligible to apply for this incentive, a proposed project must meet the following requirements:
 - 1. Ad Valorem Tax - Only projects resulting in taxable properties subject to paying ad valorem property tax are eligible.
- (e) Zoning - Proposed projects must have proper zoning in place prior to applying for incentive program. Projects will be required to meet architectural and signage requirement of Form Based Code design standards. Only project construction and related costs are eligible for the grant programs. Design costs, permitting and review fees are included in the investment consideration for the grant programs.
- (f) All work done must be in accordance with the City of Ocala Code of Ordinances and all required permits and City inspections must be obtained.
- (g) Only work begun after approval by the Ocala CRA (CRA) will be eligible for a grant. Work in progress or performed before approval will not be eligible.
- (h) Any substantial changes to the approved plans and scope of work will require a written request from the applicant and approval by the CRA in order to retain the grant. Staff will inspect work, following completion of project to confirm outcome as proposed.
- (i) Grants may be subject to cancellation if not completed or significant progress has not been made by the project completion deadline. Requests for extensions will be considered only if made in writing and progress toward completion has been demonstrated.
- (j) All work must comply with the program guidelines and be approved by the CRA.

- (k) The contractor(s) and subcontractor(s) must be licensed to work in the City of Ocala. The City does not warrant or assume responsibility for any issues arising between the applicant and its contractor(s) or subcontractor(s).
- (l) Applicants will agree that improvements made using these funds will stay in place for a minimum of five (5) years. If improvements are replaced or removed within five years, the grant recipient must pay a pro-rata share of the grant proceeds invested in the project for the number of months remaining. For example: if \$100,000 is reimbursed and improvements are replaced or removed during month 60 of the 180-month period the recipient pays the City back \$33,000 (Calculated as follows: 180 months - 60 months = 120 months remaining; 60 months divided by 180 months = 33% which is the pro-rata percentage. Multiply the reimbursed amount by the pro-rata percentage to calculate the payback amount (\$100,000 x 33% = \$33,000). Previous improvements funded by a CRA grant are not eligible for a new grant to alter the improvements within fifteen (15) years of completion, unless the previous grant is repaid as specified above.
- (m) The applicant will be required to obtain a building permit for certain types of construction work. Building permit fees are based upon the value of work. Applicants should call the Building Division at (352) 629-8421, if they are interested in receiving an estimate of those fees.
- (n) The American with Disabilities Act requires some handicap upgrades when a building permit is required. Please contact the Building Division about possible additional costs and include these in your submittal.
- (o) Any eligible property owners who intend to pursue State or Federal tax incentives, or energy rebates should contact the appropriate agency prior to beginning the application process. If a Federal Historic Preservation Tax Credit is to be pursued, the project must meet all 10 standards of the Secretary of the Interior's Standards for Rehabilitation. References to such intentions should be included in the grant application.

II. Application Materials

- (a) Application packages must include enough documentation to illustrate the visual impact of the project and its cost. Failure to provide required information may delay the review process or cause the application to be ineligible. The following items are required to be submitted:
 1. *A Completed Application Form* - The property owner(s), as well as the applicant must sign the application agreeing to the General Conditions, set forth therein.
 2. Proof of Ownership and executed Purchase Agreement, if applicable.

3. Color photographs of the existing conditions.
4. *Building & Site Plans* - Accurate scaled architectural drawings of the proposed improvements, including detailed elevations and floor plans to illustrate conformance with applicable zoning and land development codes. Renderings and any other documentation necessary to illustrate the visual impact of the proposed project. Manufacturer's literature and specifications for windows, doors, etc. Samples of materials may be included or may be requested during the review process.
5. *Project Schedule* – Provide proposed construction start and completion date as well as major project milestones.
6. *Project budget*, showing detailed estimates for all work items. Do not include any design or permitting costs in the project estimate.
7. *Insurance* - Provide proof of property or liability content insurance (as applicable).
8. *Funding* - Demonstrate source of funding and ability to meet the financial obligations of the program. Applicant funding may include a bank loan, line of credit, equity, or any combination thereof.
9. *Market Study*- Current market study, and pro forma market study.
10. *Qualifications* – Team's previous projects, and references
11. *Incentive / Grant Request* – specify value of incentives being requested.

III. Application Submittal and Review Process

- (a) Applications should be submitted electronically to cra@ocalafl.org. If this is not possible mail or bring the application in person to Growth Management Department, 201 SE Third Street, Ocala, FL 34471.
- (b) City Staff will review the application to determine if the application meets all eligibility requirements and is sufficiently completed to review. Staff may meet with applicant to review completed application and complete a walk-through of project site, if necessary.
- (c) Applications deemed eligible and complete will be scored by the Advisory Committee according to the evaluation criteria. Staff will prepare an evaluation of the project, including return on investment (ROI) and pay-back period based on the project cost and requested incentive amount.
- (d) The application and staff report will be provided to the Grant Review Committee and then the CRA Advisory Committee for a recommendation if the project should receive a grant and if so, recommend the amount of the award. The Ocala CRA Board makes the final determination if a grant is approved. The determination is based on the

evaluation criteria in **Section IV – Application Evaluation.**

- (e) The CRA will notify the applicant/property owner in writing of award approval. Work cannot begin until applicant has received a written notice from the CRA indicating the grant has been approved.
- (f) Permit applications for work funded by a grant must be submitted to the City of Ocala Building Department within one year of receiving the grant approval.
- (g) Any deviation from the approved plan must be reviewed and approved by the CRA.
- (h) City staff will review progress during the construction or renovation process.
- (i) Upon completion of work, city staff will walk-through building to verify compliance with project application. Final inspection will take place concurrently by Building Department.
- (j) Awards will be issued on a first come first served basis. The CRA will award a maximum of three grants each fiscal year. Applications received outside of application period will be added to a waitlist and processed subject to budgetary approval.

IV. Application Evaluation

After an application has been deemed to meet all eligibility requirements, the application will be scored and a grant may be awarded based on the following criteria. See **Table 1**. A minimum score of **80 points** is needed to move forward in the application process.

Table 1. Scoring Criteria

PROPOSAL EVALUATION / SELECTION CRITERIA (SHORTLISTING)	SCORING (100 POINTS)	SUBMITTALS	STAFF	ACTUAL SCORE
FISCAL IMPACT ROI How much will the project increase the property taxes of the site? ROI – Calculated by number of years to pay back.	30	Construction Quotes from contractor based on submitted design	Staff confirms costs through Building Official. Staff calculates increase in ad valorem tax and payback period.	
FEASIBILITY & EXPERIENCE Demonstrated market viability. Demonstrated financial capability. Development Team Qualifications Is the timeline realistic?	20	Market Study Funding Sources Team previous projects, References Permitting & Construction schedule		
CATALYTIC BENEFIT How many jobs, customers, and residents are expected to be brought to the community. How will the project improve the immediately surrounding area?	25	Pro Forma, Market Study Project Description & Approach		
COMMUNITY GOALS How well does the project align with the city’s goals for the community? <ul style="list-style-type: none"> • Form Based Code • Affordable & Workforce Housing 	25	Project Description & Approach Architectural Elevations, Site Plan	Staff review for compliance with form-based code. Point system	

V. Reporting

A project report is due at substantial completion or within one year of the designated start date if substantial completion is not reached by then. Multi-year projects are required to submit annual reports on the anniversary of the designated start date. An annual report shall include

as applicable:

- Plans, Building Permit and inspection status.
- Construction status.
- Proof of payment to vendors during the reporting period.
- Proof of utility payments.
- Proof of current taxes paid.
- Updated construction schedule.

VI. Reimbursement

Reimbursement can be initiated after substantial completion of process.

- (a) Reimbursement will be made to the applicant within 6 weeks of submitting complete documentation. Submissions shall include:
 1. Copies of all paid invoices and cancelled checks for all work covered by the grant. These must equal at least the required investment amount. Invoices must be marked paid, signed, and dated by the contractors. Invoices should have details of work clearly expressed;
 2. Copies of cancelled checks;
 3. Paid receipts for all labor materials;
 4. Lien waivers from all contractor(s) and sub-contractors;
 5. Copies of the signed contracts with selected contractors;
 6. Copies of lien waivers from all general contractors, subcontractors, and major material suppliers;
 7. Photographs of the completed project;
 8. All necessary Federal Labor Standards materials from contractors;
 9. All final inspections and/or certificate of occupancy from City Building Official; and
 10. Active Business Tax Certificate, if applicable.
- (b) Reimbursement shall be made according to the requirements of each grant program.
- (c) The City reserves the right to refuse reimbursement of expenditures in whole or in part for work that:
 1. Does not conform to the program guidelines.
 2. Does not conform to the proposal(s) submitted with the application and authorized by the CRA.

3. Is not commensurate with the workmanship and costs customary in the industry.
4. Is not completed within the established time frame submitted for the project. Since the CRA cannot reserve funds for projects indefinitely, projects may be subject to cancellation if not completed or if significant progress has not been made by the progress deadline. The CRA can choose to approve one extension for a duration of 6 months to account for challenges during construction. Requests for extensions will be considered only if made in writing and progress toward completion has been determined.
5. Staff will inspect work to ensure that it complies with the approved plans. Any changes to the approved plan will require a written request from the applicant and approval by the CRA in order to retain the grant.

CITY OF OCALA COMMUNITY REDEVELOPMENT AGENCY
NEW CONSTRUCTION INCENTIVE PROGRAM
APPLICATION FORM

PROJECT INFORMATION

Project Name: _____

Project Address: _____

Parcel Number: _____

Proposed Uses: _____

APPLICANT INFORMATION

Applicant's Name: _____

Name of person to receive all correspondence if different from applicant:

Applicant's Business Name (if applicable): _____

Applicant's Mailing Address: _____

City: _____ State: _____ Zip: _____

Phone number: _____ Fax: _____

E-mail address: _____

(Please Check ✓)

Applicant is the Property Owner Purchaser Other (If other please attach an affidavit.)

AUTHORIZED REPRESENTATIVE

(if different from Applicant)

Property Owner's Name: _____

Property Owner's Business Name (if applicable): _____

Property Owner's Mailing Address: _____

City: _____ State: _____ Zip: _____

Phone number: _____ Fax: _____

E-mail address: _____

PROJECT DESCRIPTION:

If necessary, attach additional sheets addressing the following.

Describe the scope of project within the surrounding area.

Explain how the project will benefit the CRA and immediate surrounding area.

Would the proposed improvements be made without the assistance of the grant program? If not, please explain.

Number and types of jobs being created, if applicable. _____

What will be the business hours of operation? _____

For projects with residential component - number and types of units being created. _____

PROJECT COSTS & SCHEDULE

Cost of project based on attached submitted bid(s): _____

Anticipated start date: _____

Anticipated completion date: _____

Incentive amount being requested: \$ _____

Preferred disbursement - Year 1_____ Year 2_____ Year 3_____

GENERAL CONDITIONS

It is expressly understood and agreed that the applicant shall be solely responsible for all safety conditions and compliance with all safety regulations, building codes, ordinances, and other applicable regulations.

It is expressly understood and agreed that the applicant will not seek to hold the City of Ocala, the Grant Review Committee (Committee) and/or its agents, employees, board members, officers and/or directors liable for any property damage, personal injury, or other loss relating in any way to the Program.

It is expressly understood and agreed that the applicant will hold harmless the City, its agents, officers, employees and attorneys for all costs incurred in additional investigation or study of, or for supplementing, redrafting, revising, or amending any document (such as an Environmental Impact Report, specific plan, or general plan amendment) if made necessary by said proceeding and if the applicant desires to pursue such approvals and/or clearances, after initiation of the proceeding, which are conditioned on the approval of these documents.

The applicant authorizes the City of Ocala to promote any approved project including but not limited to displaying a sign at the site, during and after construction, and using photographs and descriptions of the project in City of Ocala materials and press releases.

If the applicant fails to perform the work approved by the Committee, the City reserves the right to cancel the grant. The applicant also understands that any work started/completed before the application is approved by the Committee is done at their own risk, and that such work will jeopardize their grant award.

This program is authorized under Sections 166.021 (8)(b)(c) Florida Statutes. Applicants desiring confidentiality must provide a letter requesting "that any and all documents, records, reports, correspondence, conversations, applications, data and other sources of information concerning our business plans, interests, or intention be kept confidential as authorized under Section 288.075, Florida Statutes". Applicants shall be subject to recording as required.

Completion of this application by the applicant DOES NOT guarantee that grant monies will be awarded to the applicant.

Applicant

I, _____, business owner/authorized representative of the property at _____, have read and understand the terms and conditions of the Program and agree to the general conditions and terms outlined in the application process and guidelines of the Program. Under penalty of perjury, the undersigned states the forgoing statements are true and correct. The undersigned also acknowledges that any person, firm, corporation or entity intentionally submitting false information in an attempt to qualify for award preference will be subject to a (1) year program suspension, and possibly up to a three (3) year program debarment.

Signature _____ Date _____

Owner Approval for Tenant /Applicant

I, _____, owner of the building at _____, have read and understand the terms and conditions of the Program and agree to the general conditions and terms outlined in the application process and guidelines of the Program. I give my consent to the applicant to move forward with improvements on the building as outlined in the Scope of Work section of this application. Under penalty of perjury, the undersigned states the forgoing statements are true and correct. The undersigned also acknowledges that any person, firm, corporation or entity intentionally submitting false information in an attempt to qualify for award preference will be subject to a (1) year program suspension, and possibly up to a three (3) year program debarment.

Signature _____ Date _____

Property Information – For staff use only.

- Is the property assessed Marion County property taxes? Yes No
- Are property taxes paid up to date? Yes No
- Is the property in condemnation or receivership? Yes No
- Is there an active City code enforcement case on the property? Yes No
- Is the building on the National Register of Historic Places Yes No

Date received: _____

Staff signature: _____

**OCALA COMMUNITY REDEVELOPMENT AGENCY
NEW CONSTRUCTION INCENTIVE
PROGRAM SUMMARY**

V1. --8/15/23

Grant Intentions

The intention of this grant is to promote a greater impact within the CRA subareas for projects that have a potential for a catalytic impact within a subarea. This grant will allow for new construction and major redevelopment to occur and be applicable to the many facets of development. The grant can be flexible in how the money is disbursed to the applicants and can even be spread over the course of up to three consecutive years. A detailed scoring of the application will be done by the CRA Advisory Committee.

Eligible Properties	Must be located in Ocala Community Redevelopment Agency Subarea. Properties that have not received any type of CRA grant within the last five (5) years.
Ineligible Properties	Tax delinquent property; property in litigation; property in condemnation or receivership; property with outstanding financial obligations to City require City Council approval
Eligible Applicants	Property owner. Purchaser with property owner approval and executed purchase agreement If the ownership status of property changes during the commitment period of the grant, up to three (3) years, the grant will remain with the property.
Eligible Projects	Only projects resulting in taxable properties subject to paying ad valorem property tax are eligible. Proposed projects must have proper zoning in place prior to applying for incentive program.
Eligible Projects Buildings	(1) New construction. (2) Major renovation of vacant existing building space affecting 40% or more of the existing floor area or an addition. Any project must exceed \$1,000,000 in total capital investment.
Eligible work	Costs directly associated with construction project, including required right-of-way and code improvements. Design costs are not eligible for the grant program.
Ineligible work	Only work begun after approval by the Ocala CRA (CRA) will be eligible for a grant. Work in progress or performed before approval will not be eligible.
Incentive Types	Grant related to project construction costs, Planning /Development fees, Building Permit & related fees, City Impact fees (does not include Marion County Transportation Impact Fees).

<p>Maximum Grant Reimbursement</p>	<p>Any project must exceed \$1,000,000 in total capital investment. Based on the determination of the scoring, a maximum grant reimbursement for a project is \$100,000 per year. However, in no case shall the grant exceed 10% of the estimated capital investment. The grant can be for up to three (3) years consisting of equal payments, for a maximum possible total grant of \$300,000.</p> <p>A favorable ROI is less than 10 years. The CRA scores the application and reflects that the applicant can receive the maximum of \$100,000 over the course of three years and votes to approve.</p> <p>Reimbursement may begin after substantial completion of the project, which is determined on the Certificate of Occupancy of the project.</p>
<p>Development Standards & Design Guidelines</p>	<p><u>Downtown</u> - Subject to Downtown Form Based Code. <u>Other areas</u> - Subject to Zoning and Land Development Code requirements and architectural and signage standards of Form Based Code.</p>
<p>Ineligible Uses</p>	<p>Non-conforming uses proposing to expand. Tax exempt properties</p>
<p>Reporting</p>	<p>Projects lasting longer than one-year after the designated start date will be required to file an annual report detailing the status of the project. An annual report shall include as applicable:</p> <ul style="list-style-type: none"> • Plans, Building Permit and inspection status • Construction Status • Proof of payment to vendors during the reporting period • Proof of utility payments • Proof of current taxes paid
<p>General Requirements</p>	<p>Properties awarded a grant will not be eligible for any other CRA grants for five (5) years.</p> <p>If the ownership status of property changes during the commitment of the grant, the grant will remain with the property.</p> <p>Applicants will agree that improvements made using these funds will stay in place for a minimum of fifteen (15) years. If improvements are replaced or removed within fifteen years, the grant recipient must pay a pro-rata share of the grant proceeds invested in the project for the number of months remaining.</p>
<p>Grants & Annual Budget</p>	<p>Beginning in FY 24, \$300,000 will be budgeted annually for this grant program Up to three projects may be awarded grants annually.</p>