BUSINESS INCENTIVE PROGRAM FY 27

BUSINESS INCENTIVE OVERVIEW

Program Overview

The Business Incentive Grant program offered by the West Palm Beach Downtown Development Authority (DDA) supports permanent leasehold improvements to ground-floor commercial spaces within the DDA District. Funding is designed to help new or existing businesses make significant, fixed improvements that stay with the building. The goal is to strengthen Downtown's merchandise mix and assist with the rehabilitation of commercial properties.

Boundaries and Priority Uses

- Businesses located in the DDA District
- Businesses located on Clematis Street: active uses such as retail and arts-based businesses within the creative industries. Examples include galleries, design, film, architecture, and similar arts-driven enterprises.

PROGRAM PURPOSE

CURRENT GUIDELINES

- Permanent improvements to ground-floor commercial spaces
- Strengthen merchandise mix
- Support rehabilitation of downtown commercial properties

RECOMMENDATIONS

- Explicitly prioritize vacant storefront activation
- Recruit desired retail, arts and creative uses
- Support subdivision of difficult-to-lease spaces
- Require leasing plan and net creation of leasable units
- Explore separate $5K–$10K feasibility/design assistance

FUNDING

CURRENT GUIDELINES

- Reimburse up to 25% of eligible leasehold improvement costs
- Maximum DDA award: $75,000

RECOMMENDATIONS

- $100K project → $25K grant
- $200K project → $50K grant
- $300K–$500K project → up to $75K
- Projects above $500K in qualifying improvements normally ineligible
- Allow Board exceptions only for documented extraordinary public benefit

BOUNDARIES

CURRENT GUIDELINES

- Ground-floor commercial space in DDA District
- Clematis Street focus on active retail and arts-based creative industries

RECOMMENDATIONS

- Retain ground-floor and district requirements
- Give added priority to long-vacant spaces and pedestrian-oriented uses
- Identify specific merchandise mix gaps

BUSINESS ELIGIBILITY

CURRENT GUIDELINES

• National brands excluded

- National Brand: 15 or more locations in at least three U.S. states, including at least five locations in Florida, under a common brand name. Franchise and licensed locations are included.

• Financial services, wholesale-only, tattoo/body art, vape/CBD, bars, nightclubs and liquor stores excluded

• Business use must comply with City code

RECOMMENDATIONS

• Retain exclusions aligned with DDA objectives

• Include Wholesale Businesses to be excluded
- Defined as businesses that primarily sell goods in bulk or for resale to other businesses, distributors, or retailers, rather than directly to the general public.

PROPERTY AND PROJECT ELIGIBILITY

CURRENT GUIDELINES

- Permanent improvements remain with building
- No outstanding liens, taxes, code violations or City debts
- No grant for same space within three years
- No additional DDA funds when City/CRA funds cover interior improvements

RECOMMENDATIONS

- Retain permanent-improvement and compliance requirements
- Consider five-year repeat-award limitation, with narrow exceptions
- Explore coordinated City/CRA funding without duplicate reimbursement
- Distinguish tenant awards from landlord awards

APPLICATION

CURRENT GUIDELINES

- First come, first served
- Board review for requests of $50K or more
- Board assesses permanent improvements and merchandise mix
- Processing review may take up to 12 weeks

RECOMMENDATIONS

- Retain current guidelines

REIMBURSEMENT AND TIMELINE

CURRENT GUIDELINES

- Single reimbursement after completion and business is open and operating
- Final inspection, paid invoices and Business Tax Receipt required
- Permits within six months; completion within 18 months
- No retroactive work will be considered

RECOMMENDATIONS

- Reduce administrative review to 30-45 days
- Allow documented extensions for City permitting delays

FEES, DOCUMENTATION AND ACCOUNTABILITY

CURRENT GUIDELINES

- $94.74 per applicant stated in supplied guidelines
- Cover letter, letter from property owner, biographies, drawings, budget, photos and lessee details
- No formal post-award KPI reporting listed
- Applicants with a conviction for fraud, embezzlement, misuse of funds, or any other financial-related crime may be deemed ineligible. The DDA reserves the right to disqualify any applicant whose background raises concerns regarding financial integrity or fiduciary responsibility.

RECOMMENDATIONS

- Increase fee to $125 covers internal operations – background check
- Track storefronts activated and net new leasable units
- Track business survival after three years

BOARD DECISIONS REQUESTED

RECOMMENDATIONS

- Explicitly prioritize vacant storefront activation
- Support subdivision of difficult-to-lease spaces
- Require leasing plan and net creation of leasable units
- Explore separate $5K–$10K feasibility/design assistance
- $100K project → $25K grant
- $200K project → $50K grant
- $300K–$500K project → up to $75K
- Projects above $500K in qualifying improvements normally ineligible
- Allow Board exceptions only for documented extraordinary public benefit
- Retain ground-floor and district requirements

RECOMMENDATIONS

- Retain exclusions aligned with DDA objectives
- Consider five-year repeat-award limitation, with narrow exceptions
- Explore coordinated City/CRA funding without duplicate reimbursement
- Retain current guidelines – Board review all applications over $50K
- Reduce administrative review to 30-45 days
- Allow documented extensions for City permitting delays
- Increase fee to $125 covers internal operations
- Track storefronts activated and net new leasable units
- Track business survival after three years

QUESTIONS?