



# North Fort Myers Revitalization Incentives Overview

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Lee County, Florida

01/16/2018



# Lee County

*Southwest Florida*



LEE COUNTY  
ECONOMIC DEVELOPMENT  
SOUTHWEST FLORIDA



**DevelopLee**

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## Revitalization Incentives Matrix

Program Incentives		Eligible Project						
	Program	Incentive	Redevelopment	New Development	"Keystone" New Development/ Redevelopment	Building Exterior/ Façade	Permitted Uses	Criteria
I.	<b>Permitting and Commercial Building Assistance</b>							
A	Fee Assistance	50% of fees for less than 10 acres - \$50,000 max 10 acres or more - \$150,000 max	Yes	Yes	Yes	Yes	C, I	≥ 50% increase in building value
B	Demolition	50% of costs - \$100,000 max.	Yes	No	Yes	No	C, I	≥75% increase in building value
C	Infrastructure	50% of costs - \$50,000/acre max.	Yes	No	Yes	Yes	C, I, MU, R	Redevelopment Projects Only
D	Flood Proofing	50% of costs - \$50,000 max.	Yes	No	Yes	Yes	C, I	≥50% increase in building value
E	Exterior & Façade Improvement	50% of costs – \$10,000 min; \$75,000 max.	Yes	No	Yes	Yes	C, I, R	100% façade; 3 design features
II.	<b>Keystone Project</b>							
	Keystone Project	20% of costs over \$3 million	Yes	Yes	Yes	Yes	C, MU, R	≥5 acres; ≥\$3million; ≥.5FAR

Key: C: Comercial; I: Industrial; MU: Mixed Use; R: Retail

All proposals must meet an overall financial ratio of 1:1 investment or 5:1 investment when stacking incentive programs or using the Keystone Program.

# Summary

Following a market study conducted in North Fort Myers, the Lee County Board of County Commissioners (BOCC) directed the Economic Development Office (EDO) to research and design a program to spur the revitalization of areas within the County that have lagged in the ongoing economic recovery. Staff presented to the BOCC on 1/16/2017 this approach that recommends targeting a specific pilot project area in North Fort Myers with the initial intent on job creation through encouraging new commercial, office and industrial development and redevelopment of obsolete buildings. The map depicting the targeted areas can be found in Appendix I. A criterion that was important in the selection of these areas was that they reflect geographies that would benefit the most from economic development efforts and according to the market study have a market opportunity for attraction of new business, business retention and the absorption of new jobs.

These targeted areas are within the Mixed Use Overlay (MUO) as identified in the Lee County Comprehensive Plan (Lee Plan). The MUO is a designation of areas appropriate for more dense and intense development. These designated areas are in close proximity to: public transit routes; education facilities; recreation opportunities; and existing residential, shopping and employment centers. For redevelopment to be successful, it is essential that the regulatory environment be supportive of development opportunities. In the MUO, urban design standards have recently been adopted into the land development code that allow for a more dense, intense and mixed-use form of development. Beyond initial planning efforts that create a vision for the future and regulatory incentives that support development, collaborative implementation must bridge planning discussions and proactive development strategies; an objective of these Revitalization Incentives.

The primary objective of the program is to encourage private sector investment in sites and buildings that will encourage business retention, attraction, and expansion. When designing this program, numerous meetings have been held to determine what the private sector would find useful in the realm of redevelopment economics. These meetings have been held with the Commercial Corridor Task Force, real estate brokers and lenders, developers, land owners and businesses that are active in the North Fort Myers area or would naturally be engaged in future redevelopment initiatives.

The product of these meetings and examination of redevelopment incentives best practices have allowed staff to design a program that attacks a variety of impediments to redevelopment. This program presents a series of financial incentives which are designed to reduce and eliminate decline and deterioration, stimulate new investment, stabilize the tax base and maintain the viability of the existing business community.

Typically, redevelopment incentives are intended to primarily address job creation through the revitalization of industrial, office and commercial areas. However, residential uses may be a part of eligible mixed use projects. Lee County has many existing initiatives that are focused on quality, affordably-priced housing and residential area revitalization with which this program intends to work in concert.

The objectives for this program are closely aligned with redevelopment planning strategies in the Lee Plan for North Fort Myers. They provide the framework and general guidelines needed to direct decision-making that will enable rational development activities that are consistent with the primary intentions of the BOCC. In general, the objectives of the Revitalization Incentives are as follows:

1. To encourage investment by the private sector by eliminating impediments to development and redevelopment
2. To promote the conservation, rehabilitation and redevelopment in accordance with the Lee Plan and local codes and ordinances
3. To achieve a higher quality environment that embraces appropriate architectural, landscape, urban design and land use principles
4. To encourage new development and leverage existing infrastructure
5. To retain existing businesses and stimulate job growth
6. To stabilize and increase the ad valorem tax base
7. To show visual enhancements through infrastructure and aesthetic improvements

# REVITALIZATION INCENTIVES

## **GUIDELINES**

*Applications for these programs will be considered on an ongoing basis and grants may be awarded on a first-come, first-served basis up to the aggregate amount of \$2 million in FY17-18 and, subject to appropriations in future fiscal years, up to the amount established in the budget allocation in such fiscal years.*

### **Eligibility**

Eligible applicants must be entities without any outstanding financial obligation to Lee County and/or any form of court judgment or order against the applicant in favor of Lee County. Funds may not be used to remedy existing Lee County code violations. Eligible projects must be located within the Revitalization Pilot Program Areas (see Appendix I for map).

### **Use of Single or Multiple Incentives**

Projects may use a single incentive program or may qualify for more than one program where applicable. A private-to-public investment ratio of 1:1 or higher is required if only one program is utilized. The utilization of more than one incentive program is defined as “stacking of incentive programs” and requires a private-to-public investment ratio of 5:1 or higher. Use of the Keystone Project Program shall require a 5:1 private to public investment ratio.

### **Ineligible Costs**

The programs expressly exclude the following costs for reimbursement purposes: developer profit, attorney’s fees, financing costs and property acquisition cost. Reimbursement of other soft costs will only be considered for projects utilizing the Keystone Project Program. For all other programs, soft costs are not eligible for reimbursement.

### **Receipt of County Funds**

The receipt of funds from other County programs for a project will be taken into consideration and will be a determining factor when formulating a funding recommendation.

### **Process**

To qualify for incentives, a site owner (applicant) shall be required to meet with representatives of the Economic Development Office (EDO) and Department of Community Development (DCD) ombudsman, in person, via e-mail or phone to determine project eligibility. If the project is eligible, EDO shall issue a letter of eligibility to the applicant, copying Community Development staff via e-mail. If eligible, further meeting(s) with Community Development are then scheduled by the DCD ombudsman. Appendix II shows a flow chart of the process from start to finish.

## **Application Cycle**

Qualified applicants must submit a complete application packet to the Lee County Economic Development Office, 2201 Second Street, Suite 500, Fort Myers, FL 33901. Applications will be accepted on an ongoing basis and grants will be considered on a first-come, first-served basis.

Within ten (10) business days of application submittal, staff will review the application for completeness. A post-application submittal meeting will be held with the Applicant to discuss any deficiencies or issues with the application. The applicant may be requested to submit additional information.

After receiving the completed application, staff will review the application, prepare a funding recommendation and schedule the project for consideration by the BOCC. The BOCC will consider whether or not to approve the application, with or without conditions.

## **Submittal Requirements**

1. Completed application form
2. Project schedule and projected construction budget, where applicable
3. Documentation of fees subject to buy down programs, where applicable
4. Photographs of existing site or buildings, where applicable
5. Proposed site plan, elevations. Must include information and descriptions of any landscaping, signage, sidewalks, transit amenities, etc., where applicable
6. All non-owners must have a letter signed and notarized by the property owner giving permission to apply for the incentive, where applicable
7. All other information as required by the application

## **Submittal Format**

The application shall be submitted in paper and digital format. It shall be submitted via email in a PDF format to [DevelopNFM@leegov.com](mailto:DevelopNFM@leegov.com). In addition to the digital application, one hard copy of the application shall be submitted to the Lee County Economic Development Office, 2201 Second Street, Suite 500, Fort Myers, FL 33901.

## **Funding Process**

If a project is approved for grant funding, the applicant will be required to enter into a BOCC-approved formal funding agreement with the County specifying the maximum dollar amount awarded, agreement duration, the terms and conditions of reimbursement funding and other terms. Recommendations will include a "NOT TO EXCEED" amount. The grant will be paid to the applicant after the qualified project is completed.

The final incentive amount will be a reimbursement calculated from the actual costs incurred as confirmed by invoices and other documentation needed to confirm payment of expenses associated with eligible development fees and the satisfaction of a private-to-public investment ratio requirement, if applicable.

## **Final Decisions of the BOCC**

The BOCC has final discretion over all applications presented for consideration under the Revitalization Pilot Initiative, possesses sole and final decision-making authority for determining eligibility and budgetary appropriations and reserves the right to deny approval of any application, in its sole and absolute discretion.

## **“But For” Provision**

A statement from the applicant indicating that **but for** the requested incentive, the applicant will not develop the site/make improvements to the property in North Fort Myers, Lee County.

## **Program Definitions**

*Certificate of Compliance* means the development is found to be in substantial compliance with the approved development order at its final inspection. A certificate of compliance is required prior to the issuance of a certificate of occupancy. The certificate of compliance will be issued consistent with Land Development Code Section 10-183.

*Commercial* means a non-retail establishment that is used as an office or warehouse. The sale of any goods or merchandise is incidental to the rendering of services.

*Development* means the construction of new buildings or other structures on a lot, the relocation of existing buildings, or the use of a tract of land for new uses.

*Flood Hazard Reduction Ordinance* means Lee County Ordinance No. 15-09, codified as Chapter 6, Article IV. Flood Hazard Reduction of the Land Development Code.

*Mixed use* means development, in a compact urban form, which can include residential and one or more different but compatible uses. These uses may be combined within the same building or may be grouped together in cohesive neighboring buildings with limited separation, unified form and strong pedestrian interconnections to create a seamless appearance. Residential uses are only eligible for incentive grants when they are part of a mixed use project.

*Redevelopment* means development characterized by renovation or replacement of existing structures.

*Retail* means an establishment engaged in the selling or rental of goods or merchandise and in rendering services incidental to the sale of such goods.

*Substantial improvement* means any combination of repair, reconstruction, rehabilitation, addition, or other improvement of a building or structure, taking place during a five-year period, the cumulative cost of which equals or exceeds 50 percent of the market value of the building or structure before the improvement or repair is started. For each building or structure, the five-year period begins on the date of the first improvement or repair of the building or structure subsequent to November 18, 1992.

## **PROGRAM DESCRIPTIONS**

### **I. Fee & Commercial Building Assistance Programs**

#### **A. Fee Assistance Program**

**Description:**

Reimbursement of eligible fees for qualified development or redevelopment projects located in the Revitalization Pilot Program Areas.

**Eligible Uses:** Commercial and/or Industrial

**Project Criteria:**

- Demonstrate a minimum 50 percent increase in building value.
- Obtain a local development order and be in compliance with all applicable county, state, and federal codes, regulations and permitting requirements. Any improvements for projects located wholly within or partially within any flood hazard area that constitutes a substantial improvement must comply with the Flood Hazard Reduction Ordinance.

**Program Incentive:**

The grant provides 50 percent reimbursement of up to \$50,000 of the total eligible fees for projects less than 10 acres or 50 percent reimbursement of up to \$150,000 of the total eligible fees for projects 10 acres or more.

**Eligible Fees:**

Development fees eligible through this program include, but are not limited to:

- Development Order and Building Permit Fees
- Impact Fees (Roads, EMS, Fire, Parks)
- Water and Sewer Connection Fees (directly related to the qualifying project)

**Reimbursement:**

The project must be completed and receive a Certificate of Compliance, issued by DCD, prior to reimbursement. Fees accrued prior to execution of the funding agreement with the County are not eligible for reimbursement.

## **B. Demolition Program**

### **Description:**

Reimbursement of eligible costs associated with demolition to allow for qualified redevelopment projects located in the Revitalization Pilot Program Areas.

**Eligible Uses:** Commercial and/or Industrial

### **Project Criteria:**

- Demonstrate a minimum 75 percent increase in building value.
- Obtain a local development order and be in compliance with all applicable county, state, and federal codes, regulations and permitting requirements. Any improvements for projects located wholly within or partially within any flood hazard area that constitutes a substantial improvement must comply with the Flood Hazard Reduction Ordinance.

### **Program Incentive:**

The grant provides a reimbursement up to 50 percent of total eligible costs associated with demolition for qualified redevelopment projects up to a maximum of \$100,000 per project.

### **Eligible Improvements:**

Complete demolition of existing buildings, structures or impervious services required to be removed to allow redevelopment of the property.

### **Reimbursement:**

The project must be completed and receive a Certificate of Compliance, issued by DCD, prior to reimbursement. Fees accrued prior to execution of the funding agreement with the County are not eligible for reimbursement.

## C. Infrastructure Assistance Program

### **Description:**

Reimbursement of eligible costs for on-site infrastructure improvement or replacement necessary for qualified redevelopment projects located in the Revitalization Pilot Program Areas.

**Eligible Uses:** Commercial, Industrial, Mixed Use and/or Retail

### **Project Criteria:**

- Include on-site improvements necessary to at a minimum bring the development into compliance current with land development code requirements.
- Obtain a local development order and be in compliance with all applicable county, state, and federal codes, regulations and permitting requirements. Any improvements for projects located wholly within or partially within any flood hazard area that constitutes a substantial improvement must comply with the Flood Hazard Reduction Ordinance.

### **Program Incentive:**

The grant provides a reimbursement of up to 50 percent of total eligible costs associated with infrastructure improvements necessary for a qualified redevelopment project up to a maximum of \$50,000 per acre.

### **Eligible Improvements:**

Eligible improvements include, but are not limited to:

- Stormwater retention infrastructure
- Sanitary sewer and central water connections
- Landscaping and irrigation
- Sidewalk and parking lot improvements, except for sealing and striping
- Exterior lighting
- Solid waste enclosures

### **Reimbursement:**

The project must be completed and receive a Certificate of Compliance, issued by DCD, prior to reimbursement. Fees accrued prior to execution of the funding agreement with the County are not eligible for reimbursement.

## **D. Flood Proofing Program**

### **Description:**

Reimbursement of eligible costs for improvements to existing buildings that constitute a substantial improvement for qualified redevelopment projects located wholly within or partially within any flood hazard area in the Revitalization Pilot Program Areas.

**Eligible Uses:** Commercial and/or Industrial

### **Project Criteria:**

- Demonstrate a minimum 50 percent increase in building value.
- Comply with the minimum requirements of the Flood Hazard Reduction Ordinance.
- Obtain a local development order and be in compliance with all applicable county, state, and federal codes, regulations and permitting requirements.

### **Program Incentive:**

The grant provides a reimbursement of up to 50 percent of total eligible costs associated with building improvements required by the Flood Hazard Reduction Ordinance for qualified redevelopment projects up to a maximum of \$50,000 per project.

### **Eligible Improvements:**

Flood proofing of existing buildings, structures or impervious services required for compliance with the Flood Hazard Reduction Ordinance.

### **Reimbursement:**

The project must be completed and receive a Certificate of Compliance, issued by DCD, prior to reimbursement. Fees accrued prior to execution of the funding agreement with the County are not eligible for reimbursement.

## **E. Building Exterior/ Façade Improvement Program**

### **Description:**

Reimbursement of eligible costs for exterior building or façade improvements to existing buildings or structures located in the Revitalization Pilot Program Areas. New construction *is not* eligible.

**Eligible Uses:** Commercial, Industrial and/or Retail

### **Project Criteria:**

- May or may not be stacked with other incentive programs.
- Improve the visual appearance of the entire façade of the existing building visible to public streets and that at a minimum bring the exterior of the building into compliance with land development code requirements.
- Include at least three (3) of the following design features:
  - Recessed or defined entryways
  - Varying rooflines, pitches, and shapes
  - Dormers, balconies, porches, and staircases
  - Display windows that provide visibility into the building interior
  - Overhangs, awnings, and marquees
  - Features such as cornices, articulated roof parapets, porticos, towers, or other details that alter building height
  - Obtain a local development order and be in compliance with all applicable county, state, and federal codes, regulations and permitting requirements. Any improvements for projects located wholly within or partially within any flood hazard area that constitutes a substantial improvement must comply with the Flood Hazard Reduction Ordinance.

### **Program Incentive:**

The grant provides a reimbursement of up to 50 percent of total eligible costs from a minimum of \$10,000, up to a maximum of \$75,000.

### **Eligible Improvements:**

Façade restoration or enhancement consistent with the architectural framework provided in Land Development Code Section 33-1576. Exterior painting and sign replacement are eligible if in conjunction with other façade improvements.

The following are specifically ineligible for the program: interior work (even if visible through street-front windows); roof repair or replacement; inventory, fixtures or equipment; and non-fixed improvements.

### **Reimbursement:**

The project must be completed and receive a Certificate of Compliance, issued by DCD, prior to reimbursement. Fees accrued prior to execution of the funding agreement with the County are not eligible for reimbursement.

## II. **Keystone Project Program**

### **Description:**

The Keystone Project Program is intended to encourage investment from property owners and developers who have the greatest potential for activating the Revitalization Pilot Program Areas. The incentive funds are for commercial and mixed use projects that make a significant expansion or upgrade of real property and act as a catalyst for further positive change for the area, which may result in an increase in private investment in other Revitalization Pilot Program Areas.

The Keystone Project Program establishes mechanisms to create substantial economic development activity that can be an impetus for other development, with a focus on underutilized and/or vacant property. The program is open to a broad range of innovative proposals. Resources will be allocated to selected projects, distinguished by:

1. Scale and scope of proposed construction and redevelopment investment;
2. Projected fiscal impact of the project;
3. Potential to cause increased property values in the adjacent area;
4. Complexity in plan or program; and
5. Additive diversity in uses.

**Eligible Uses:** Commercial, Retail and/or Mixed Use

### **Project Criteria:**

- The project must be a minimum of 5 acres in size and be developed at a minimum Floor Area Ratio (FAR) of 0.5.
- A minimum capital investment of \$3 million is required.
- The project would result in increased business diversity in the community and provide a greater variety of goods and services for residents and visitors.
- Obtain a local development order and be in compliance with all applicable county, state, and federal codes, regulations and permitting requirements. Any improvements for projects located wholly within or partially within any flood hazard area that constitutes a substantial improvement must comply with the Flood Hazard Reduction Ordinance.

### **Program Incentives:**

The grant provides a reimbursement of up to 20 percent of total eligible costs over the initial \$3 million capital investment. The maximum award will be limited by the current budget allocation for the fiscal year.

### **Eligible Improvements:**

Commercial and mixed-use development projects that meet the following criteria:

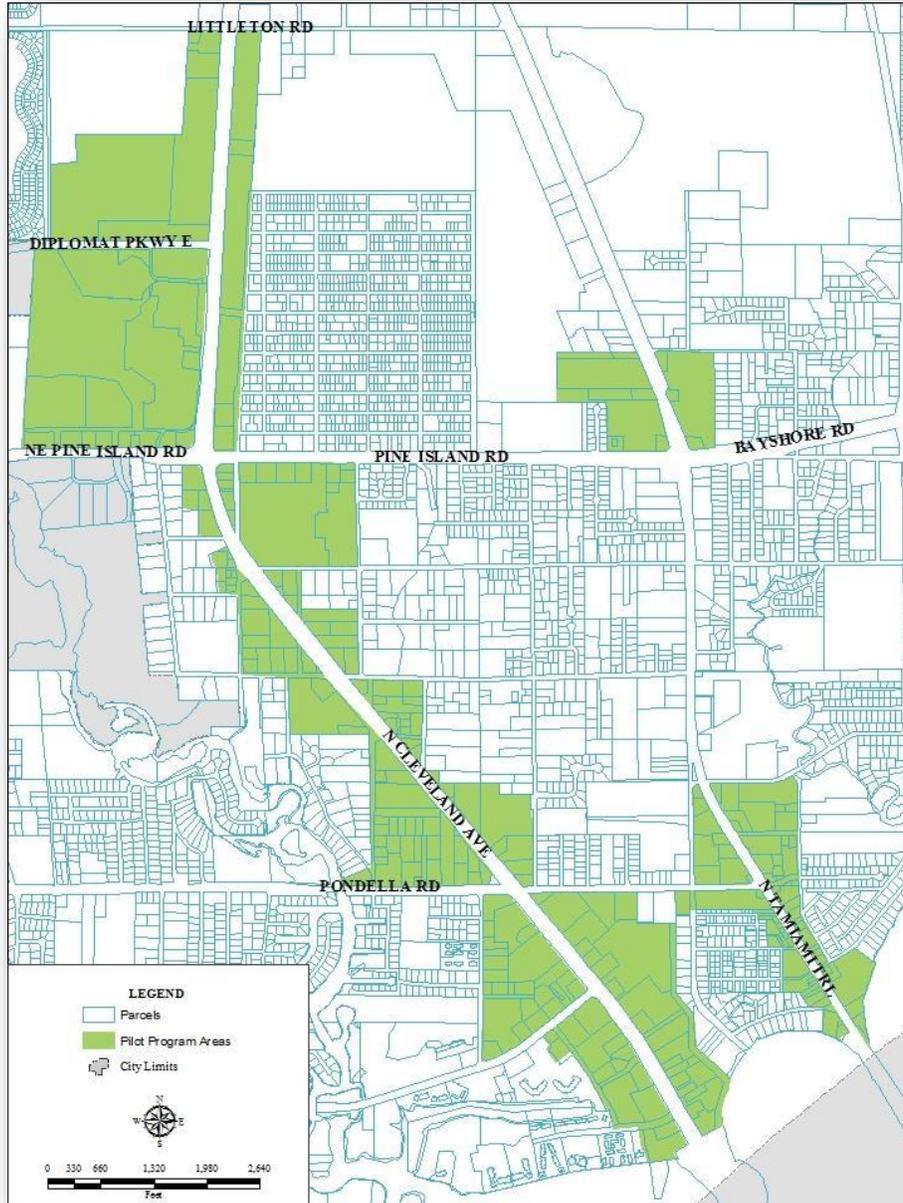
- A. Rehabilitation and renovation projects, including site work, which provide substantial visible exterior improvements; or
- B. New construction projects on unimproved land including site work and landscaping, which provide substantial visible exterior improvements; or

- C. Assemblage of properties with a combination of rehabilitation, renovation and new construction projects that when complete provide a cohesive development.

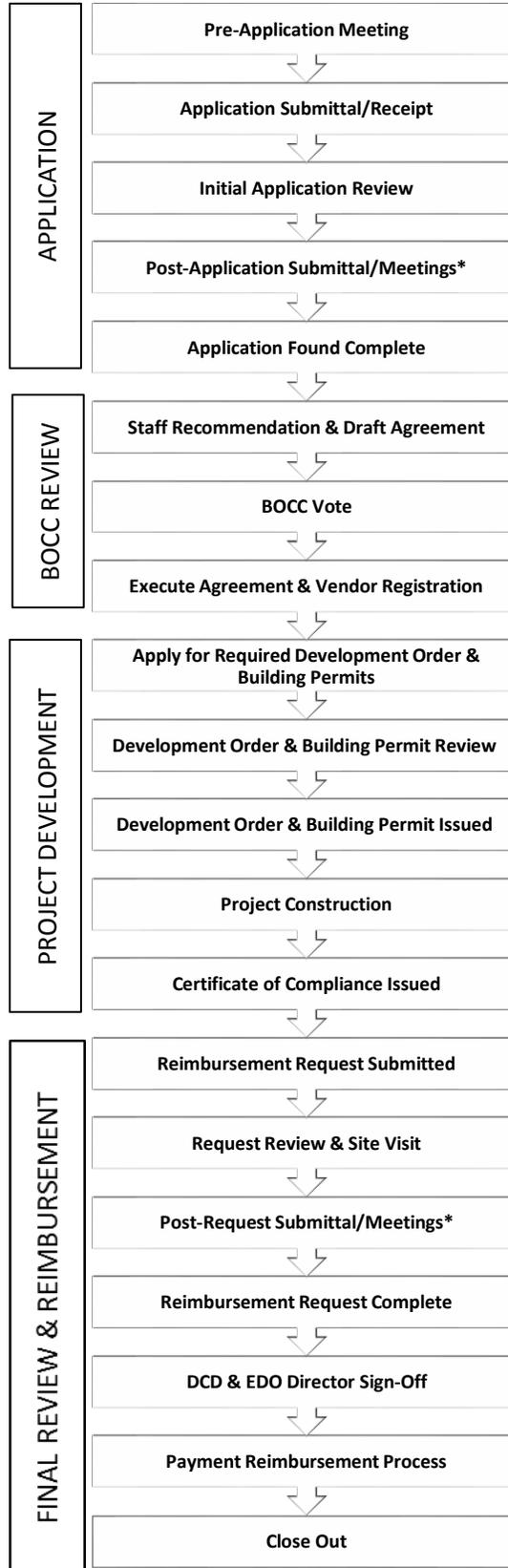
**Reimbursement:**

The County will enter into a development agreement with the property owner/developer. A development agreement is a voluntary contract between Lee County and a person who owns or controls property, detailing the obligations of both parties, including incentives, and specifying the standards and conditions that will govern development of the property. Although the agreements are voluntary, once made they are binding on the parties and their successors. The development agreement dictates reimbursement to the property owner or developer after completion of the redevelopment project. Fees accrued prior to execution of the development agreement with the County are not eligible for reimbursement.

# Appendix I: Revitalization Pilot Program Areas



# Appendix II: Flow Chart



\* If not found complete in initial review