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South Florida Sun-Sentinel.com

Delray offering programs to encourage economic development

By Maria Herrera, Sun Sentinel

9:34 PM EDT, May 22, 2010

Delray Beach

The city's Community Redevelopment Agency wants to send a message to new businesses: Move to the district and hear the constant "cha-ching" of a cash register.

"The idea is to create some incentives that could attract businesses," said Francisco Perez-Azua, the CRA's economic development officer. "They are important to strengthen the city's tax base. Right now, homeowners bear the majority of the tax burden."

Perez-Azua recently gave a presentation to the City Commission about the incentives he developed in the hope of improving business in several areas of the city, especially on West Atlantic Avenue and along the northern Federal Highway corridor.

The six different programs are designed to attract businesses based on the number of jobs they bring and the salaries of those jobs. A new company that adds 20 jobs at a salary of more than \$50,000 a year could get a \$250,000 grant over a five-year period.

The CRA could also offer funding and land partnerships for developers looking to build more than 15,000 square feet of Class A office space and assist property owners who

need to attract tenants.

"The CRA has the tools, funds available," Perez-Azua said. "It's in line with the vision."

The idea is that the arrival of an anchor business to an area like West Atlantic Avenue would create a domino effect.

New employees would spend money at nearby restaurants, gas stations, and dry cleaners. These workers could relocate to the downtown area and help sprout new businesses that would service them. The buzz of activity would then improve adjacent property values and attract other companies.

"As a mature CRA, what [Delray Beach](#) is doing is a logical step in the fulfillment of their goals and objectives," said Frank Schnidman, director of the Center for Urban Redevelopment Education at Florida Atlantic University.

Schnidman said [Delray Beach](#) has already spent enough time and resources on infrastructure. It has offered rent subsidies and assistance with façade and signage improvements for small businesses in the CRA district.

But this is the major leagues and in a downturn economy many states and government agencies are bringing out the big guns to attract not just businesses but entire industries, Schnidman said.

"You do have to involve the private sector to alleviate slum and blight," he said. "And if you're a business you may pick [Delray Beach](#) over another city in [Palm Beach County](#) because they're offering a little bit more."

In [Boca Raton](#), the City Council last month set aside \$1 million to provide local matching dollars to businesses receiving state money for moving to the city or local ones expanding.

Those incentives are citywide. In the CRA district, the incentives focus on rent subsidies and expediting permits for properties preparing for a new tenant.

"In a couple of zones in the downtown, which we call business activities zones, it is not so much about creating jobs but about attracting businesses that would be catalysts for economic activity," said [Boca Raton](#) Assistant City Manager Mike Woika.

[Boynton Beach](#) also offers similar incentives but it tried to lure bigger businesses, such as Wal-Mart Inc. with tax increment financial agreements — a complicated financial incentive that includes a rebate on the taxes the business would have to pay for a period

of time.

"That agreement with Wal-Mart was based upon the creation of 100 full-time jobs," said Lisa Bright, the [Boynton Beach](#) CRA executive director.

Perez-Azua said he would be developing similar incentives citywide in [Delray Beach](#) that could address vacant land along the Congress Avenue corridor, the Four Corners area at Atlantic Avenue and Military Trail and Linton Boulevard.

"Economic development incentives have been around for a long time," Perez-Azua said. "There's a lot of competition out there."

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