



| Enhanced Property Value Recapture Grant

Program Overview

The Enhanced Property Value Recapture Grant is designed to attract larger-scale private capital investment and/or redevelopment into a mixed-use or nonresidential project site to create a destination, town center or mixed-use development; redevelop properties within the Community Redevelopment Area; expand the tax base, create employment opportunities, or attract targeted industries and businesses. Utilizing a “base year” assessed property value (from the Property Appraiser’s database) for the project, a percentage of the incremental increase in ad valorem taxes on real and/or tangible personal property paid by the Project above the base year amount is available as a grant to incentivize the project.

Eligibility Criteria

- (1) New construction of non-residential or a mixture of uses containing a combination of residential dwellings with commercial retail, service, or office uses or any combination thereof that generate additional municipal ad valorem tax revenue.
- (2) Mixed use projects located outside of the Community Redevelopment Area are eligible provided that the non-residential component, excluding fast food restaurants, gas stations, and public/outdoor storage, consists of a minimum of 20 percent of the square footage of the project
- (3) Light industrial, industrial, warehousing and logistics developments
- (4) Proposed project must provide proof of a commitment by a financial institution or equity partner(s) financing the construction, equipping, furnishing and completion of the Project.
- (5) The applicant/developer must invest a minimum of \$10 million in construction or renovation (excluding land).
- (6) The applicant/developer may be required to provide guarantees to the city to cover any shortfall in costs not paid by future tax increments. These may include construction guarantees, letters of credit, personal or corporate guarantees and/or minimum payment agreements.

Eligible Expenditures

- (1) Public improvements associated with the project. Public improvements can be located on a project site, directly adjacent to the project site, or within the general vicinity of the project site if those improvements are necessary for or associated with the project.
- (2) Site preparation, demolition, grading, stormwater drainage, surcharging, and other pre-development work prior to construction of the project such as architectural and engineering services and studies.
- (3) Utility extensions and hookups.
- (4) Renovation of existing properties where the cost of rehabilitation or renovation exceeds 50 percent of the property’s current taxable value as indicated by the Lee County Property Appraiser or private appraisal conducted by a MAI-certified appraiser.

- (5) Design and construction of property improvements including improvements to existing water and wastewater systems; provision of public parking spaces; assemblage of properties with a combination of rehabilitation, renovation, and new construction projects that when complete provide a cohesive development.
- (6) Payment of impact, permitting, licensing, and special assessment fees assessed by the city.

To review full program details and requirements, refer to the City of Cape Coral Code of Ordinances / Chapter 29 – Economic Development and Business Incentive Programs.

All incentive applications must be received and reviewed prior to project completion to be eligible for a grant award. Submission of an application or the determination of program eligibility does not guarantee an incentive award. Projects must receive formal approval from the City Manager, City Council, or the Community Redevelopment Agency (CRA) if located within the CRA district.

Ineligible Expenditures

The incentive award shall not accrue to improvements made by or for the use of an applicant when such improvements have been included on the tax rolls prior to the effective date of an Incentive Participation Agreement granting a project an incentive award.

Award and Funding Limits.

The City or CRA shall provide the minimum amount of assistance needed to provide the Project a reasonable rate of return on investment in the project and make the project viable.

If a new business is locating to, or an expansion of an existing business is occurring in, the city's Community Redevelopment Area, the community redevelopment agency board of commissioners shall serve as the approving award authority in deciding whether an incentive award is to be granted.

The Project must generate enough tax increment to cover the requested assistance.

A grant is paid annually to the owner after construction of the project that creates the increment is completed, the property becomes taxable, and property taxes and assessments are paid.

The incentive award applies only to taxes levied city-wide by the city unless the project is located within the CRA. The incentive award rebate shall not apply to taxes levied by the county (unless within the CRA), a municipal services taxing or benefit unit (MSTU/MSBU), special assessments levied by the City or other public entity, the Lee County School District, a water management district, or any other special district or to taxes levied for the payment of bonds or taxes authorized by a vote of the electors pursuant to Section 9(b) or 12, Article VII of the Constitution of the State of Florida.

Not more than 20 percent of the total project cost, excluding property acquisition, will be supported by incentive revenues. Total project cost is the cost of development of the project including all, site development, and public infrastructure, and building and site amenity costs necessary to complete the project.

The table below identifies the maximum amount eligible as an incentive award and the associated incentive period based upon the projected taxable value following the project's completion as determined by the Lee County Property Appraiser's office.

Projected Taxable Value	Maximum Rebate %	Incentive Period
\$10,000,000 - \$24,999,999	50%	10 years
\$25,000,000 - \$44,999,999	75%	15 years
\$45,000,000 - \$99,999,999	90% - 95%	CRA – Remaining Life City - 20 Years
\$100,000,000 and beyond	95%	25 Years