

Exhibit A

Project and Funding Criteria for Midtown Strategic Investment Program

The criteria for the final determination of projects approved for funding and the specific amount allocated each project under the Midtown Strategic Investment Program follows a three-step process. The initial step relates to the project’s ability to meet specific CRA-related objectives. The objectives are presented in order of importance, and a corresponding numerical weight is attached to each as shown below. A one (1) score has the highest rating.

Applicant should review the following scoring mechanism before applying.

Step I: Project’s Ability to Meet CRA Objectives

	Priority #	Weighted #	
I.	1.0	1.0	Quality of design reinforces street life and urban environment as exemplified in “new urbanism” and has been officially approved by CRA prior to permitting process.
		1.5	Generally meets design requirements for the above
		3.0	Does not meet generally recognized “new urbanism” design criteria and does not have CRA approval
II.	1.0	1.0	Project has a leverage ratio of private investment to incentive dollars of at least 10:1
		1.5	Project has a leverage ratio of 5:1 to 9.9:1
		1.75	Project has a leverage ratio of 3:1 to 4.9:1
		3.0	Project has a leverage ratio of less than 3:1
III.	1.0	1.0	Project has a minimum equity investment of 15%
		1.5	Project has a minimum equity investment of 10%
		3.0	Project has less than 10% equity investment
IV.	2.0	1.0	Project includes a financial relationship with one or more private entities which may include equity, long-term lease, in-kind services related to building design or other assets CRA staff deems important to project.
		2.0	Project does not have other partners
V.	2.0	1.0	Project will be under construction within the next 12-16 months
		1.5	Project will be under construction within 17-24 months
		2.0	Project will be under construction after 24 months
VI.	3.0	1.0	Project’s tax increment revenues will equal or exceed dollar amount of incentives within 10 years
		1.5	Project’s tax increment will be equal to or exceed dollar amount of incentive within 15 years

The numerical priority # will be multiplied by the “weighted” # corresponding to appropriate project description under each element. The sum of each element will be totaled to determine the project’s level of adherence to the CRA’s objectives. The numerical scores will serve as a ranking list, with the lowest score ranked highest, for the allocation of resources.

Example: A project on the corner of Sistrunk Boulevard and 9th Avenue includes a \$3.0M capital investment, with 12% equity, by a majority ownership made up of neighborhood minority residents. Project is a well-designed, mixed-use development that includes a partnership with a long-term tenant. The project will break ground within 12 months. Project’s tax increment will equal amount of incentive within 15 years.

I.	1.0 x 1	=	1.0
II.	1.0 x 1.0	=	1.0
III.	1.0 x 1.5	=	1.5
IV.	2.0 x 1.0	=	2.0
V.	2.0 x 1.0	=	2.0
VI.	3.0 x 1.5	=	4.5

12.0 Total Score

Ranking Criteria:

Score range:	10.0 – 14.0	Project should be funded if resources are available
	14.1 – 17.0	Project could be funded if all higher ranked projects are funded and resources are available
	17.1 +	Project should not be funded

The above scoring criteria are established to provide the CRA staff with the means to relatively quickly determine the merits of a particular project submission. **Projects that score favorably are not guaranteed funding.** Once the score is established for each project it would then move to the second step of the evaluation.

Step II: Outside Business Plan/Financial Analysis

This step includes an analysis by a third party, outside firm, hired by the CRA to evaluate:

- Proposed business plan
- Pro forma
- Partnership/ownership information with equity positions
- Mortgage on property
- Less agreements
- Letter of Intent from lending institution
- Any other documents provided by applicant

It is the intent of this review to provide the CRA with additional assistance in determining the business merits of each application.

Step III: Investment Criteria

Once steps I and II are concluded, each project will be ranked by scores (lowest score rated highest) and placed in one of the following three investment categories.

Projects that include investments up to \$500,000:

- Formula: $(\text{Projected new assessment} - \text{current assessment}) \times .80 \times 14.4121 \text{ mils} \times 15 \text{ years} = \text{total incentive } \$$
- Eligible Uses: Property acquisition
Site improvements (sidewalks, landscaping, signage, etc.)
Building improvements (facades, awnings, roofs, etc.)
Tenant improvements (retail, restaurant, arts, residential, etc.)
Streetscape Matching (50% within r-o-w)
- Bonus Eligible: Projects in excess of **15%** equity may receive an extra **20%** above base rate.
Projects that are minority owned and/or results in business owner occupying a residence in a mixed-use development may receive an extra **10%** above base rate.

Projects that will result in the creation of **5+** jobs for neighborhood residents may receive an extra **10%** above base rate.

Projects that are in \$500,001 - \$1,000,000 range:

- Formula: $(\text{Projected new assessment} - \text{current assessment}) \times .80 \times 14.4121 \text{ mils} \times 15 \text{ years} = \text{total incentive } \$$
- Eligible Uses: Property acquisition
Impact/building permit fees
Site improvements
Building improvements
Tenant improvements
Streetscape matching (40% within r-o-w)
- Bonus Eligible: Projects in excess of **15%** equity may receive an extra **15%** above base rate.
Mixed-use (two or more retail, restaurant, residential, art, office, etc.) with smallest use no less than 15% of total sq. ft. of project or 1,500 sq. ft., whichever is larger, may receive an extra **10%** above base rate.
Projects that are minority owned and/or results in business owner occupying a residence in a mixed-use development may receive an extra **10%** above base rate.
Projects that will result in the creation of **5+** jobs for neighborhood residents may receive an extra **10%** above base rate.

Projects that are in \$1,000,001 - \$5,000,000 range:

- Formula: $(\text{Projected new assessment} - \text{current assessment}) \times .80 \times 14.4121 \text{ mils} \times 15 \text{ years} = \text{total incentive } \$$
- Eligible Uses: Receive free land/reduced \$ land
Property acquisition
Impact/building permit fees
Site improvements
Building improvements
Tenant improvements
Streetscape matching (25% within r-o-w)
- Bonus Eligible: Projects in excess of 15% equity may receive an extra **15%** above base rate.
Mixed-use (two or more retail, restaurant, residential, art, office, etc.) with smallest use no less than 15% of total sq. ft. of project or 1,500 sq. ft., whichever is larger, project can receive an extra **20%** above base rate.

Projects that are minority owned and/or results in business owner occupying a residence in a mixed-use development may receive an extra **10%** above base rate.

Projects that will result in the creation of **5+** jobs for neighborhood residents may receive an extra **5%** above base rate.

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