

[Link to article](#)

Miami DDA expands incentives for startups, small retail businesses

The Miami Downtown Development Authority's is expanding its incentive program to include small retail businesses and tech startups.

By a unanimous vote, the DDA's board of directors approved a resolution to expand its incentive program on April 26. Qualified businesses must operate within Miami's DDA area – which includes the Brickell Financial District, the downtown area, Omni, and Park West. The measure also enhances job creation incentives for mid-sized businesses.

Under the original program, enacted in October 2020, a company that moves into the DDA district can receive \$500 per job if it moves into the DDA zone and hires at least 10 employees at an average annual wage as determined by the U.S. Department of Economic Opportunity. As of Feb. 1, the annual salary minimum is \$87,776, according to the DDA.

However, that hiring grant was too small for many companies to pursue, said Michaeljohn Green, the DDA's chief of economic development and strategy. While a total of 35 companies have entered the DDA's incentive program so far, just nine applicants have received any funds, Green said.

Under the new program, the hiring grant has been enhanced to \$2,000 per employee. Plus the DDA will award \$500 per 500 square feet of leased space.

In addition, the new program offers a \$50,000 grant for retailers and restaurant operators that earn under \$3 million annually if they lease retail ground space and were in the DDA area for at least a year. Applicants can't be in a regulated industry such as a smoke shop, Green said.

Startup operators qualify for a \$25,000 grant if they lease co-working space in the DDA zone, have Series A funding or higher, and a recommendation letter from a DDA startup partner such as Verge Miami. Preference is given to founders who live in the DDA district. But the startup can't be involved in crypto and must operate in the DDA zone for three years.

Each incentive grant will have to be approved by the DDA board. They will also be limited to 10 mid-sized company applicants, four startups, and 10 small retailers. Recipients will also have to participate in at least two DDA events.

Whereas the old program focused on office space users, the new initiative aims to decrease the amount of empty retail spaces in the DDA area, Green said. |

The former program wasn't "inclusive of businesses of all sizes and stages of development," Green said.

Further details of the application process will be worked out by staff. Those details will include a claw-back provision, requested by DDA board members, for startups that go out of business or move out. South Florida's downtown areas generally prospered since the pandemic as companies sought quality offices in walkable areas close to shops and restaurant in order to attract clients and employees.

Brickell captured the majority of the leasing action. As of the first quarter of 2024, the average listed rent for an office in Brickell was \$90.67 per square foot, according to Colliers. In Downtown Miami sector, which the DDA calls the Central Business District, the average rent was \$63.77 per square foot. In the first quarter of 2024, 10.7% of Brickell's office was vacant and 14.4% of the downtown submarket, Colliers added.

In the retail sector, the average listed rent for an office was \$66.85 per square foot in Brickell and \$28.52 per square foot in downtown, according to Colliers. In terms of vacancies, 1.3% of Brickell's retail was empty in the first quarter while the downtown submarket's vacancy rate was 3.2%.

Colliers lists the gross rate of asking office rents in its market reports. For retail, listed rents are triple net, which means they exclude other charges such as property taxes, insurance, and maintenance costs.