



Downtown Investment Authority

Making waves to realize a world-class downtown and waterfront

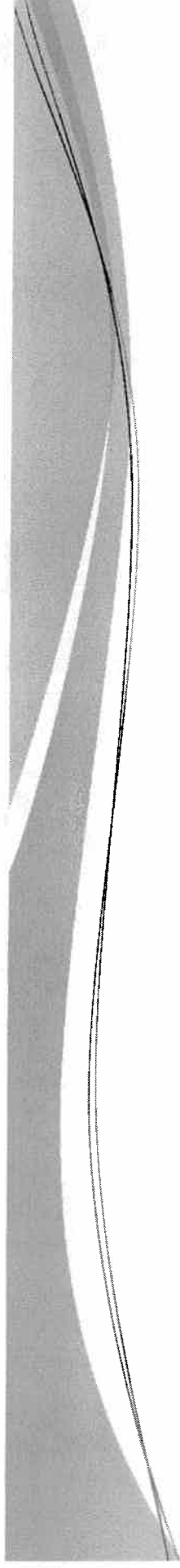
City Council Finance Committee
Public Investment Policy Sub-Committee

March 11, 2014



Overview

- Created August 2012 (Ordinance 2012-364-E)
- DIA is an independent authority
- Sole development and community redevelopment agency for Downtown
- 9-member Governing Board (5 members appointed by the Mayor; 4 members appointed by City Council)
- Chief Executive Officer hired August 2013



Mission

The Downtown Investment Authority serves as a clearinghouse to establish an identity for the region that capitalizes on partnerships to guide the revitalization of the core of the City of Jacksonville.

To attract investment, facilitate job creation and residential density, while assuring a unified effort is strategically focused to implement action through capital investments, planning, advocacy, marketing and the establishment of policy for the general community and downtown stakeholders.



Duties

- Serve as the City's Community Redevelopment Agency with regard to the Downtown CRAs
- Develop marketing plan for Downtown
- Interpret Downtown Master Plan
- Approve development/redevelopment projects with support of DDRB
- Develop an eleven-year Business Investment and Development (BID) Plan (2014-2025)
- Prepare analyses of economic changes taking place within Downtown



Source: Esri, DigitalGlobe, GeoEye, Earthstar (USA), InGIS (USA), Swire



“Move the needle”

- An inviting public realm for all of greater Jacksonville to enjoy Downtown and the St. Johns River
- Attractive housing alternatives leading to an increase in Downtown residents
- Support for existing and new Downtown businesses to foster greater services for residents
- An increased assessed (taxable) value of Downtown property
- A decrease in the total number of vacant buildings Downtown
- An increase in the total number of employees working Downtown

Existing DT Plans

Fall 2013

Spring 2014

Core Values & Goals



Downtown Northbank
CRA Community
Redevelopment Plan



Market Analysis



Northbank Redevelopment
Projects



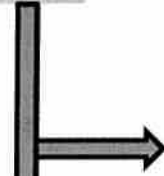
Southside CRA
Community
Redevelopment Plan



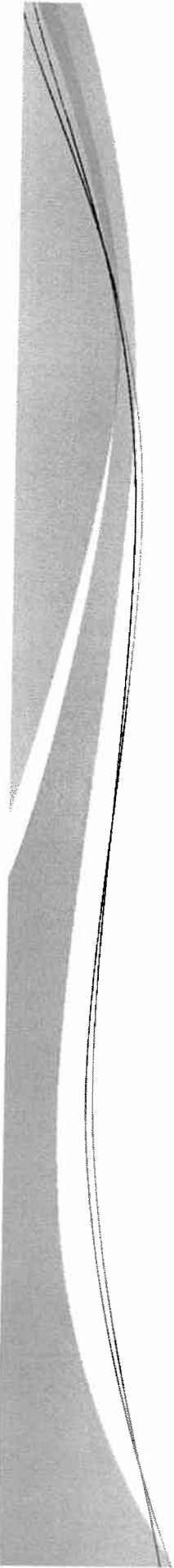
Market Analysis



Southbank Redevelopment
Projects

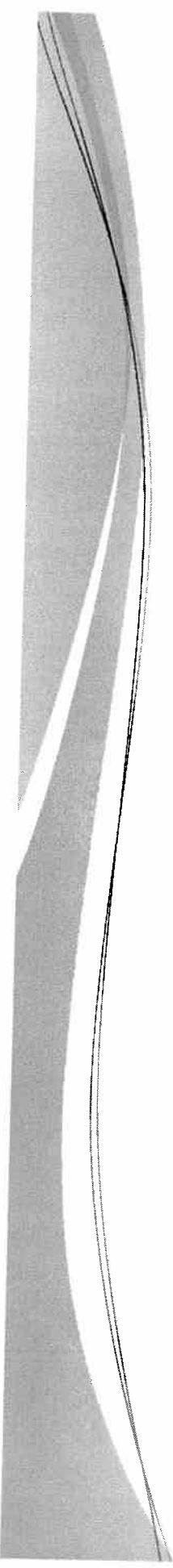


BID Plan



Plan Update

- Blueprint for future leaders to follow
- Offers consistency over time, regardless of governmental and business leadership changes
- Establish relevancy and appropriateness of past downtown plans
- Provide a long-term context for investments and consistency toward a common vision
- Identify specific priority redevelopment capital improvements projects



CRA Plan Update

Introduction

- Purpose, requirements, defined areas, outreach

Background

- Authority, powers, existing plans, consistency, DT comparisons

Redevelopment Program

- Implementation, funding sources, growth pattern

Downtown Northbank CRA

- Conditions, strategy, projects

Southside CRA

- Conditions, strategy, projects



Conceptual Redevelopment Master Plan Map

- Near Term Target
- Mid Term Target
- Long Term Target
- Catalyst Target
- Possible Circulator Stop
- Existing Skyway Station
- Potential Skyway Station
- Existing Water Taxi Landing
- Potential Water Taxi Landing
- Downtown Circulator Route
- Existing Skyway Route
- Possible Skyway Route
- Possible Water Taxi Route
- Peripheral Parking



BID Plan

- Links the vision of the Plan Update with DIA's mission and sets forth an action plan for continuous community renewal and growth
- Market-driven strategic projects, programs and initiatives outlined, scheduled, estimated, measured and benchmarked for outcomes
- Provides a clean, clear and concise method by which delivery of projects, programs and initiatives actually occurs



Core Values

Business retention - supporting and retaining established businesses in order to achieve a reliable and diverse revenue stream that continually improves Downtown's fiscal health

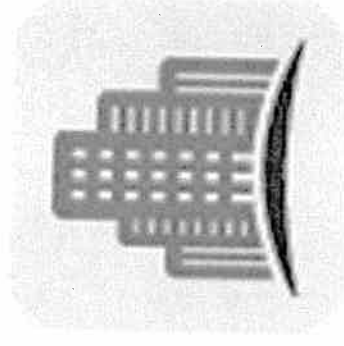
Business attraction - actively pursuing private investment and new business aimed at stimulating the Downtown local economy and generating employment opportunities

Business expansion - capitalizes on both established and emerging companies that are prepared to grow and invest in their operations

Improvements to public infrastructure - strengthen the DIA's ability to create an environment that results in retaining, attracting, and expanding business



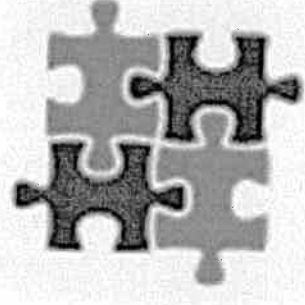
Goal No. 1



Continue to reinforce Downtown as the region's unique center for history, culture, entertainment, and retail and ensure the Downtown business environment is dynamic, diverse, and thriving.



Goal No. 2



Create a 24-hour Downtown with a focus on residential development, integrated with a mix of commercial, civic, cultural and entertainment attractions.



Goal No. 3



Enhance Downtown Jacksonville's attractiveness as a place for investment by enhancing key public and private assets.



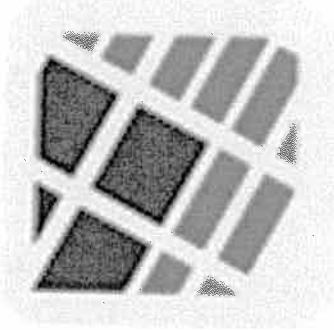
Goal No. 4

Forge public/private partnerships to coordinate high priority initiatives with external partners by fostering and supporting the business and development communities and with internal partners by cross-departmental coordination.

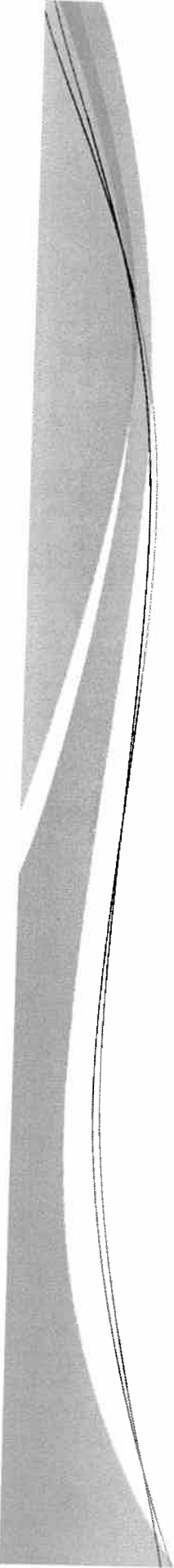




Goal No. 5

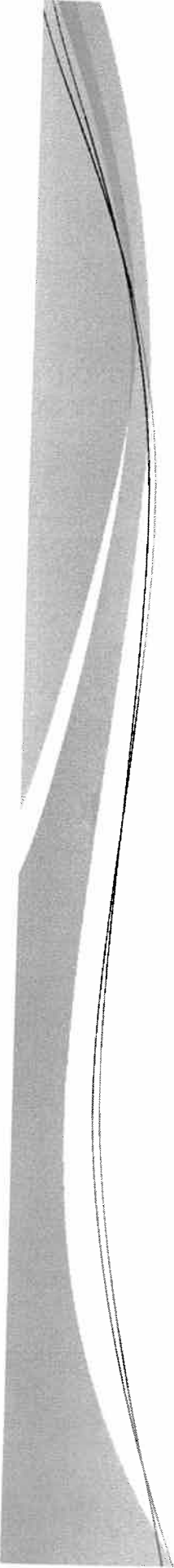


Improve and enhance Downtown's connection with the St. Johns River, interconnected network of streets, walk/bike-ability, public open spaces, and connection to surrounding neighborhoods.



Existing Incentives

- Economic Development Transportation Fund
- Capital Investment Tax Credit
- High Impact Performance Incentive Grant
- Qualified Target Industry Tax Refund
- Local Government Distressed Area Matching Grant
- Innovation Incentive Program
- Qualified Defense & Space Contractor Tax Refund
- Quick Action Closing Fund
- Sales and Tax Use Exemptions on Machinery and Equipment
- Sales Tax Exemption on Electricity Used in Manufacturing Process
- Historic Preservation Trust Fund
- Recapture Enhanced Value Grant
- Business Infrastructure Grant/Loan
- Large Scale Economic Development Fund
- Small Business Development Initiative
- Commercial Development Area Program
- Tax Increment District Infrastructure Development
- Industrial Revenue Bonds
- Quick Response Training
- Work Opportunity Tax Credit



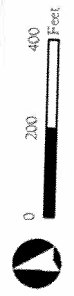
New Incentives

- Retail Enhancement Grant Program
- Commercial Revitalization Program
- Sale-Leaseback Incentive
- Downtown Housing Incentive Program
- Down Payment Assistance Program



Source: Esri, DigitalGlobe, GeoEye, IGN, USDA, USAF, USGS, AeroGRID, IGN, Esri, and the GIS User Community

Proposed Retail Enhancement District





Retail Enhancement Grant Goals

- Expanding the local property tax base by stimulating new investment in older, Downtown properties
- Expanding state and local sales tax base by increasing sales for new or existing shops
- Decreasing renovation costs incurred for modernizing retail space in older commercial properties in the Retail Enhancement District
- Attracting new businesses and retaining existing businesses in Downtown



Retail Enhancement Grant

- Maximum grant award is \$20 for every square foot leased or occupied by the proposed tenant or business (not more than 50% of the total construction costs)
- The grants shall be recoverable and amortized over a period of five (5) years
- The principal amount of the grant will diminish twenty percent (20%) each year for a period of five years
- If the grantee does not default on the terms of the grant during the required five-year period, the grant is considered closed



Commercial Revitalization Program

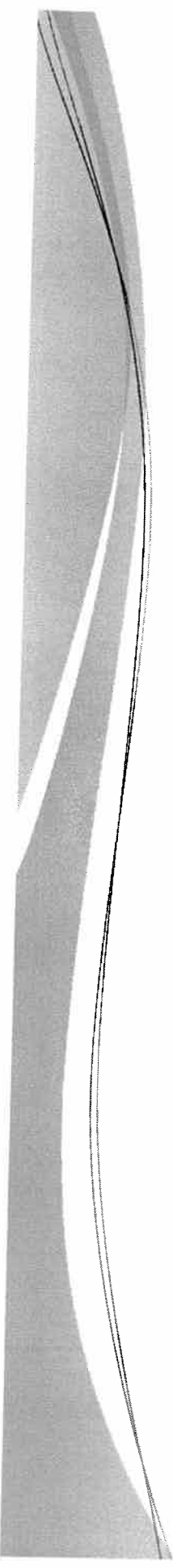
Real estate tax abatement for new, renewal, or expansion leases involving office or retail space in Downtown

For leases of 3 or 4 years

- 3-year abatement equal in the 1st year to the lesser of actual tax liability and \$2.50 PSF with a 2-year phase-out thereafter

For leases of 5 years or more

- 5-year abatement equal in the first 3 years to the lesser of actual tax liability and \$2.50 PSF with a 2-year phase-out thereafter



Commercial Revitalization Program

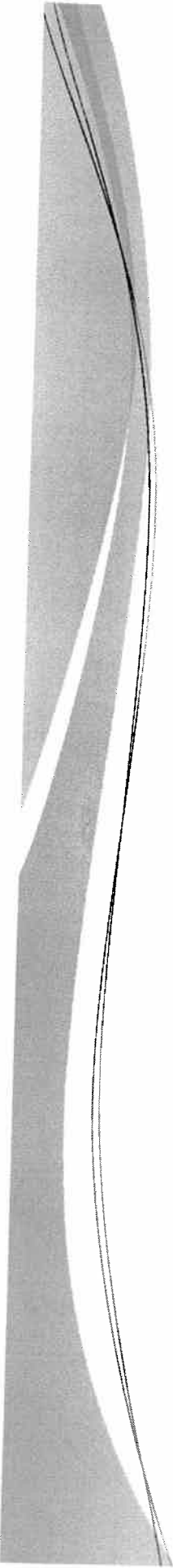
Leasehold expenditures for improvements must be at least:

- \$5 PSF for new and renewal leases of less than 10 years
- \$10 PSF for renewal leases of 10 years or more involving only previously occupied space
- \$35 PSF for new leases of 10 years or more and renewal leases of 10 years or more involving expansion space

Lease must not be a sublet or license agreement.

Lease must provide that any abatement will be passed through to tenant and required expenditures will be made

Not available to businesses that relocate from one part of Downtown to another.



Sale-Leaseback Incentive

- DIA would sell a build-to-suit facility to an investor-developer for an amount above construction cost
- DIA would receive a bonus cash payment from the investor who will own the building
- DIA would sign a long-term fixed lease (15-20 yrs) on the facility at a market rate, which would then sub-lease to an employer for the same period at Downtown's rental rate
- The investor will pay DIA more than the brick and mortar cost of the building as the investor is paying for the building on the basis of the long-term lease commitment



Sale-Leaseback Incentive

DIA then has three options:

- Take the cash bonus from the investor for itself
- Pass the bonus to the company as a cash grant or forgivable loan
- Reduce the rent to the company by the amount of the cash bonus

By investing the cash bonus into an interest-bearing account, the DIA may further reduce rents by the amount of the interest generated

Because the DIA has master-leased the entire building, it may not be obligated to pay real estate taxes. This benefit can be passed on to the DIA's tenant as an additional incentive.



Downtown Housing Incentive Program

New homeowners

- \$20,000 (max) loan toward the purchase of primary residence

New renters

- \$2,500 toward cost of rental unit in 1st year, \$1,000 for 2nd year

Existing renters

- \$1,000 over one year when an existing lease is renewed

Existing homeowners

- Match up to \$5,000 for exterior improvements for projects >\$10K



Downtown Housing Incentive Program

Initial program would seek participation from some of Downtown's largest employers, such as:

- Florida Blue
- EverBank
- CSX Transportation
- Bank of America
- Haskell
- Aetna
- Baptist Healthcare
- Jacksonville Jaguars
- Hyatt Regency Omni Hotel
- Jacksonville Landing
- Fidelity National Financial
- Interline Brands
- Prudential Financial



Down Payment Assistance Program

- Private corporations or foundations contribute a \$1 million investment foundation
- Families eligible for up to \$20,000 in Cost of Living Assistance grant (applied as Down Payment Assistance)
- Banks will make their mortgage products available in combination with the cost of living assistance grant
- \$250,000 utilized in LaVilla neighborhood
- \$750,000 utilized in any Downtown neighborhood



New Incentives

We are awaiting the completion of the market study to determine if we may need additional incentives or modify the proposed recommended incentives.



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